Transportation Authority of Calhoun County
Meeting Agenda
September 23, 2026
Ride Calhoun Administrative Offices
49 South Cass St., Battle Creek, MI 49037

I. Call to Order

II. Roll Call

III. Approval of Agenda

IV. Public Comments on Agenda Items

V. Consent Agenda
   a. August 12, 2026, Meeting Minutes
   b. Finance and Budget Report
   c. AP Bills Paid Report
   d. AP approval through September 18, 2026

VI. Unfinished Business
   a.

VII. New Business
   a. Resolution 30-2026 – Non-Represented Employee Benefits
   b. Resolution 31-2026 – MERS Joint Transfer Agreement
   c. Resolution 32-2026 – MERS DB Plan Resolution
   d. Resolution 33-2026 – MERS DC Plan Resolution
   e. Resolution 34-2026 – MERS Hybrid Plan Resolution
   f. Resolution 35-2026 – MERS Authorized Signers
   g. Resolution 36-2026 – BCATS FY2027 Local Share Resolution
   h. Resolution 37-2026 – Local Advisory Committee Appointment
   i. Resolution 38-2026 – MDOT Master Agreement Signature Resolution
   j. Resolution 39-2026 – MDOT Project Authorization Signature Resolution
   k. Resolution 40-2026 – Employer Sponsored Plan Documents
   l. Resolution 41-2026 – Adoption of Fiscal Year 2027 Budget
   m. Closed Session, pursuant to Section 8.(1)(a) of the Michigan Open Meetings Act, MCL 15.268(a), at the request of the Executive Director, for the purpose of conducting a periodic personnel evaluation of the Executive Director.
   n.

VIII. Public Comments on Non-Agenda Items

IX. Board and Executive Director Comments
   a. Communications to the Board
   b. Consultant Updates
   c. Executive Director Comments
   d. Board Member Comments

X. Dates of Next Meetings
   a. Board Meeting – October 14, 2026

XI. Adjournment

Transportation Authority of Calhoun County
Meeting Minutes
August 12, 2026
Ride Calhoun Administrative Offices
49 South Cass St., Battle Creek, MI 49037

I. Call to Order

The meeting was called to order by Vice Chairperson Tom Tarkiewicz at 5:31pm

II. Roll Call

Members present: Tom Tarkiewicz, Vivian Davis, Maya Williams, Amy Evans, and Dr. Paul Watson.

Members absent: Erick Stewart and Jenasia Morris.

III. Approval of Agenda

Dr. Watson asked that we adjust the agenda to reflect that the finance committee would be meeting on September 2, 2026, at 3 pm. It was motioned by Evans and supported by Williams to approve the agenda as adjusted.

Motion carried.

IV. Public Comment on Agenda Items

None.

V. Consent Agenda

It was motioned by Davis and supported by Williams to approve the Consent Agenda.

Motion carried.

VI. Unfinished Business

None.

VII. New Business

a) It was motioned by Evans and supported by Davis to approve Resolution 27-2026 – Adoption of Act 88, Reciprocal Pension Act.
Motion carried by roll call vote

b) It was motioned by Davis and supported by Williams to approve Resolution 28-2026 – Award of contract for RFP #03-2026.
Motion carried.

c) It was motioned by Evans and supported by Watson to approve Resolution 29-2026 – MissionSquare 457 Deferred Compensation Plan.
Motion carried by roll call vote.

d) FY2027 Preliminary Budget. Mallory provided information to the board. No action required.

VIII. Public Comments on Non-Agenda Items

None.

IX. Board and Executive Director Comments

a) Communications to the Board - None.

b) Consultant Updates – Clark Harder did not have an update other than to comment that transit budgets are the most complex in government budgets.

c) Executive Director Comments – Mallory wanted to point out to the board that the financial reports will now have a different look since they are mostly separate from the City so we should be able to have a full picture now of TACC's financials.

d) Board Member Comments –

i. Dr. Watson expressed his appreciation to the Board and staff for their condolences on the recent passing of his mother. He also reported Mallory had received a shout out at the recent Chamber Eye Opener Breakfast on her presentation at the Women in Business event.

ii. Davis stated that TACC staff's recent presentation to the City Council in Albion went very well. She also questioned what the status was with each township. Letters have gone out and a couple of the townships have engaged back. Tarkiewicz reiterated that it's imported that we remind people to call their elected officials if they are in an area that is not currently receiving service due to opting out.

iii. Davis questioned if TACC was going to do anything different on election day regarding ridership. Discussion was held and Mallory will get an estimate of what a single day fare estimate is and also check with the City Clerk's office to see what grant they had applied for in the past to provide free rides on election day.

X. Next Meeting

a) Finance Committee – September 2, 2026 at 3 pm.

b) Budget Workshop – September 9, 2026 (5:30 pm at Ride Calhoun Administrative Office)

c) Board Meeting – September 9, 2026 (immediately following budget workshop at Ride Calhoun Administrative Office)

XI. Adjournment

6:07pm

Respectfully Submitted,

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Vivian Davis, Secretary

Transportation Authority of Calhoun County
Statement of Revenues, Expenses, and changes in Net Position
As of August 31, 2026

	Current Month 08/31/2026	Current FYTD 08/31/2026	Prior Month 07/31/2026	Prior FYTD 09/30/2025
Revenue				
Revenue - Sales				
4010001 - Farebox Revenue	11,297.79	40,195.66	12,430.82	0.00
4010005 - Pass Sales	1,025.00	1,025.00	0.00	0.00
4010013 - Credit Card Sales	5,848.00	16,058.00	8,497.62	0.00
4400000 - Refunds & Credits	0.00	0.17	0.17	0.00
Total Revenue - Sales	18,170.79	57,278.83	20,928.61	0.00
Revenue - Other				
4080001 - Property Tax Revenue - Calhoun County	0.00	34,365.14	0.00	421,313.98
4080002 - Property Tax Revenue - City of Albion	5,736.44	224,600.29	5,357.91	253,797.89
4080003 - Property Tax Revenue - City of Battle Creek	41.11	3,489,623.52	14,630.96	3,235,749.94
4080004 - Property Tax Revenue - City of Marshall	0.00	811,583.27	1,371.14	635,792.50
4080005 - Property Tax Revenue - City of Springfield	0.00	263,026.81	202.76	234,534.41
4080006 - LCSA Payments	0.00	23,000.83	0.00	0.00
4110100 - State Operating Assistance	261,952.00	2,881,472.00	261,952.00	0.00
4111400 - Other Capital Contract Reimbursement for Operating Expenses	0.00	87,241.71	71,101.00	0.00
4119901 - Other MDOT/OPT Contracts and Reimbursements	0.00	104,867.00	0.00	0.00
4130100 - Section 5311 Operating	0.00	263,942.00	0.00	0.00
Total Revenue - Other	267,729.55	8,183,722.57	354,615.77	4,781,188.72
Total Revenue	285,900.34	8,241,001.40	375,544.38	4,781,188.72
Operating Expenses				
General and Administrative Expenses				
Due and Subscriptions				
5090300 - Dues & Subscriptions	16,200.00	37,557.55	1,075.00	924.00
Total Due and Subscriptions	16,200.00	37,557.55	1,075.00	924.00
Travel, Meals and Entertainment				
Travel Expenses				
5090201 - Travel & Meetings and Trainings - Travel	0.00	475.25	462.50	0.00
5090202 - Travel & Meetings and Trainings - Training	85.00	120.00	0.00	2,278.28
Total Travel Expenses	85.00	595.25	462.50	2,278.28
Total Travel, Meals and Entertainment	85.00	595.25	462.50	2,278.28
Total General and Administrative Expenses	16,285.00	38,152.80	1,537.50	3,202.28
Marketing and Advertising Expenses				
Advertising and Promotion				
5030200 - Advertising Fees	0.00	10,068.90	0.00	50.00
Total Advertising and Promotion	0.00	10,068.90	0.00	50.00
Total Marketing and Advertising Expenses	0.00	10,068.90	0.00	50.00
Payroll and Related Expenses				
Benefits				
5020000 - Fringe Benefits	0.00	7,570.37	0.00	0.00
5020001 - FICA Expense	21,327.28	39,434.42	18,107.14	0.00
5020002 - Pension Expense	0.00	5,705.00	0.00	0.00
5020005 - Medical Insurance	44,326.46	152,632.87	52,500.45	0.00
5020008 - Workers Comp. Insurance	0.00	65,913.00	65,913.00	0.00
5020009 - Life Insurance Plans	(1,097.12)	(2,190.53)	(1,093.41)	0.00

Transportation Authority of Calhoun County
Statement of Revenues, Expenses, and changes in Net Position
As of August 31, 2026

	Current Month 08/31/2026	Current FYTD 08/31/2026	Prior Month 07/31/2026	Prior FYTD 09/30/2025
5020010 - Short Term Disability Insurance	3,949.46	3,949.46	0.00	0.00
5020014 - Uniform & Work Clothing	155.87	949.67	378.84	0.00
5020016 - Other Fringe Benefits	4,031.31	52,944.42	48,913.11	0.00
5020019 - Licenses	73.00	73.00	0.00	0.00
5020020 - Long Term Disability Insurance	970.18	970.18	0.00	0.00
Total Benefits	73,736.44	327,951.86	184,719.13	0.00
Salary and Wages				
5010100 - Operators Salaries & Wages	138,114.07	314,377.59	99,387.41	0.00
5010200 - Other Salaries & Wages	137,050.70	228,310.77	87,992.19	0.00
5010300 - Dispatchers' Salaries & Wages	14,845.62	42,179.86	8,518.70	0.00
Total Salary and Wages	290,010.39	584,868.22	195,898.30	0.00
Total Payroll and Related Expense	363,746.83	912,820.08	380,617.43	0.00
Utilities and Facilities				
Rent				
5120003 - Operating Leases and Rental - Other	0.00	18,654.30	0.00	275.00
5125001 - Lease/Rental Agreements > 12 months	4,233.00	58,553.10	10,451.10	0.00
Total Rent	4,233.00	77,207.40	10,451.10	275.00
Utilities				
5050001 - Utilities - Electricity	3,972.59	5,552.30	385.84	0.00
5050002 - Utilities - Gas	100.61	925.10	76.26	0.00
5050003 - Utilities - Water & Sewer	240.62	240.62	0.00	0.00
5050004 - Utilities - Telephone	0.00	1,100.39	0.00	0.00
5050005 - Utilities - Cable	0.00	178.70	0.00	0.00
5050006 - Utilities - Refuse	0.00	281.49	0.00	0.00
5050007 - Utilities - Internet	886.60	2,063.11	853.95	0.00
5050008 - Utilities - Cellular	1,663.20	1,663.20	0.00	0.00
Total Utilities	6,863.62	12,004.91	1,316.05	0.00
Total Utilities and Facilities	11,096.62	89,212.31	11,767.15	275.00
Operating and Maintenance Expenses				
Miscellaneous Expense				
5099900 - Other Misc. Expense	0.00	0.00	0.00	764.71
Total Miscellaneous Expense	0.00	0.00	0.00	764.71
Professional Services				
5030500 - Audit Costs	0.00	15,200.00	0.00	0.00
5039901 - Accounting Services	0.00	98,908.50	3,288.00	63,022.50
5039902 - Legal Services	16,865.25	144,349.80	20,231.72	132,195.15
5039903 - IT Services	2,340.00	28,812.05	2,989.00	0.00
5039904 - All Other Professional and Technical Services	6,942.66	195,382.94	5,189.84	179,515.83
5039905 - Credit Card Processing Fees	709.20	2,159.86	1,244.58	0.00
Total Professional Services	26,857.11	484,813.15	32,943.14	374,733.48
Total Operating and Maintenance Expenses	26,857.11	484,813.15	32,943.14	375,498.19
Taxes and Insurance				
Insurance				
5060301 - Liability Insurance	0.00	373,350.00	175,668.00	1,726.75
5060303 - PL/PD Insurance-Vehicles	0.00	963,125.00	340,912.00	0.00
Total Insurance	0.00	1,336,475.00	516,580.00	1,726.75
Taxes				
5070001 - Taxes and Fees - Vehicle License & Registration	(15.00)	640.00	655.00	0.00
Total Taxes	(15.00)	640.00	655.00	0.00
Total Taxes and Insurance	(15.00)	1,337,115.00	517,235.00	1,726.75

Transportation Authority of Calhoun County
Statement of Revenues, Expenses, and changes in Net Position
As of August 31, 2026

	Current Month 08/31/2026	Current FYTD 08/31/2026	Prior Month 07/31/2026	Prior FYTD 09/30/2025
Total Operating Expenses	417,970.56	2,872,182.24	944,100.22	380,752.22
Other Revenue (Expense)				
Other Revenue				
Interest Revenue				
4140000 - Interest	0.00	257,427.67	33,730.70	132,604.61
Total Interest Revenue	0.00	257,427.67	33,730.70	132,604.61
Total Other Revenue	0.00	257,427.67	33,730.70	132,604.61
Other Expense				
Other Expenses				
5040100 - Fuel & Lubricants	0.00	(16,409.76)	0.00	0.00
5040200 - Tires & Tubes	0.00	(4,238.56)	(3,470.08)	0.00
5049901 - Other Materials & Supplies - Repair Parts	(9,412.94)	(47,709.67)	(37,002.99)	0.00
5049902 - Other Materials & Supplies - Shop Tools	(279.00)	(279.00)	0.00	0.00
5049903 - Other Materials & Supplies - Building Maintenance	(2,315.64)	(7,867.07)	(5,189.55)	0.00
5049904 - Other Materials & Supplies - Equipment Maintenance	(1,093.88)	(8,197.34)	(1,635.26)	0.00
5049905 - Other Materials & Supplies - Office	0.00	(321.10)	(190.22)	0.00
5049906 - Other Materials & Supplies - Computer and Equipment	0.00	(13,591.26)	(1,890.00)	0.00
5049909 - Other Materials & Supplies - Unclaimed Accidents	(3,037.72)	(5,236.72)	(2,199.00)	0.00
5500400 - Other Ineligible State Contracts	0.00	(87,629.52)	0.00	0.00
5500900 - Ineligible Perecent of Association Dues	(1,800.00)	(3,005.17)	0.00	0.00
Total Other Expenses	(17,939.18)	(194,485.17)	(51,577.10)	0.00
Total Other Expense	(17,939.18)	(194,485.17)	(51,577.10)	0.00
Total Other Revenue (Expense)	(17,939.18)	62,942.50	(17,846.40)	132,604.61
Change in Net Position	**$ (150,009.40)**	**$ 5,431,761.66**	**$ (586,402.24)**	**$ 4,533,041.11**

Transportation Authority of Calhoun County
Statement of Net Position
As of August 31, 2026

	Month Ending 08/31/2026	Month Ending 07/31/2026
Assets		
Current Assets	10,372,733.04	10,505,395.80
Total Assets	**$ 10,372,733.04**	**$ 10,505,395.80**
Liabilities and Net Position		
Liabilities		
Current Liabilities	149,042.42	144,590.76
Other Liabilities	19,610.61	6,715.63
Total Liabilities	168,653.03	151,306.39
Net Position		
Unrestricted Net Position	10,354,089.41	10,940,491.65
Change in Net Position	(150,009.40)	(586,402.24)
Total Net Position	10,204,080.01	10,354,089.41
Total Liabilities and Net Position	**$ 10,372,733.04**	**$ 10,505,395.80**

Company name: Transportation Authority of Calhoun County
Report name: AP Bills Paid Report
Created on: 9/18/2026

	Vendor ID	Vendor Name	Bill Number	Description	Date	GL Posting Date	Payment Date	Check Number	Bill Amount	Total Paid
Allegra Creative Marketing Group										
Sum for 170625	V000056	Allegra Creative Marketing Group	170625	Numbers for Buses	7/21/2026	7/21/2026	8/20/2026	10113	365.00	365.00
Sum for 170626	V000056	Allegra Creative Marketing Group	170626	54" Passenger Panel Repair on Bus 645	7/21/2026	7/21/2026	8/20/2026	10113	412.00	412.00
Sum for Allegra Creative Marketing Group									**777.00**	**777.00**
Allegra of Battle Creek										
Sum for 192475	V000055	Allegra of Battle Creek	192475	Printing Services - Ride Calhoun Riders Guides (250)	7/10/2026	7/10/2026	8/7/2026	10101	187.56	187.56
Sum for Allegra of Battle Creek									**187.56**	**187.56**
Amalgamated Transit Union (ATU)										
Sum for Union Dues 7.24.26 & 8.7.26	V000045	Amalgamated Transit Union (ATU)	Union Dues 7.24.26 & 8.7.26	ATU Union Dues - Pay Period 7/5-7/18/26 and 7/19/26-8/1/26	7/24/2026	7/24/2026	8/7/2026	10098	1,428.00	1,428.00
Sum for Union Dues 8.21.26	V000045	Amalgamated Transit Union (ATU)	Union Dues 8.21.26	Payroll Deducted ATU Union Dues - Pay Period 8.2.26-8.15.26	8/21/2026	8/21/2026	8/28/2026	10129	728.00	728.00
Sum for Union Dues 9.4.26	V000045	Amalgamated Transit Union (ATU)	Union Dues 9.4.26	Payroll Deducted ATU Union Dues - Pay Period 8.16.26-8.29.26	9/4/2026	9/4/2026	9/4/2026	10149	700.00	700.00
Sum for Amalgamated Transit Union (ATU)									**2,856.00**	**2,856.00**
American Public Transportation Association										
Sum for 426219	V000070	American Public Transportation Association	426219	Membership Dues 7/1/26-6/30/27	8/7/2026	8/7/2026	9/4/2026	10132	18,000.00	18,000.00
Sum for 654019	V000070	American Public Transportation Association	654019	APTA TRANSform & Expo Registration (6 people)	9/15/2026	9/15/2026	9/15/2026	10160	7,194.00	7,194.00
Sum for American Public Transportation Association									**25,194.00**	**25,194.00**
Auto Glass Solutions Inc.										
Sum for I039145	V000072	Auto Glass Solutions Inc.	I039145	Windshield - Vehicle #165	9/7/2026	9/7/2026	9/11/2026	10150	725.00	725.00
Sum for Auto Glass Solutions Inc.									**725.00**	**725.00**
Battle Creek ACE Hardware										
Sum for 1183	V000071	Battle Creek ACE Hardware	1183	Compression Sleeve, Compression Brass Union (3)	8/9/2026	8/9/2026	9/4/2026	10133	33.55	33.55
Sum for 1203	V000071	Battle Creek ACE Hardware	1203	Brushes, Roof Sealant (Clear)	8/17/2026	8/17/2026	9/4/2026	10133	132.34	132.34
Sum for Battle Creek ACE Hardware									**165.89**	**165.89**
Battle Creek IT LLC										
Sum for 2089	V000025	Battle Creek IT LLC	2089	Monthly Managed Services	8/3/2026	8/3/2026	9/4/2026	10134	2,340.00	2,340.00
Sum for 2110	V000025	Battle Creek IT LLC	2110	Monthly Managed IT Services	9/3/2026	9/3/2026	9/11/2026	10151	2,340.00	2,340.00
Sum for INV-2026-1064	V000025	Battle Creek IT LLC	INV-2026-1064	180 camera, Conf cradle point and net cloud, installing sim cards, labeling, etc.	7/28/2026	7/28/2026	8/7/2026	10102	649.00	649.00
Sum for Battle Creek IT LLC									**5,329.00**	**5,329.00**
Beacon Employer Solutions										
Sum for 3697	V000064	Beacon Employer Solutions	3697	DOT Physical Exams 6/18/26-7/10/26, 5 Drivers	8/17/2026	8/17/2026	9/4/2026	10135	540.00	540.00
Sum for 4207	V000064	Beacon Employer Solutions	4207	DOT Physicals (5 Drivers)	8/31/2026	8/31/2026	9/11/2026	10152	490.00	490.00
Sum for Beacon Employer Solutions									**1,030.00**	**1,030.00**
Beaver Research Company										
Sum for 0398172-IN	V000061	Beaver Research Company	0398172-IN	Shoplifter Foam Degreaser (Tote) 275 Gallons, Microfiber Towels, Air Freshener, Cleaner & Polish	7/17/2026	7/17/2026	8/20/2026	10114	3,432.08	3,432.08
Sum for 0399869-IN	V000061	Beaver Research Company	0399869-IN	Insect Killer, Weed Killer, Gale Force, Michigan Cherry, Dis. Bowl Cleaner	9/3/2026	9/3/2026	9/11/2026	10153	1,403.50	1,403.50
Sum for Beaver Research Company									**4,835.58**	**4,835.58**
Blue Care Network of Michigan										

Sum for 262200026013	V000043	Blue Care Network of Michigan	262200026013	Group#00630329 Coverage Period 9/1/26-9/30/26	8/7/2026	8/7/2026	9/4/2026 10136	55,805.96	55,805.96
Sum for Blue Care Network of Michigan								**55,805.96**	**55,805.96**
Bright Light Real Estate, LLC									
Sum for 801	V000012	Bright Light Real Estate, LLC	801	Utilities - Gas/Electric July 2026	8/1/2026	8/1/2026	8/20/2026 10115	464.58	464.58
Sum for LEASE 09.2026	V000012	Bright Light Real Estate, LLC	LEASE 09.2026	Lease Agreement - September 2026 Payment	8/28/2026	8/28/2026	9/2/2026 10131	4,233.00	4,233.00
Sum for Bright Light Real Estate, LLC								**4,697.58**	**4,697.58**
CarQuest of Battle Creek									
Sum for 154673	V000047	CarQuest of Battle Creek	154673	Repair Parts - 2024 Ford Transit: Breaks Pads	7/7/2026	7/7/2026	8/7/2026 10100	185.44	185.44
Sum for 155029	V000047	CarQuest of Battle Creek	155029	Repair Parts - Refrigerant (2)	7/14/2026	7/14/2026	8/7/2026 10100	126.62	126.62
Sum for 155721	V000047	CarQuest of Battle Creek	155721	Kroil Aerosol Penetrant, Empty Fillclean, Opticryl, Dynacoat Basecoat	7/18/2026	7/18/2026	8/7/2026 10100	1,478.22	1,478.22
Sum for 156367	V000047	CarQuest of Battle Creek	156367	Empty Fillclean (4), Dynacoat Basecoat (16)	7/24/2026	7/24/2026	8/7/2026 10100	137.72	137.72
Sum for 156487	V000047	CarQuest of Battle Creek	156487	Val EZ 5W20, Assembly Fluid	7/27/2026	7/27/2026	9/4/2026 10137	49.49	49.49
Sum for 157079	V000047	CarQuest of Battle Creek	157079	Coolant Temp Sensor, Engine Oil Pressure Sensor	8/3/2026	8/3/2026	9/4/2026 10137	62.28	62.28
Sum for 157455	V000047	CarQuest of Battle Creek	157455	Antifreeze	8/5/2026	8/5/2026	8/20/2026 10116	15.48	15.48
Sum for 157465	V000047	CarQuest of Battle Creek	157465	Porpatch Black 4, Por-15 SG BLK Gal	8/6/2026	8/6/2026	8/20/2026 10116	266.21	266.21
Sum for 157466	V000047	CarQuest of Battle Creek	157466	Wheel Bear/Hub Assembly - Stock	8/6/2026	8/6/2026	8/20/2026 10116	334.06	334.06
Sum for 157991	V000047	CarQuest of Battle Creek	157991	1000lb Capacity Engine Stand	8/12/2026	8/12/2026	8/20/2026 10116	338.44	338.44
Sum for 15883-87031	V000047	CarQuest of Battle Creek	15883-87031	Blower Motor	9/2/2026	9/2/2026	9/11/2026 10154	92.89	92.89
Sum for 15883-87088	V000047	CarQuest of Battle Creek	15883-87088	Fill One Aero Solution, Opticryl 900-oz	9/2/2026	9/2/2026	9/11/2026 10154	173.92	173.92
Sum for 15883-87096	V000047	CarQuest of Battle Creek	15883-87096	Battery Platinum - 4 years	9/2/2026	9/2/2026	9/11/2026 10154	240.24	240.24
Sum for CarQuest of Battle Creek								**3,501.01**	**3,501.01**
Cereal City Group									
Sum for 178923	V000037	Cereal City Group	178923	Quick Strut Front (2) for Vehicle #166	6/19/2026	6/19/2026	8/20/2026 10117	310.81	310.81
Sum for 179134	V000037	Cereal City Group	179134	NAPA Motor Oil (12), Castrol TranSynd 668 (3)	6/19/2026	6/19/2026	8/20/2026 10117	245.12	245.12
Sum for 183754	V000037	Cereal City Group	183754	Square Hitch Receiver (2)	7/10/2026	7/10/2026	8/7/2026 10099	564.78	564.78
Sum for 184300	V000037	Cereal City Group	184300	Air Filter, Cabin Air Filter	7/14/2026	7/14/2026	8/7/2026 10099	77.15	77.15
Sum for 184552	V000037	Cereal City Group	184552	Tie Down	7/14/2026	7/14/2026	8/7/2026 10099	16.75	16.75
Sum for 185102	V000037	Cereal City Group	185102	Weathershield en Hose (6.5), Z Hose End Fittings (8)	7/16/2026	7/16/2026	8/7/2026 10099	167.32	167.32
Sum for 185488	V000037	Cereal City Group	185488	Brake Fluid	7/18/2026	7/18/2026	8/7/2026 10099	21.16	21.16
Sum for 185489	V000037	Cereal City Group	185489	Lithium Grease, Penetrant Oil	7/18/2026	7/18/2026	8/7/2026 10099	17.38	17.38
Sum for 185565	V000037	Cereal City Group	185565	Air Filter, Cabin Filter, Transynd 668 Gal, Engine Oil Filter (6)	7/20/2026	7/20/2026	8/7/2026 10099	394.00	394.00
Sum for 186205	V000037	Cereal City Group	186205	Transmission Solenoid (5)	7/22/2026	7/22/2026	8/7/2026 10099	235.60	235.60
Sum for 186346	V000037	Cereal City Group	186346	Engine Oil Filter (3), Air Filter, Cabin Filter	7/22/2026	7/22/2026	8/7/2026 10099	38.58	38.58
Sum for 186936	V000037	Cereal City Group	186936		7/24/2026	7/24/2026	8/7/2026 10099	429.76	429.76
Sum for 187772	V000037	Cereal City Group	187772	Simple Green Cleaner	7/29/2026	7/29/2026	8/7/2026	140.80	140.80
Sum for 188262	V000037	Cereal City Group	188262	Spark Plug	7/30/2026	7/30/2026	9/4/2026 10138	16.80	16.80
Sum for 188546	V000037	Cereal City Group	188546	ATC Fuse Block	7/31/2026	7/31/2026	9/4/2026 10138	29.04	29.04
Sum for 188830	V000037	Cereal City Group	188830	Flex Pipe Accessory (2)	8/3/2026	8/3/2026	9/4/2026 10138	46.38	46.38
Sum for 188831	V000037	Cereal City Group	188831	Repair Parts - Stock	8/3/2026	8/3/2026	8/20/2026 10117	745.70	745.70
Sum for 188832	V000037	Cereal City Group	188832	5W20 55 Gal, Core Deposit	8/3/2026	8/3/2026	8/20/2026 10117	714.00	714.00
Sum for 188851	V000037	Cereal City Group	188851	ATC-4 Fuse PAC (8), ATC-4 Fuse (10), ATC-10 Fuse (2)	8/3/2026	8/3/2026	8/20/2026 10117	13.36	13.36
Sum for 189073	V000037	Cereal City Group	189073	RVR Sleeve Air Spring	8/3/2026	8/3/2026	8/20/2026 10117	281.11	281.11
Sum for 189155	V000037	Cereal City Group	189155	Flex Pipe Accessory - Stock	8/3/2026	8/3/2026	8/20/2026 10117	17.39	17.39
Sum for 189192	V000037	Cereal City Group	189192	Service Champer	8/4/2026	8/4/2026	8/20/2026 10117	61.38	61.38
Sum for 189287	V000037	Cereal City Group	189287	CREDIT INV#189192, 24 Service Camber Long Stroke (2)	8/4/2026	8/4/2026	8/20/2026 10117	50.60	50.60
Sum for 189468	V000037	Cereal City Group	189468	ATC Fuse Block (10)	8/4/2026	8/4/2026	8/20/2026 10117	145.20	145.20
Sum for 189651	V000037	Cereal City Group	189651	Fuse - Automotive ATC Blade Fuse 4 (15) For Tripspark Install	8/5/2026	8/5/2026	8/20/2026 10117	7.35	7.35
Sum for 189759	V000037	Cereal City Group	189759	Female Slide 1-4 (54) TripSpark Install	8/5/2026	8/5/2026	8/20/2026 10117	26.46	26.46
Sum for 189794	V000037	Cereal City Group	189794	Transynd 668 Gallon (2)	8/5/2026	8/5/2026	8/20/2026 10117	84.98	84.98
Sum for 189797	V000037	Cereal City Group	189797	Filter	8/5/2026	8/5/2026	8/20/2026 10117	84.97	84.97
Sum for 189823	V000037	Cereal City Group	189823	Automotive V-Ribbed Belt (2)	8/6/2026	8/6/2026	8/20/2026 10117	84.28	84.28
Sum for 189875	V000037	Cereal City Group	189875	V-Ribbed Belt	8/6/2026	8/6/2026	8/20/2026 10117	158.56	158.56

Sum for 190117	V000037	Cereal City Group	190117	Bar Pump	8/7/2026	8/7/2026	8/20/2026	10117	109.80	109.80
Sum for 190475	V000037	Cereal City Group	190475	Coil on plug coil, champion iridium	8/10/2026	8/10/2026	8/20/2026		571.44	571.44
Sum for 190476	V000037	Cereal City Group	190476	Coil on Plug Coil	8/10/2026	8/10/2026	8/20/2026		96.00	96.00
Sum for 190483	V000037	Cereal City Group	190483	HD Exhaust Clamp (2), Clamp (2)	8/10/2026	8/10/2026	8/20/2026		22.84	22.84
Sum for 190955	V000037	Cereal City Group	190955	Spring Brake (2), Silentguard Break Pads 2023 Ford E-450, Break Pads 2019 Ford E-450, Oespectrum Car Shock	8/11/2026	8/11/2026	8/20/2026		1,431.76	1,431.76
Sum for 191049	V000037	Cereal City Group	191049	Def Bulk Fill	8/11/2026	8/11/2026	8/20/2026		910.84	910.84
Sum for 191249	V000037	Cereal City Group	191249	Impact wrench	8/12/2026	8/12/2026	8/20/2026		558.00	558.00
Sum for 192299	V000037	Cereal City Group	192299	30lb R 22 Refrigerant	8/17/2026	8/17/2026	9/4/2026	10138	749.88	749.88
Sum for 193496	V000037	Cereal City Group	193496	Serpentine Belt, Fleetrunner Belt, Oil Filter, Fuel Filter, Coolant Filter	8/21/2026	8/21/2026	9/4/2026	10138	850.77	850.77
Sum for 195458	V000037	Cereal City Group	195458	Bristle Discs (3)	8/31/2026	8/31/2026	9/11/2026	10155	188.50	188.50
Sum for 195517	V000037	Cereal City Group	195517	Ulta Grey Silicon	8/31/2026	8/31/2026	9/11/2026	10155	42.20	42.20
Sum for 196036	V000037	Cereal City Group	196036	Brake Rotor, Silentguard break pads, bearing, wheel bearing cone, napa oil seal, bracketed caliper	9/2/2026	9/2/2026	9/11/2026		1,440.88	1,440.88
Sum for 197391	V000037	Cereal City Group	197391	BCI 48 Battery, Core Deposit, BCI 400 AGM Battery, Core Deposit	9/10/2026	9/10/2026	9/11/2026		536.16	536.16
Sum for Cereal City Group									**12,735.84**	**12,735.84**
Cereal City Sunrise (Battle Creek)										
Sum for 5542769	V000054	Cereal City Sunrise (Battle Creek)	5542769	Annual Membership Dues - TACC Mobility Manager 7/1/26-6/30/27	7/13/2026	7/13/2026	8/7/2026	10103	500.00	500.00
Sum for Cereal City Sunrise (Battle Creek)									**500.00**	**500.00**
City of Battle Creek - Utility Billing										
Sum for 100442	V000069	City of Battle Creek - Utility Billing	100442	Water Bill 7/17-8/23/26	9/8/2026	9/8/2026	9/11/2026	10156	560.41	560.41
Sum for 79707	V000069	City of Battle Creek - Utility Billing	79707	Acct #43178 Read Date 7/17/26 - Water/Sewer	8/3/2026	8/3/2026	9/4/2026	10139	240.62	240.62
Sum for City of Battle Creek - Utility Billing									**801.03**	**801.03**
City of Marshall										
Sum for 4426	V000018	City of Marshall	4426	Rent - July, August, September 2026	7/1/2026	7/1/2026	8/7/2026	10104	6,218.10	6,218.10
Sum for 4433	V000018	City of Marshall	4433	QTR 3 Billing - Dial-A-Ride Expenses	6/30/2026	6/30/2026	8/20/2026	10118	62,251.63	62,251.63
Sum for City of Marshall									**68,469.73**	**68,469.73**
City of Marshall - FiberNet										
Sum for Acct#4683 9/1/26-9/30/26	V000029	City of Marshall - FiberNet	Acct#4683 9/1/26-9/30/26	Fibernet - SP 9/1/26-9/30/26	9/1/2026	9/1/2026	9/11/2026	10157	99.00	99.00
Sum for SP 8/1/26 - 8/31/26	V000029	City of Marshall - FiberNet	SP 8/1/26 - 8/31/26	Acct #4683 - Service Period 8/1-8/31/26	8/1/2026	8/1/2026	8/7/2026	10105	109.00	109.00
Sum for City of Marshall - FiberNet									**208.00**	**208.00**
Consumers Energy										
Sum for Acct#1030 5606 5800 7.01.26-7.26.26	V000063	Consumers Energy	Acct#1030 5606 5800 7.01.26-7.26.26	Electric Bill - 339 W. Michigan 7.1.26-7.26.26	8/20/2026	8/20/2026	8/20/2026	10119	1,676.29	1,676.29
Sum for Acct#1030 5606 5800 7.27.26-8.24.26	V000063	Consumers Energy	Acct#1030 5606 5800 7.27.26-8.24.26	Electric - 339 W. Michigan	8/24/2026	8/24/2026	9/4/2026	10140	1,866.95	1,866.95
Sum for Consumers Energy									**3,543.24**	**3,543.24**
Continental Linen Service										
Sum for 4534501	V000008	Continental Linen Service	4534501	Uniform Rental Services	6/30/2026	6/30/2026	8/20/2026	10120	358.88	358.88
Sum for 4540092	V000008	Continental Linen Service	4540092	Acct #433691 Uniform Rental Services	7/7/2026	7/7/2026	8/20/2026	10120	310.36	310.36
Sum for 4540093	V000008	Continental Linen Service	4540093	Acct #433691-00001 Rug Rental Services 49 S. Cass Street	7/7/2026	7/7/2026	8/20/2026	10120	63.83	63.83
Sum for 4545522	V000008	Continental Linen Service	4545522	Acct #433691 Uniform Rental Services	7/14/2026	7/14/2026	8/20/2026	10120	310.36	310.36
Sum for 4551001	V000008	Continental Linen Service	4551001	Acct# 433691 Uniform/Shop Supply Contract	7/21/2026	7/21/2026	8/20/2026	10120	577.50	577.50
Sum for 4551002	V000008	Continental Linen Service	4551002	Acct #433691-00001 Rug Rental Services 49 S. Cass Street	7/21/2026	7/21/2026	8/20/2026	10120	63.83	63.83
Sum for 4556506	V000008	Continental Linen Service	4556506	Rental Agreement- Maint Uniforms and Shop Supplies	7/24/2026	7/24/2026	8/20/2026	10120	346.67	346.67
Sum for 4562114	V000008	Continental Linen Service	4562114	Maintenance Uniform Rental / Supplies	8/4/2026	8/4/2026	9/4/2026	10141	268.75	268.75
Sum for 4562115	V000008	Continental Linen Service	4562115	Rug Service - Ride Calhoun Executive Offices	8/4/2026	8/4/2026	9/4/2026	10141	63.83	63.83
Sum for 4567680	V000008	Continental Linen Service	4567680	Maintenance Uniform Rental / Supplies	8/11/2026	8/11/2026	9/4/2026	10141	358.14	358.14
Sum for 4573318	V000008	Continental Linen Service	4573318	Rug Service - Ride Calhoun Executive Offices	8/18/2026	8/18/2026	9/4/2026	10141	63.83	63.83
Sum for S4547761	V000008	Continental Linen Service	S4547761	Acct# 633683 Driver Uniform Order	7/14/2026	7/14/2026	8/20/2026	10120	55.00	55.00

Sum for S456395	V000008	Continental Linen Service	S456395	Driver Uniform - Long Sleeve Sport Wick Polo 3XL/4XL	6/29/2026	6/29/2026	9/4/2026	10141	334.00	334.00
Sum for Continental Linen Service									**3,174.98**	**3,174.98**
Cummins Sales and Service										
Sum for S3-260769945	V000062	Cummins Sales and Service	S3-260769945	Repair Parts for Vehicle #625	7/24/2026	7/24/2026	8/20/2026	10121	8,235.95	8,235.95
Sum for S3-260770104	V000062	Cummins Sales and Service	S3-260770104	Parts for Bus #626 - Stiffener, Injector, Seal, Screws	7/28/2026	7/28/2026	9/4/2026	10142	9,577.67	9,577.67
Sum for S3-260770509	V000062	Cummins Sales and Service	S3-260770509	Repair Parts - Vehicle #632	7/31/2026	7/31/2026	8/20/2026	10121	10,353.93	10,353.93
Sum for Cummins Sales and Service									**28,167.55**	**28,167.55**
Diamond Manufacturing, Inc.										
Sum for 40772	V000051	Diamond Manufacturing, Inc.	40772	Donation Box - Model XV Complete Unit For Vehicle 311	7/22/2026	7/22/2026	8/7/2026	10106	1,890.00	1,890.00
Sum for Diamond Manufacturing, Inc.									**1,890.00**	**1,890.00**
Edwards Industrial Sales, Inc										
Sum for 3452658	V000041	Edwards Industrial Sales, Inc	3452658	Hydraulic Hose, JIC Female Swivel, Male Rie Rigid	7/24/2026	7/24/2026	8/20/2026	10122	255.10	255.10
Sum for Edwards Industrial Sales, Inc									**255.10**	**255.10**
Fishbeck										
Sum for 468699	V000065	Fishbeck	468699	Phase I ESA for two properties	8/14/2026	8/14/2026	9/4/2026	10143	5,200.00	5,200.00
Sum for Fishbeck									**5,200.00**	**5,200.00**
Gillig LLC										
Sum for 41463147	V000058	Gillig LLC	41463147	Hose Hump (2) - stock, Window Assembly for 643	7/20/2026	7/20/2026	8/20/2026	10123	1,910.66	1,910.66
Sum for 41465764	V000058	Gillig LLC	41465764	Heater, Coolant Elbow (2), Silicone Elbow (2), Silicone Hose (4), Hump Hose (2) Valve Assy - Stock Parts	7/27/2026	7/27/2026	8/20/2026	10123	1,145.42	1,145.42
Sum for 41469248	V000058	Gillig LLC	41469248	Repair for Vehicle #645 - Damage	8/5/2026	8/5/2026	9/4/2026	10144	2,613.72	2,613.72
Sum for 41474022	V000058	Gillig LLC	41474022	Repair Parts for bus #632	8/19/2026	8/19/2026	9/4/2026	10144	3,703.42	3,703.42
Sum for Gillig LLC									**9,373.22**	**9,373.22**
Granger Waste Services										
Sum for 3172170	V000053	Granger Waste Services	3172170	Service Dates 7/1/26-7/31/26	6/30/2026	6/30/2026	8/7/2026	10107	281.49	281.49
Sum for Granger Waste Services									**281.49**	**281.49**
Greater Albion Chamber of Commerce and Visitors Bureau										
Sum for Festival of Forks Registration	V000020	Greater Albion Chamber of Commerce and Visitors Bureau	Festival of Forks Registration	Festival of Forks - Registration Fee for Booth on 9/19/26	8/25/2026	8/25/2026	8/28/2026	10130	85.00	85.00
Sum for Greater Albion Chamber of Commerce and Visitors Bureau									**85.00**	**85.00**
Imperial Supplies LLC										
Sum for I001HQ6110	V000042	Imperial Supplies LLC	I001HQ6110	Broom Handle, Truck Wash Brush, Lens Clean Towelettes, Broom, Cleaner	7/24/2026	7/24/2026	8/7/2026	10108	492.17	492.17
Sum for I001HR5607	V000042	Imperial Supplies LLC	I001HR5607	Truck Wash Brush	7/28/2026	7/28/2026	8/7/2026		38.64	38.64
Sum for I001HT8745	V000042	Imperial Supplies LLC	I001HT8745	Shelf bin, Flange, Nylon ties, Fuses, Screws, Etc.	8/3/2026	8/3/2026	9/4/2026	10145	575.90	575.90
Sum for I001HU4299	V000042	Imperial Supplies LLC	I001HU4299	Absorbent Rolls (2), Surgical Absorbent Mat Roll Dispenser	8/4/2026	8/4/2026	9/4/2026	10145	773.28	773.28
Sum for I001HY5386	V000042	Imperial Supplies LLC	I001HY5386	Storage Tote, Headlamp, Safe Head	8/14/2026	8/14/2026	9/4/2026	10145	329.55	329.55
Sum for Imperial Supplies LLC									**2,209.54**	**2,209.54**
Kalamazoo X-Ray Sales/Data Guardian										
Sum for 1107211	V000024	Kalamazoo X-Ray Sales/Data Guardian	1107211	Container Fee (4) and Shredding Service	7/21/2026	7/21/2026	8/20/2026	10124	104.00	104.00
Sum for Kalamazoo X-Ray Sales/Data Guardian									**104.00**	**104.00**
Maner Costerisan & Ellis, PC										
Sum for 86903	V000003	Maner Costerisan & Ellis, PC	86903	Project Oversight - June 2026	7/23/2026	7/23/2026	8/7/2026	10109	3,033.00	3,033.00

Sum for 87378	V000003	Maner Costerisan & Ellis, PC	87378	2026 Intacct Ongoing Support - 6/22, 7/1, 7/3	7/24/2026	7/24/2026	8/7/2026	10109	255.00	255.00
Sum for Maner Costerisan & Ellis, PC									**3,288.00**	**3,288.00**
Marshall Area Economic Development Alliance										
Sum for 4266	V000049	Marshall Area Economic Development Alliance	4266	2026-2027 Chamber Membership 7/1/26-6/30/27	7/1/2026	7/1/2026	8/7/2026	10110	575.00	575.00
Sum for Marshall Area Economic Development Alliance									**575.00**	**575.00**
Metronet										
Sum for Acct #3035623 Sept 2026	V000052	Metronet	Acct #3035623 Sept 2026	Business Fiber 9/1/26-9/30/26	9/1/2026	9/1/2026	9/11/2026	10158	754.95	754.95
Sum for Acct#3035623 7.1.26	V000052	Metronet	Acct#3035623 7.1.26	Business Fiber 7/1-7/31/26	7/1/2026	7/1/2026	8/7/2026	10111	754.95	754.95
Sum for TACC ACCT#3035623 8.1.26	V000052	Metronet	TACC ACCT#3035623 8.1.26	Business Fiber 8/1/26-8/31/26	8/1/2026	8/1/2026	8/20/2026	10125	777.60	777.60
Sum for Metronet									**2,287.50**	**2,287.50**
Miller Johnson										
Sum for 2085077	V000002	Miller Johnson	2085077	General Labor Matters	8/13/2026	8/13/2026	9/4/2026	10146	968.75	968.75
Sum for 2085078	V000002	Miller Johnson	2085078	General Corporate Matters - through July 31, 2026	8/13/2026	8/13/2026	9/4/2026	10146	15,896.50	15,896.50
Sum for Miller Johnson									**16,865.25**	**16,865.25**
Semco Energy										
Sum for 0314767.501 7/8/26-8/7/26	V000050	Semco Energy	0314767.501 7/8/26-8/7/26	339 W. Michigan - Usage Period 7/8/26-8/7/26	8/18/2026	8/18/2026	8/20/2026	10126	65.38	65.38
Sum for Acct#0314767.501 07.2026	V000050	Semco Energy	Acct#0314767.501 07.2026	Service Dates 7/1/26 - 7/8/26, Actual Meter Read.	7/21/2026	7/21/2026	8/7/2026	10112	31.39	31.39
Sum for Semco Energy									**96.77**	**96.77**
Verizon Wireless										
Sum for 6151328915	V000030	Verizon Wireless	6151328915	Acct#942867104-00001 Billing Period 7/18/26-8/17/26	8/17/2026	8/17/2026	9/4/2026	10147	1,663.20	1,663.20
Sum for Verizon Wireless									**1,663.20**	**1,663.20**
W. Soule & Company										
Sum for 450509	V000060	W. Soule & Company	450509	Service Contract - Contract 7/1/26	7/13/2026	7/13/2026	8/20/2026	10127	806.87	806.87
Sum for 451341	V000060	W. Soule & Company	451341	Admin Office/Garage - Test backflows throughout facility	7/28/2026	7/28/2026	8/20/2026	10127	230.00	230.00
Sum for 452170	V000060	W. Soule & Company	452170	Preventative Maintenance Agreement 8/1/26	8/10/2026	8/10/2026	9/4/2026	10148	459.00	459.00
Sum for W. Soule & Company									**1,495.87**	**1,495.87**
Zolman Tire Inc										
Sum for 4460012512	V000059	Zolman Tire Inc	4460012512	22555R17 Endeavor 97V (8) Stock Tires	6/29/2026	6/29/2026	8/20/2026	10128	768.48	768.48
Sum for 4460012637	V000059	Zolman Tire Inc	4460012637	22575R16 Discoverer HT3 E/10 Tires (6)	7/7/2026	7/7/2026	8/20/2026	10128	724.68	724.68
Sum for 4460012898	V000059	Zolman Tire Inc	4460012898	Tires - 23565R17 Endeavor Plus (8-stock for minivans) 24575R16 Transforce (4 for 126), 28575R16 (4 for 122) 26570R17 (4 for 127)	7/24/2026	7/24/2026	8/20/2026	10128	2,745.40	2,745.40
Sum for 4460013510	V000059	Zolman Tire Inc	4460013510	Procontrol 104H (8), Transforce HT3 (14) - Stock	9/2/2026	9/2/2026	9/11/2026	10159	2,787.24	2,787.24
Sum for Zolman Tire Inc									**7,025.80**	**7,025.80**
Sum Total									275,400.69	275,400.69

TRANSPORTATION AUTHORITY OF CALHOUN COUNTY
BOARD OF DIRECTORS

Resolution 30-2026

At the regular Board of Directors meeting of the Transportation Authority of Calhoun County (TACC), held at Ride Calhoun Administrative Offices, located at 49 South Cass St., Battle Creek, MI 49037, on Wednesday, September 23, 2026, with Board Chair Erick Stewart presiding, the following action was taken:

Whereas, The Transportation Authority of Calhoun County (TACC) has employees not covered by a collective bargaining agreement; and

Whereas, the salaries and certain benefits for these employees are covered in other Resolutions and Motions of the TACC Board of Directors, but certain other conditions of employment and benefits have not been specifically stated before; and

Whereas, it is the intent of this Resolution to specifically sate and provide for certain conditions of employment and benefits.

Now, therefore, be it resolved that the following shall be effective for these employees of the Transportation Authority of Calhoun County until revised, amended or changed by the Board of Directors:

I. CLASSIFICATIONS:

The following classifications are collectively referred to as "*Management & Executive Employees*":

- Executive Director (contracted)
- Director of Operations (29)
- Director of Administration and Planning (29)
- Operations Manager – Fleet and Facilities (27)
- Operations Manager – FLEX & MOVE (demand-response/paratransit) (26)
- Operations Manager – MAX (fixed route) (26)
- Grants and Procurement Manager (25)
- Safety, Security, and Training Manager (25)
- Mobility Manager (21)
- Accounts Payable/Accounts Receivable Specialist (20)
- Executive Assistant (20)

The following classifications are collectively referred to as "*Supervisory Employees*":

- Administrative Supervisor (20)
- Supervisor – First Shift (19)
- Supervisor – Second Shift (19)
- Supervisor – Third Shift (19)

II. WORK WEEK

a. Management & Executive Employees

The normal work week for Management and Executive employees consists of five (5) days, Monday through Friday. The normal workday consists of eight (8) hours of work, exclusive of a one-hour unpaid meal period, for a normal work schedule of 8:00 a.m. to 5:00 p.m.

Due to the nature and responsibilities of their positions, Management and Executive Employees may be required to work hours outside of their normal work schedule, including evenings, weekends, holidays, and other times as necessary to attend meetings, respond to operational needs, or perform duties in the best interest of the Transportation Authority of Calhoun County (TACC).

Alternative or flexible work schedules may be established or approved by the Executive Director, or designee, based upon operational needs and applicable federal, state, and local law. Nothing in this section shall be construed to alter an employee's exempt or non-exempt status under applicable wage and hour laws.

b. Supervisory Employees

The normal work week for Supervisory Employees shall be based upon the operating hours and operational needs of the TACC. Supervisory Employees may be assigned varying work schedules, shifts, days, and hours, including evenings, weekends, and holidays, as necessary to provide appropriate supervision and support for TACC operations.

Supervisory Employees shall receive a sixty (60) minute paid meal period during their assigned shift.

In addition to their assigned work schedules, Supervisory Employees may be required to attend meetings, respond to operational needs, or perform other duties outside of their regularly scheduled hours when reasonably necessary in the performance of their responsibilities.

Work schedules may be established, modified, or adjusted by the TACC based upon operational needs, provided such changes comply with applicable federal and state law and any other applicable TACC policies.

III. FLEXIBLE TIME OFF/PAID TIME OFF

a. Management & Executive Employees

Management and Executive Level Employees are subject to the "FLEXIBLE TIME OFF (FTO)" Policy as adopted, and amended, by the TACC Board of Directors.

b. Supervisory Employees

Supervisory Employees are subject to the "PAID TIME OFF (PTO)" Policy as adopted, and amended, by the TACC Board of Directors.

IV. SHORT TERM DISABILITY

The TACC will provide Management, Executive, and Supervisory Employees with Short Term Disability (STD) coverage through an outside Carrier. This benefit is employer-paid and is limited to the coverages, limits, and eligibility as determined by the Carrier.

Accidental Bodily Injury (Accident) coverage shall begin on the 1st day of total disability as determined by a legally qualified physician and the Carrier. This benefit shall provide a weekly indemnity of 66.67% and shall not exceed twenty-six (26) weeks for any one accident. The Carrier may impose a weekly maximum benefit.

Sickness/Illness coverage shall begin on the 8th day of total disability as determined by a legally qualified physician and the Carrier. This benefit shall provide a weekly indemnity of 66.67% and

shall not exceed twenty-six (26) weeks for any one illness. The Carrier may impose a weekly maximum benefit.

An employee receiving STD payments is not eligible to receive Holiday Pay.

V. LONG TERM DISABILITY

The TACC will provide Management, Executive, and Supervisory Employees with Long Term Disability (LTD) coverage through an outside Carrier. This benefit is employer-paid and is limited to the coverages, limits, and eligibility as determined by the Carrier.

VI. PAID HOLIDAYS

Holidays falling on a non-workday shall be observed the day-before or day-after the holiday as determined by the Executive Director.

a. Management & Executive Employees

Employees shall receive eight (8) hours Holiday Pay for the following observed days:

New Years Day
Martin Luther King's Birthday
Presidents' Day
Good Friday
Memorial Day
Juneteenth
Independence Day
Labor Day
Veteran's Day
Thanksgiving Day
Day after Thanksgiving Day
Christmas Eve
Christmas Day

b. Supervisory Employees

Employees shall receive eight (8) hours Holiday Pay for the following observed major holidays:

New Years Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Christmas Day

Supervisory Employees scheduled or requested to work any floating holiday listed below shall have the option of either receiving pay for the floating holiday at time and one-half (1.5) their regular pay for each hour worked, or banking the floating holiday as a future paid eight (8) hour day off:

Martin Luther King's Birthday
Presidents' Day
Good Friday
Juneteenth
Veteran's Day
Day after Thanksgiving Day
Christmas Eve

VII. HEALTH INSURANCE

TACC shall offer a High-Deductible Health Plan (HDHP), which shall be the base plan for health care coverage. Employees are eligible for health insurance coverage on their first day of employment. Health insurance coverage will be available to active, full time employees and their dependents under age 26 if the employee authorizes the payroll deduction for their portion of the premium. Except as otherwise provided, pursuant to Public Act 152, employees shall contribute, via payroll deduction, 20% of the cost of the insurance premium.

If, for any pay period, there are insufficient wages due and payable to the employee to cover the premium to be withheld, the employee must submit the appropriate amount directly to the TACC no later than the end of the calendar month when the premium is due.

The health plan offerings are reviewed annually and deductibles, co-pays and out-of-pocket maximums adjusted based on the illustrated rates provided by the Carrier.

Employees participating in the HDHP have the option of participating in a Health Savings Account (HSA). The employee may choose to contribute money into their HSA account through payroll deduction up to the maximum contribution amount allowed by the Internal Revenue Code.

Employees may choose to opt out of health care coverage, provided the employee provides proof of other coverage at open enrollment. Employees who opt out of coverage will receive a payment of $300 per month, paid $150 for the first two pay checks of each month.

Part time, non-represented employees are eligible to participate in TACC's insurance plan for employee-only/single coverage. Part-time employees may elect two-person or full-family coverage but must pay 20% of the single coverage rate and the difference between the single premium coverage rate and the premium cost of the plan selected. Part time, non-represented employees are not eligible to receive the "opt out" benefit.

TACC does not provide health insurance for retirees.

VIII. VISION INSURANCE

TACC shall provide, as an employer-paid benefit, vision insurance for employees and their eligible dependents. Employees are eligible for vision insurance coverage on their first day of employment. Part time, non-represented employees are eligible for single vision coverage only.

IX. DENTAL INSURANCE

TACC shall provide, as an employer-paid benefit, dental insurance for employees and their eligible dependents. Employees are eligible for dental insurance coverage on their first day of employment. Part time, non-represented employees are eligible for single dental coverage only.

X. LIFE INSURANCE

TACC will provide, and pay the premium for, group term life insurance, with accidental death and dismemberment rider, for each eligible employee. The amount of insurance shall equal no less than two times the employee's base annual salary, rounded up to the next thousandth dollar, up to $400,000. The TACC will also provide, at no cost to the employee, term life insurance for an eligible employee's spouse and dependents. Spousal coverage shall equal no less than $10,000 and dependent coverage shall equal no less than $5,000 per dependent.

Part time, non-represented employees are ineligible for group term life insurance, but may elect to purchase other voluntary benefits provided by TACC.

XI. LONGEVITY PAY

In recognition of long-term service, beginning with a Management, Executive, or Supervisory Employee's fifth (5^{th}) year of <u>continuous</u> service and every five (5) years thereafter (10^{th}, 15^{th}, 20^{th}, 25^{th}, etc) the employee shall receive, on the first paycheck including October 1:

- Upon 5 year anniversary, an annual, lump-sum bonus of 1.0% base salary
- Upon 10 year anniversary, an annual, lump-sum bonus of 1.25% base salary
- Upon 15 year anniversary, an annual, lump-sum bonus of 1.5% base salary
- Upon 20 year anniversary, an annual, lump-sum bonus of 1.75% base salary
- Upon 25 year anniversary, an annual, lump-sum bonus of 2.0% base salary

For the longevity benefit, non-represented employees transferred from the City of Battle Creek or the City of Marshall at the July 1, 2026 transition of services, shall have their years of continuous service credited from their prior employment.

An employee with a break in service is eligible for a longevity payment based on total years of service after completing the equivalent of five years of full-time current continuous service.

An employee transferring from a represented to a non-represented role shall have their years of continuous service credited from their prior role, so long as there was not a break in service.

Longevity pay is non-pensionable and does not count toward final average compensation.

XII. PROFESSIONAL LICENSURE

Management, Executive, and Supervisory Employees holding professional licensure and/or certification related to job performance or beneficial to the TACC shall have the costs of maintaining and renewing licensures and certifications reimbursed.

Employees must provide a copy of the certification or licensure, a description of its applicable use in their position, and proof of payment to the Director of Administration and Planning by the Friday ending a pay period to receive reimbursement.

Employees seeking new licensure or certification should seek approval from the Executive Director prior to incurring expenses related to education or training related to obtaining the license or certification.

XIII. TECHNOLOGY ALLOWANCE

Management, Executive, and Supervisory Employees may be expected to use their personal cell phones, data plans, or internet for work-related issues, and are eligible to receive a weekly stipend of $10.38.

XIV. DEFERRED COMPENSATION

Management, Executive, and Supervisory Employees are eligible to participate in the TACC's Deferred Compensation Plan, as adopted, and amended, by the TACC Board of Directors. The Deferred Compensation plan is a voluntary retirement benefit. More details about the plan, contribution requirements, and employer matching contributions can be found in the plan documents.

XV. RETIREMENT PLANS

a. **Management and Executive Employees Hired Prior to July 1, 2026**
   Management and Executive Employees hired prior to July 1, 2026 may be eligible for the following retirement benefit:
   - **MERS Defined Benefit**

The TACC provides a Defined Benefit (DB) pension plan through MERS, which is subject to and defined by the MERS Defined Benefit Plan Documents. The pension provides a benefit to the participating employee calculated using a benefit factor of 2.5% for all eligible years of service, to a maximum of 80% of final average compensation. Employees are required to contribute 10% of eligible wages and record a minimum of 80 hours per month for the purpose of calculating service credit.

Employees on short term disability shall have service credit granted for the duration of the related absence(s). Employees on long term disability, workers compensation, unpaid Family Medical Leave Act (FMLA), or other personal, medical, or unpaid leaves shall not earn service credit during the absence(s). Employees on active or reserve duty military leave shall continue to earn service credit as required by law.

Final Average Compensation shall be calculated on the employee's final three (3) years of service. The vesting period for this benefit is 10 years or age 60. Employees shall be considered eligible for retirement at age 60, and may be eligible for early retirement at age 55 with at least 25 years of service.

Employees may purchase service credit through MERS, upon approval of the TACC Board of Directors.

Employees should refer to the MERS plan documents for specific plan details, restrictions, and qualifications.

b. **All Other Management, Executive, and Supervisory Employees:**

- **MERS Defined Contribution**

  The TACC provides a Defined Contribution (DC) retirement benefit through MERS, for all non-represented employees. Employees are required to contribute 10% of eligible wages. TACC will provide an employer contribution of 10% of employee's eligible wages. The vesting period for this benefit is graduated over five (5) year at the rate of 20% per year. Employees shall be considered eligible for retirement at age 60. Employees reaching age 60 will become 100% vested regardless of years of service. A vested employee is eligible to receive all employer and employee contributions.

  Employees should refer to the MERS plan documents for specific plan details, restrictions, and qualifications.

  Part-time, Temporary, and/or Seasonal employees are not eligible for this benefit.

XVI. CALL-IN PAY

a. **Supervisory Employees**

Supervisory Employees called in to work when otherwise unscheduled shall be paid a minimum of two (2) hours. Call-in pay does not apply to employees called in within two hours of the start of their shift or required to work past their scheduled shift end time.

Call-in pay is paid at the employee's regular rate of pay, unless the employee has reached overtime status (40 hours), in which call-in pay will be paid at time and one half (1.5). To receive call-in pay the employee must have been called in for a work-related event which requires the employee to report to the work location (i.e. not remote, over the phone, etc.).

XVII. WAGES AND SALARIES

Employees hired into non-represented positions shall be placed at the minimum salary of the appropriate salary range. The Director of Administration and Planning may authorize an appointment at a salary level above the minimum when deemed necessary, based on the applicant's qualifications and experience. Movement through the salary ranges will be based upon successful performance evaluations, and as approved in the budget adopted by the TACC Board of Directors.

An employee promoted to a classification allocated to a higher salary range will be placed on the lowest step of the higher salary range which will provide not less than a five percent (5%) increase in compensation.

In the event a Cost-of-Living Adjustment (COLA) or compensation adjustment is applied to the salary ranges, employees will be placed at the step which will provide not less than a three percent (3%) increase in compensation.

An employee at the maximum salary of the appropriate salary range may receive merit adjustments at the recommendation of the Executive Director, and as approved in the budget by the TACC Board of Directors.

Grade	Min						Max
19	$ 58,044.87	$ 60,947.11	$ 63,849.35	$ 66,751.59	$ 69,653.82	$ 72,556.06	$ 75,458.30
		5%	5%	5%	4%	4%	4%
20	$ 60,947.10	$ 63,994.46	$ 67,041.82	$ 70,089.18	$ 73,136.53	$ 76,183.89	$ 79,231.25
		5%	5%	5%	4%	4%	4%
21	$ 63,994.46	$ 67,194.18	$ 70,393.90	$ 73,593.63	$ 76,793.35	$ 79,993.07	$ 83,192.79
		5%	5%	5%	4%	4%	4%
25	$ 77,785.65	$ 81,674.93	$ 85,564.21	$ 89,453.50	$ 93,342.78	$ 97,232.06	$ 101,121.34
		5%	5%	5%	4%	4%	4%
26	$ 81,674.94	$ 85,758.69	$ 89,842.44	$ 93,926.19	$ 98,009.94	$ 102,093.69	$ 106,177.44
		5%	5%	5%	4%	4%	4%
27	$ 85,758.68	$ 90,046.62	$ 94,334.56	$ 98,622.50	$ 102,910.43	$ 107,198.37	$ 111,486.31
		5%	5%	5%	4%	4%	4%
29	$ 94,548.95	$ 99,276.40	$ 104,003.85	$ 108,731.30	$ 113,458.74	$ 118,186.19	$ 122,913.64
		5%	5%	5%	4%	4%	4%

CERTIFICATE

I, Vivian Davis, Secretary of the Transportation Authority of Calhoun County, having custody of the records and proceedings of the Transportation Authority of Calhoun County at the meeting of September 23, 2026, with the original minutes now on file and of record in the office that this resolution is true and correct.

_____ _____

Signature Printed Name

_____ _____

Title Date

TRANSPORTATION AUTHORITY OF CALHOUN COUNTY
BOARD OF DIRECTORS

Resolution 31-2026

At the regular Board of Directors meeting of the Transportation Authority of Calhoun County (TACC), held at Ride Calhoun Administrative Offices, located at 49 South Cass St., Battle Creek, MI 49037, on Wednesday, September 23, 2026, with Board Chair Erick Stewart presiding, the following action was taken:

Whereas, The Transportation Authority of Calhoun County (TACC), the City of Battle Creek, and the Municipal Employees' Retirement System of Michigan (MERS) have prepared a Joint Transfer Agreement to facilitate the transfer of eligible active employees, associated pension assets and liabilities, and applicable retirement plan responsibilities from the City to TACC; and

Whereas, the agreement establishes the framework for transferring eligible participants from the City's MERS Hybrid Plan to TACC's MERS Hybrid plan, including the establishment of applicable employee divisions and the allocation of ongoing reporting, funding, and benefit obligations; and

Whereas, the Board of Directors has reviewed the Joint Transfer Agreement and the accompanying actuarial information regarding the proposed transfer and its financial implications for TACC;

Now, Therefore, be it resolved, the Board of Directors of the Transportation Authority of Calhoun County hereby approves the Joint Transfer Agreement between the City of Battle Creek, TACC, and MERS, substantially in the form presented;

Be it further resolved that the Executive Director is authorized to execute the Joint Transfer Agreement and all related documents necessary to effectuate the transfer, subject to final legal review and approval as to form and confirmation of the applicable funding arrangements;

Be it further resolved that the Executive Director is authorized to coordinate with the City of Battle Creek and MERS to complete the transfer in accordance with the Agreement, applicable MERS plan documents, actuarial requirements, and applicable law.

CERTIFICATE

I, Vivian Davis, Secretary of the Transportation Authority of Calhoun County, having custody of the records and proceedings of the Transportation Authority of Calhoun County at the meeting of September 23, 2026, with the original minutes now on file and of record in the office that this resolution is true and correct.

_____ _____

Signature Printed Name

_____ _____

Title Date

JOINT TRANSFER AGREEMENT
BETWEEN
THE CITY OF BATTLE CREEK, TRANSPORTATION AUTHORITY OF CALHOUN COUNTY, AND
MUNICIPAL EMPLOYEES' RETIREMENT SYSTEM OF MICHIGAN

This Agreement between

- City of Battle Creek, a Michigan city with an address of 10 N. Division St. Battle Creek, MI 49014 ("Battle Creek"),
- Transportation Authority of Calhoun County, a Michigan public transportation authority with an address of 339 W Michigan Ave, Battle Creek, MI 49037 ("TACC"), and
- Municipal Employees' Retirement System of Michigan ("MERS"), a statutory public corporation with an address of 1134 Municipal Way, Lansing, Michigan, 48917.

(each a "Party" and together, the "Parties") provides for and memorializes the transfer of assets attributable from Battle Creek to TACC the following:

- MERS Hybrid Plan (employee division #HA – General Transportation Employees hired after March 1, 2010 (active employees only and any frozen Hybrid records of active TACC employees) (the "MERS Plan" and the "Transferring Division.")

RECITALS

WHEREAS, effective July 1, 2026, all active participants and their associated assets and liabilities for Battle Creek's Transferring Division will be transferred to TACC's MERS Plan, to employee division(s) to be established by TACC for its employees, and future former employees and retirees;

WHEREAS, effective July 1, 2026, TACC shall enter into a Funding Control Adoption Agreement with MERS to establish a new division in the Hybrid Plan for the Transferring Division, which shall be an open employee division consisting of former Battle Creek active employees performing transportation services, including employees participating in a frozen Hybrid Plan; and

WHEREAS, the Parties wish to memorialize the smooth transfer of the active participants of the Transferring Division from Battle Creek's MERS Plan to TACC's MERS Plan to be established,

NOW, THEREFORE, the Parties mutually agree as follows:

1. Battle Creek and TACC direct, and MERS agrees, that MERS shall transfer from Battle Creek's MERS Plan to TACC's MERS Plan, to be established, all of the active participants and their associated assets and liabilities, as set forth in the actuarial valuation dated _____, 2026, which is attached as Attachment A, in Battle Creek's Transferring Division for the defined benefit portion of the Hybrid Plan, and shall also transfer all assets (vested and un-vested) in participant accounts in the defined contribution component of Hybrid Plan. This transfer shall be implemented as soon as is practicable after July 1, 2026 ("Effective Date").

2. On and after the Effective Date,

   a. Division HA of the Battle Creek MERS Plans shall close to new hires.

b. Subject to the Adoption Agreements between MERS and TACC, all reporting and financial responsibilities and liabilities for Battle Creek's active and frozen participants who were in the Transferring Division and their beneficiaries will become the sole and exclusive responsibilities of TACC.

c. TACC shall be governed by the respective MERS Plan, MERS policies and procedures, and the MERS Funding Control Adoption Agreement entered into or to be entered into between MERS and TACC; and

d. Battle Creek shall be released from liability under its applicable Adoption Agreements with respect to active and frozen employees in the Transferring Division only.

3. Effective July 1, 2026, TACC shall provide those former Battle Creek active employees previously enrolled in Battle Creek's transferring Division with the benefits set forth in TACC's MERS Funding Control Adoption Agreement pursuant to the applicable MERS Plan Document(s).

4. Nothing herein alters or amends any rights or obligations of the parties under the MERS' Plan Document, MERS' Actuarial Policy, or other applicable MERS Policy.

5. To the extent permitted by law, Battle Creek and TACC hereby indemnify, release and hold harmless MERS, its board members, officers, staff, vendors and other agents from any liability, damages, costs and fees of any description whatsoever and without limitation arising out of the actions and transactions set out in this Agreement, unless such liability is determined to be the direct result of unlawful conduct on the part of MERS determined by a decision, judgment, decree, or other order by a court of competent jurisdiction, which has become final and unappealable. This indemnification also applies to any administrative or other action initiated.

6. This Agreement, including documents attached hereto and incorporated by reference, embodies the entire understanding of the Parties and all of the terms and conditions with respect to the subject matter of this Agreement; it may not be amended, altered, superseded, or otherwise modified except in writing signed by all Parties.

7. The Parties have participated jointly in the arm's length negotiation and drafting of this Agreement, with sufficient opportunity to consult counsel, and they enter into this Agreement of their own volition. No parol or other evidence may be offered to explain, construe, contradict or clarify the terms of this Agreement, the intent of the Parties or their counsel, or the circumstances under which this Agreement was made or executed. If an ambiguity or question of intent or interpretation arises, this Agreement will be construed as if drafted jointly by the Parties, and no presumption or burden of proof will arise favoring or disfavoring either Party by virtue of the authorship of any of the provisions of this Agreement.

8. Failure by any Party to enforce any provisions of this Agreement will not be deemed a waiver of those rights.

9. The Parties' representatives executing this Agreement represent and warrant that they are the duly authorized representatives of the respective entities designated below and are fully empowered to execute this Agreement on behalf of the respective Parties.

10. This Agreement shall be construed in accordance with the laws of the State of Michigan. Any disputes arising out of this Agreement will be brought in the Circuit Court for the County of Eaton, State of Michigan.

11. If any provision of this Agreement is for any reason held to be invalid or unenforceable, the provision will not affect any other provision of this Agreement, but this Agreement will be construed as if the invalid and/or unenforceable provision had never been contained in the Agreement.

12. The Parties agree that this Agreement may be executed in counterparts, each of which will be deemed to constitute an executed original, even though not all signatures may appear on the same counterpart.

13. Based upon the resolutions of each of the governing bodies of Battle Creek and TACC approving this Agreement, which resolutions are incorporated herein, and the execution of this Agreement by each Party, this Agreement shall become effective upon the date of last execution.

For Battle Creek	For TACC	For Municipal Employees' Retirement System of Michigan
By:_____	By:_____	By:_____
Print:_____	Print:_____	Print:_____
Its:_____	Its:_____	Its:_____
Date:_____	Date:_____	Date:_____

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

July 14, 2026

In care of:
Municipal Employees' Retirement System of Michigan
1134 Municipal Way
Lansing, Michigan 48917

RE: Carve-Out: Battle Creek, City of (1302) - Divisions 01 and HA

The purpose of this report is to show the financial implications to the employer of different retirement plan designs for Battle Creek, City of (1302) – Divisions 01 and HA. This report is based on the December 31, 2025 annual actuarial valuation and contains information corresponding to the different options under consideration.

This report was prepared at the request of MERS on behalf of the municipality and is intended for use by the municipality and those designated or approved by the municipality. The report may be provided to parties other than the municipality only in its entirety. GRS is not responsible for unauthorized use of this report.

The valuation was based upon information furnished by MERS staff, concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the municipality and MERS staff.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the municipality as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices and in conformity with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Mark Buis and Kurt Dosson are Members of the American Academy of Actuaries (MAAA) and meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

Sincerely,
Gabriel, Roeder, Smith & Company

Mark Buis, FSA, EA, FCA, MAAA

Kurt Dosson, ASA, FCA, MAAA

Executive Summary

A summary of the proposed retirement plan design option considered in this study is shown below. The results of our calculations are included on the following pages.

Exhibit	Option	Division	Proposed
1	Before Carve-Out	Gnrl NonUn. (01)	Provisions/census as modeled in the 2025 Annual Actuarial Valuation
1	After Carve-From	Gnrl NonUn. (01)	Reflects Carve-Out Census Change
1	After Carve-To	Non-Union/Admin (New From 01)	Reflects Carve-Out Census Change
2	Before Carve-Out	GNL Trans hired after 3/1/10 (HA)	Provisions/census as modeled in the 2025 Annual Actuarial Valuation
2	After Carve-From	GNL Trans hired after 3/1/10 (HA)	Reflects Carve-Out Census Change
2	After Carve-To	ATU Hybrid (New from HA)	Reflects Carve-Out Census Change
2	After Carve-To	SEIU (New from HA)	Reflects Carve-Out Census Change

Report Specific Comments

1. Division ATU Hybrid (From HA) includes 5 new vested former member records for individuals whose Hybrid benefit accruals were frozen. For purposes of determining these individuals' accrued liability, we used the Estimated Monthly Straight Life Benefit provided by MERS for use in the AAV participant report. A benefit commencement age of 60 or the age at which 6 years of service is estimated to be earned was used, whichever is later.
2. Totals may not add due to rounding.

Supplemental Valuation Results – Exhibit 1
Employer Computed Contributions

Employer Division Description	1302 01 Before Carve-Out		1302 01 After Carve-From[5]		TACC Non-Union/Admin After Carve-To[5,6]	
Benefits						
Benefit Multiplier	2.50% Multiplier (80% max)		2.50% Multiplier (80% max)		2.50% Multiplier (80% max)	
Normal Retirement Age	60		60		60	
Vesting	10 years		10 years		10 years	
Early Retirement (Unreduced)	55/25		55/25		55/25	
Early Retirement (Reduced)	50/25		50/25		50/25	
Early Retirement (Reduced)	55/15		55/15		55/15	
Final Average Compensation	3 years		3 years		3 years	
Member Contribution Rate	10.00%		10.00%		10.00%	
Status						
Division	Open		Open		Open	
Link	Not Linked		Not Linked		Not Linked	
Participant Summary						
Active		72		64		10
Vested Former Members		16		16		0
Retired		102		102		0
Refunds		13		13		0
Total		203		195		10
Annual Payroll		$6,914,458		$6,138,013		$924,601
Results						
1. Determination of Unfunded Accrued Liabilities (UAL) and Division Percent Funded						
a. Accrued Liability						
i. Active Employees		$15,743,699		$14,653,919		$1,089,780
ii. Vested Former Employees		2,597,942		2,597,942		0
iii. Retirees and Beneficiaries		33,163,241		33,163,241		0
iv. Pending Refunds		112,527		112,527		0
v. Total[1] [1.a.i. + 1.a.ii. + 1.a.iii. + 1.a.iv.]		$51,617,409		$50,527,629		$1,089,780
b. Valuation Assets (VA)[2]		$26,505,790		$25,946,183		$559,607
c. UAL [1.a. - 1.b.]		$25,111,619		$24,581,446		$530,173
d. Division Percent Funded [1.b. / 1.a.]		51.4%		51.4%		51.4%
2. Employer Contribution Development[3] (Fiscal Year Beginning July 1, 2027)	As an Annual $	As a % of payroll	As an Annual $	As a % of payroll	As an Annual $	As a % of payroll
a. Total Normal Cost[4]	$1,191,300	16.00%	$1,053,552	15.94%	$169,164	16.99%
b. Employee Contribution Rate	744,564	10.00%	660,948	10.00%	99,564	10.00%
c. Employer Normal Cost [2.a - 2.b.]	446,736	6.00%	392,604	5.94%	69,600	6.99%
d. Amortization of UAL	2,362,620	31.73%	2,322,240	35.13%	50,088	5.03%
e. Employer Contribution [2.c. + 2.d., not less than 0]	$2,809,356	37.73%	$2,714,844	41.07%	$119,688	12.02%
Other Assumptions						
1. Valuation Date	12/31/2025		12/31/2025		12/31/2025	
2. Increase in Final Compensation	2.00 %		2.00 %		2.00 %	
3. Amortization Period (Years)	13-15		13		13	

1 *The value of future benefits earned through the valuation date.*

2 *Adjustments to the VA may occur from multiple sources, including changes to employer assets after the valuation date and/or contributions required under the Actuarial Policy.*

3 *Percentages of pay are not developed for a closed division.*

4 *The total normal cost is the ongoing cost of the plan under the applicable benefit structure.*

5 *The carve-out process includes the use of a single layer of 13 years for Division 01 (After Carve-From) and Non-Union Admin (From 01). In future years the remaining amortization period is scheduled to decrease 1 year each year.*

6 *Includes 2 actives from Division HA with no benefit service, all prior vesting/eligibility service, and no AC balance to reflect the transition from a Hybrid division to a DB division.*

This report may be provided to parties other than the municipality only in its entirety.

Supplemental Valuation Results – Exhibit 2
Employer Computed Contributions

Employer Division Description	1302 HA Before Carve-Out		1302 HA After Carve-From[5]		TACC ATU Hybrid After Carve-To[5]		TACC SEIU After Carve-To[5,6]	
Benefits								
Benefit Multiplier	1.25% Multiplier (no max)		1.25% Multiplier (no max)		1.25% Multiplier (no max)		1.50% Multiplier (no max)	
Normal Retirement Age	60		60		60		60	
Vesting	6 years		6 years		6 years		10 years	
Early Retirement (Reduced)	-		-		-		50/25	
Early Retirement (Reduced)	-		-		-		55/15	
Final Average Compensation	3 years		3 years		3 years		5 years	
Member Contribution Rate	0.00%		0.00%		0.00%		5.00%	
Status								
Division	Open		Open		Open		Open	
Link	Linked		Linked		Not Linked		Not Linked	
Participant Summary								
Active		36		4		27		3
Vested Former Members		12		9		8		0
Retired		4		4		0		0
Refunds		0		0		0		0
Total[6]		52		17		35		3
Annual Payroll		$2,042,967		$221,842		$1,495,790		$177,179
Results								
1. Determination of Unfunded Accrued Liabilities (UAL) and Division Percent Funded								
a. Accrued Liability								
i. Active Employees		$672,622		$42,928		$445,982		$0
ii. Vested Former Employees		247,286		182,461		146,922		0
iii. Retirees and Beneficiaries		166,676		166,676		0		0
iv. Pending Refunds		0		0		0		0
v. Total[1] [1.a.i. + 1.a.ii. + 1.a.iii. + 1.a.iv.]		$1,086,584		$392,065		$592,904		$0
b. Valuation Assets (VA)[2]		$1,295,784		$467,549		$828,235		$0
c. UAL [1.a. - 1.b.]		($209,200)		($75,484)		($235,331)		$0
d. Division Percent Funded [1.b. / 1.a.]		119.3%		119.3%		139.7%		0.0%
2. Employer Contribution Development[3] (Fiscal Year Beginning July 1, 2027)	As an Annual $	As a % of payroll	As an Annual $	As a % of payroll	As an Annual $	As a % of payroll	As an Annual $	As a % of payroll
a. Total Normal Cost[4]	$158,328	7.06%	$17,604	6.25%	$114,840	7.13%	$19,728	10.34%
b. Employee Contribution Rate	0	0.00%	0	0.00%	0	0.00%	9,540	5.00%
c. Employer Normal Cost [2.a - 2.b.]	158,328	7.06%	17,604	6.25%	114,840	7.13%	10,188	5.34%
d. Amortization of UAL	0	0.00%	0	0.00%	(26,148)	(1.62%)	0	0.00%
e. Employer Contribution [2.c. + 2.d., not less than 0]	$158,328	7.06%	$17,604	6.25%	$88,692	5.51%	$10,188	5.34%
Other Assumptions								
1. Valuation Date	12/31/2025		12/31/2025		12/31/2025		12/31/2025	
2. Increase in Final Compensation	2.00 %		2.00 %		2.00 %		2.00 %	
3. Amortization Period (Years)	11-15		11		11		11	

1 *The value of future benefits earned through the valuation date.*

2 *Adjustments to the VA may occur from multiple sources, including changes to employer assets after the valuation date and/or contributions required under the Actuarial Policy.*

3 *Percentages of pay are not developed for a closed division.*

4 *The total normal cost is the ongoing cost of the plan under the applicable benefit structure.*

5 *The carve-out process includes the use of a single layer of 11 years for Division HA (After Carve-From), ATU Hybrid (From HA), and SEIU (From HA). In future years the remaining amortization period is scheduled to decrease 1 year each year.*

6 *Includes 3 actives from Division HA with no benefit service, all prior vesting/eligibility service, and no AC balance to reflect the transition from a Hybrid division to a DB division.*

This report may be provided to parties other than the municipality only in its entirety.

General Comments

1. The Plan Document Article VI sec. 71 (1)(d), provides the MERS Board with the authority to set actuarial assumptions and methods after consultation with the actuary. This report was prepared using certain assumptions approved by the Board. The MERS Board adopted the actuarial assumptions based on the recommendations of the actuary. A description of these assumptions and methods can be found as follows:
    a. Plan Document, v02112026,
    b. Actuarial Policy, v06112025, and
    c. 2025 Appendix to the Annual Actuarial Valuation Report.

2. This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

3. The liabilities were calculated using the actuarial assumptions and methods adopted by the MERS Retirement Board and do not assume 100% retirement when first eligible. Actuarial assumptions and methods do not determine the cost of the benefits provided; they only impact the pattern of employer contributions. If future experience is unfavorable compared to the assumptions used, employer contribution rates will increase in future years, and vice versa. For example, if members retire when first eligible, the actual liabilities would be higher than calculated resulting in higher employer contributions.

4. The proposed change may affect the risk profile of the Plan. At this time, we do not believe additional risk assessment is necessary.

5. This report describes the financial effect of the proposed benefit plan. No statement contained within is a recommendation in favor of or in opposition to the proposed benefit plan.

6. Contribution requirements take into consideration prior service with other MERS entities (for eligibility service only), reflected in the difference between benefit and vesting service. If members have service not reflected on the results page (e.g., prior MERS or Act 88 service, if applicable), the unfunded liabilities and employer contributions may be understated.

7. Employer contributions are based on a percentage of members' reported pay for open divisions. If actual reported payroll is substantially lower than the payroll used in this report, the actuaries recommend a minimum contribution of the dollar developed in the “Results” section.

8. The results do not show the potential impact on other post-employment benefits (such as retiree health care insurance) or ancillary benefits (such as life insurance).

9. The results of separate actuarial valuations generally cannot be added together to produce a correct estimate of the employer contributions. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions and assumptions used.

10. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan’s funded status); and changes in plan provisions or applicable law. The scope of this supplemental actuarial valuation does not include an analysis of the potential range of such future measurements.

General Comments (Concluded)

11. Valuation results are developed through the use of multiple models.

    Valuation liabilities were prepared using ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

    Financial results were prepared using our financing and projection model which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

12. The calculations are based upon assumptions regarding future events, which may or may not materialize and proposed plan provisions. The actual impact of the proposed plan change(s) will change over time as actual experience emerges. Contact your MERS representative at 800-767-MERS if you believe that:

    a. The assumptions are unreasonable,
    b. The plan provisions are missing or incorrectly described,
    c. Conditions have changed since the calculations were made,
    d. The information provided in this report is inaccurate or is in any way incomplete, or
    e. You need further information to make an informed decision.

800.521.0498 | P: 248.799.9000 | www.grsconsulting.com

September 15, 2026

In care of:
Municipal Employees' Retirement System of Michigan
1134 Municipal Way
Lansing, Michigan 48917

RE: Census Change: Battle Creek, City of (1302) - Divisions 01 and New DB

The purpose of this report is to show the financial implications to the employer of different retirement plan designs for Battle Creek, City of (1302) – Divisions 01 and New DB. This report is based on the December 31, 2025 annual actuarial valuation and contains information corresponding to the different options under consideration.

This report was prepared at the request of MERS on behalf of the municipality and is intended for use by the municipality and those designated or approved by the municipality. The report may be provided to parties other than the municipality only in its entirety. GRS is not responsible for unauthorized use of this report.

The valuation was based upon information furnished by MERS staff, concerning Retirement System benefits, financial transactions, plan provisions and active members, terminated members, retirees and beneficiaries. We checked for internal reasonability, but did not audit the data. We are not responsible for the accuracy or completeness of the information provided by the municipality and MERS staff.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge, the information contained in this report is accurate and fairly presents the actuarial position of the municipality as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices and in conformity with the Actuarial Standards of Practice issued by the Actuarial Standards Board.

Mark Buis and Kurt Dosson are Members of the American Academy of Actuaries (MAAA) and meet the Academy's Qualification Standards to render the actuarial opinions contained herein.

The signing actuaries are independent of the plan sponsor.

Sincerely,
Gabriel, Roeder, Smith & Company

Mark Buis, FSA, EA, FCA, MAAA

Kurt Dosson, ASA, FCA, MAAA

Executive Summary

A summary of the proposed retirement plan design options considered in this study are shown below. The results of our calculations are included on the following pages.

Option	Division	Proposed
Current	Gnrl NonUn. (01)	Current Benefit Provisions
1	Gnrl NonUn. (01)	Change TACC employees from active to inactive records
1	New Division	Enroll TACC employees in a new DB Division for future services Division Status: Closed Division Link Status: Not Linked

Report Specific Comments

1. This report complements a report for the same Employer dated July 14, 2026. Option 1 of this report replaces Exhibit 1 of the prior report. Please reference Exhibit 2 of the prior report in conjunction with Option 1 here for a complete illustration of the new Employer ("TACC").
2. As instructed by MERS:
    - Active members in the 'New DB' division in TACC have been valued with zero benefit service and all prior eligibility service. Benefits associated with prior service are frozen. For purposes of determining these individuals' accrued liability, the Estimated Monthly Straight Life Benefit and employee contribution balances provided by MERS for use in the December 31, 2025 AAV report is used. The resulting liability is treated as follows:
        i. Four members coming from Division 1302-01: the liability remains in Division 1302-01. For purposes of this report, liability is treated as a pending refund if the individual has less than 10 years of eligibility service on the valuation date,
        ii. Two members coming from Division 1302-HA: the liability is moved to new TACC Division 'ATU Hybrid' (see Exhibit 2, column 3 of our July 14, 2026 report).
    - The 'New DB' division in TACC is treated as closed, not-linked.
3. Division 1302-01 Proposed Option 1 unfunded liability is amortized with the same layers as in the December 31, 2025 annual actuarial valuation (as shown in the Current column). Changes in unfunded accrued liability as the result of Option 1 census changes are allocated to the 15-year December 31, 2025 Experience layer. Employer contributions through June 30, 2027 are based on previous annual actuarial valuations.

Supplemental Valuation Results – Gnrl NonUn. (Division 01)
Employer Computed Contributions
Current and Proposed Option 1

Employer Division Description	Battle Creek, City of (1302) 01 Current Benefits		Battle Creek, City of (1302) 01 Proposed Option 1		TACC New DB Proposed Option 1	
Benefits						
Benefit Multiplier	2.50% Multiplier (80% max)		2.50% Multiplier (80% max)		2.50% Multiplier (80% max)	
Normal Retirement Age	60		60		60	
Vesting	10 years		10 years		10 years	
Early Retirement (Unreduced)	55/25		55/25		55/25	
Early Retirement (Reduced)	50/25		50/25		50/25	
Early Retirement (Reduced)	55/15		55/15		55/15	
Final Average Compensation	3 years		3 years		3 years	
Member Contribution Rate	10.00%		10.00%		10.00%	
Status						
Division	Open		Open		Closed	
Link	Not Linked		Not Linked		Not Linked	
Participant Summary						
Active	72		68		6	
Vested Former Members	16		18		0	
Retired	102		102		0	
Refunds	13		15		0	
Total	203		203		6	
Annual Payroll	$6,914,458		$6,551,999		$510,615	
Results						
1. Determination of Unfunded Accrued Liabilities (UAL) and Division Percent Funded						
a. Accrued Liability						
i. Active Employees	$15,743,699		$15,087,035		$0	
ii. Vested Former Employees	2,597,942		2,994,925		0	
iii. Retirees and Beneficiaries	33,163,241		33,163,241		0	
iv. Pending Refunds	112,527		184,559		0	
v. Total[1] [1.a.i. + 1.a.ii. + 1.a.iii. + 1.a.iv.]	$51,617,409		$51,429,760		$0	
b. Valuation Assets (VA)[2]	$26,505,790		$26,505,790		$0	
c. UAL [1.a. - 1.b.]	$25,111,619		$24,923,970		$0	
d. Division Percent Funded [1.b. / 1.a.]	51.4%		51.5%		0.0%	
2. Employer Contribution Development[3] (Fiscal Year Beginning July 1, 2027)	As an Annual $	As a % of payroll	As an Annual $	As a % of payroll	As an Annual $	As a % of payroll
a. Total Normal Cost[4]	$1,191,300	16.00%	$1,122,492	15.91%	$100,236	20.21%
b. Employee Contribution Rate	744,564	10.00%	705,528	10.00%	49,596	10.00%
c. Employer Normal Cost [2.a - 2.b.]	446,736	6.00%	416,964	5.91%	50,640	10.21%
d. Amortization of UAL	2,362,620	31.73%	2,344,464	33.23%	0	-
e. Employer Contribution [2.c. + 2.d., not less than 0]	$2,809,356	37.73%	$2,761,428	39.14%	$50,640	-
Other Assumptions						
1. Valuation Date	12/31/2025		12/31/2025		12/31/2025	
2. Increase in Final Compensation	2.00 %		2.00 %		2.00 %	

1 *The value of future benefits earned through the valuation date.*

2 *Adjustments to the VA may occur from multiple sources, including changes to employer assets after the valuation date and/or contributions required under the Actuarial Policy.*

3 *Percentages of pay are not developed for a closed division.*

4 *The total normal cost is the ongoing cost of the plan under the applicable benefit structure.*

This report may be provided to parties other than the municipality only in its entirety.

General Comments

1. The Plan Document Article VI sec. 71 (1)(d), provides the MERS Board with the authority to set actuarial assumptions and methods after consultation with the actuary. This report was prepared using certain assumptions approved by the Board. The MERS Board adopted the actuarial assumptions based on the recommendations of the actuary. A description of these assumptions and methods can be found as follows:
    a. Plan Document, v02112026,
    b. Actuarial Policy, v06112025, and
    c. 2025 Appendix to the Annual Actuarial Valuation Report.

2. This valuation assumed the continuing ability of the plan sponsor to make the contributions necessary to fund this plan. A determination regarding whether or not the plan sponsor is actually able to do so is outside our scope of expertise and was not performed.

3. The liabilities were calculated using the actuarial assumptions and methods adopted by the MERS Retirement Board and do not assume 100% retirement when first eligible. Actuarial assumptions and methods do not determine the cost of the benefits provided; they only impact the pattern of employer contributions. If future experience is unfavorable compared to the assumptions used, employer contribution rates will increase in future years, and vice versa. For example, if members retire when first eligible, the actual liabilities would be higher than calculated resulting in higher employer contributions.

4. The proposed change may affect the risk profile of the Plan. At this time, we do not believe additional risk assessment is necessary.

5. This report describes the financial effect of the proposed benefit plan. No statement contained within is a recommendation in favor of or in opposition to the proposed benefit plan.

6. Contribution requirements take into consideration prior service with other MERS entities (for eligibility service only), reflected in the difference between benefit and vesting service. If members have service not reflected on the results page (e.g., prior MERS or Act 88 service, if applicable), the unfunded liabilities and employer contributions may be understated.

7. Employer contributions are based on a percentage of members' reported pay for open divisions. If actual reported payroll is substantially lower than the payroll used in this report, the actuaries recommend a minimum contribution of the dollar developed in the “Results” section.

8. The results do not show the potential impact on other post-employment benefits (such as retiree health care insurance) or ancillary benefits (such as life insurance).

9. The results of separate actuarial valuations generally cannot be added together to produce a correct estimate of the employer contributions. The total can be considerably greater than the sum of the parts due to the interaction of various plan provisions and assumptions used.

10. Future actuarial measurements may differ significantly from the current measurements presented in this report due to such factors as the following: plan experience differing from that anticipated by the economic or demographic assumptions; changes in economic or demographic assumptions due to changing conditions; increases or decreases expected as part of the natural operation of the methodology used for these measurements (such as the end of an amortization period, or additional cost or contribution requirements based on the Plan’s funded status); and changes in plan provisions or applicable law. The scope of this supplemental actuarial valuation does not include an analysis of the potential range of such future measurements.

General Comments (Concluded)

11. Valuation results are developed through the use of multiple models.

    Valuation liabilities were prepared using ProVal's valuation model, a software product of Winklevoss Technologies. We are relying on the ProVal model. We performed tests of the ProVal model with this assignment and made a reasonable attempt to understand the developer's intended purpose of, general operation of, major sensitivities and dependencies within, and key strengths and limitations of the ProVal model. In our professional judgment, the ProVal valuation model has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses.

    Financial results were prepared using our financing and projection model which in our professional judgment has the capability to provide results that are consistent with the purposes of the valuation and has no material limitations or known weaknesses. We performed tests to ensure that the model reasonably represents that which is intended to be modeled.

12. The calculations are based upon assumptions regarding future events, which may or may not materialize and proposed plan provisions. The actual impact of the proposed plan change(s) will change over time as actual experience emerges. Contact your MERS representative at 800-767-MERS if you believe that:

    a. The assumptions are unreasonable,
    b. The plan provisions are missing or incorrectly described,
    c. Conditions have changed since the calculations were made,
    d. The information provided in this report is inaccurate or is in any way incomplete, or
    e. You need further information to make an informed decision.

Resolution Adopting The Municipal Employees' Retirement System Defined Benefit Plan

1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711 www.mersofmich.com

This Resolution is entered into under the provisions of 1996 PA 220 and the Municipal Employees' Retirement System of Michigan ("MERS") Plan Document, as each may be amended.

WHEREAS, the participating entity desires to adopt the MERS Defined Benefit Plan for its designated employees;

WHEREAS, the participating entity has furnished MERS with required data regarding each eligible employee and retiree, and, with respect to employees, MERS' actuary has computed the liabilities for benefits payable and which may become payable (on account of service already, and to be, rendered);

WHEREAS, as a condition of MERS membership, and pursuant to the MERS Retirement Board's power as plan administrator and trustee under Plan Document Section 71 and MCL 38.1536, as each may be amended, it is appropriate and necessary to enter into a binding agreement providing for the administration of the MERS Defined Benefit Plan, the reporting of service and wages, and the payment of the required contributions of a participating entity; now, therefore,

IT IS HEREBY RESOLVED:

1. On behalf of the participating entity, the governing body of Transportation Authority of Calhoun Coun adopts the MERS Defined Benefit Plan in accordance with Plan Section 4 for its eligible employees, subject to the MERS Plan Document and as authorized by 1996 PA 220, as both may be amended;
2. Pursuant to Public Act 738 of 2002, the municipality authorizes electronic transactions to make payments to MERS for the Defined Benefit Plan, and affirms that it is in compliance with MCL 124.303; and

I hereby certify that the above is a true copy of the Resolution adopted by the above-referenced municipality.

Dated: September 23, 20 26 . _____
(Signature of Authorized Official)

Printed name: Mallory Avis
(Authorized Official - printed)

Position title: Executive Director
(Authorized Official - position)

This Resolution shall have no legal effect under the MERS Plan Document until a certified copy of this adopting Resolution is filed with MERS, MERS determines that all necessary requirements under the Plan Document, the Adoption Agreement, and this Resolution have been met, and MERS certifies the Resolution below.

Received and Approved by the Municipal Employees' Retirement System of Michigan:

Dated: _____, 20 _____ . _____
(Signature of Authorized MERS Representative)

Defined Benefit Plan Adoption Agreement

1134 Municipal Way Lansing, MI 48917 | 800.767.6377 | Fax 517.703.9707 | mersofmich.com

The Employer, a participating municipality or participating court within the state of Michigan, hereby agrees to adopt and administer the MERS Defined Benefit Plan provided by the Municipal Employees' Retirement System of Michigan, as authorized by 1996 PA 220, in accordance with the MERS Plan Document, as both may be amended, subject to the terms and conditions herein.

I. Employer Name TRANSPORTATION AUTHORITY OF CALHOUN COUNTY **Municipality #:** _____

If new to MERS, please provide your municipality's fiscal year: October (Month) through September (Month).

II. Effective Date

Check one:

A. ☐ If this is the **initial** Adoption Agreement for this group, the effective date shall be the first day of July, 2026.

☐ This municipality or division is new to MERS, so vesting credit prior to the **initial** MERS effective date by each eligible employee shall be credited as follows (choose one):

- ☐ All prior service from date of hire
- ☐ Prior service proportional to assets transferred; all service used for vesting
- ☐ Prior service and vesting service proportional to assets transferred
- ☐ No prior service but grant vesting credit
- ☐ No prior service or vesting credit

☐ Link this new division to division number _____ for purposes of determining contributions (Unless otherwise specified, the standard transfer/rehire rules apply)

This new division will be closed & new hires/transfers will enroll in the MERS DC plan

B. ☐ If this is an **amendment** of an existing Adoption Agreement (Defined Benefit division number _____), the effective date shall be the first day of ___/20___ (mm/yy). *Please note:* You only need to mark ***changes*** to your plan throughout the remainder of this Agreement.

C. ☐ If this is a **temporary benefit** (Defined Benefit division number(s) _____), select one of the following:

☐ This is a **temporary Benefit Window** with a duration of 2-6 months. Effective dates are from ___/01/___ through the last day of ___/20___ (mm/yy). Complete provisions as applicable under Section IV of this form.

☐ This is a **temporary Lump Sum Buyout Program** for terminated vested participants with a duration of 6-24 months. Effective dates are from ___/01/___ through the last day of ___/20___ (mm/yy). Payout will reflect ____% (1-100%) of the participant's present value of accrued benefit. For example, if 40% is used, the payout will be 40% of the present value of the benefit. This percentage cannot be changed once adopted.

D. ☐ If this is to **separate employees** *from an existing Defined Benefit division* (existing division number(s) _____) into a new division, the effective date shall be the first day of _____, 20____.

E. ☐ If this is to merge division(s) _____ into division(s) _____, the effective date shall be the first of _____, 20____.

F. ☐ If this is an amendment to close Defined Benefit division(s) #_____, with new hires, rehires, and transfers going into an **existing** Defined Benefit division # _____, the effective date shall be _____ (month/year).

Note: Closing this Defined Benefit division(s) will change future invoices to a flat dollar amount instead of a percentage of payroll, as provided in your most recent annual actuarial valuation. (The amount may be adjusted for any benefit modifications that may have taken place since then).

III. Plan Eligibility

Division Title: Non-Union/Admin hired before 7/1/26

Only those employees eligible for MERS membership may participate in the MERS Defined Benefit Plan. If an employee classification is **included** in the plan, then employees that meet this definition will receive service credit if they work the required number of hours to meet the service credit qualification defined below. All eligible employees must be reported to MERS. Please describe the specific classifications that are eligible for MERS within this division:

Non-Union Admin previously enrolled in City DB plan & who elected DB under TACC

(For example: e.g., Full-time employees, Clerical staff, Union Employees participating in XXXX union)

This Division includes **public safety employees** (this information is used for actuarial purposes only. It does not relate to the additional tax for early distribution): ☐ Yes ☐ No

To further define eligibility (select all that apply):

Employee Classification	Included	Excluded	Not Employed
Temporary Employees: Those who will work for the municipality fewer than _____ months in total	☐	☐	☐
Part-Time Employees: Those who regularly work fewer than 40 hrs per week	☐	☐	☐
Seasonal Employees: Those who are employed for tasks that occur at specific times of the year	☐	☐	☐
Voter-Elected Officials	☐	☐	☐
Appointed Officials: An official appointed to a voter-elected office	☐	☐	☐
Contract Employees: Municipal or judicial employees working under an employment contract with the municipality (excluding a collective bargaining agreement) and whose wages are reported under IRS Form W-2	☐	☐	☐
Other: _____	☐	☐	
Other 2: _____	☐	☐	

Probationary Periods (select one):

☐ Service will begin after the probationary period has been satisfied. Probationary periods are allowed in one-month increments, no longer than 12 months. During this probationary period, the employer will not report or provide service. Service will begin to accrue and contributions must be reported when the Probationary Period ends.

The probationary period will be _____ month(s).
Comments:

☐ Service will begin with the employee's date of hire (no Probationary Period). Effective with the date of hire, wages paid and any associated contributions must be submitted to MERS.

IV. Provisions

1. Service Credit Qualification

To clarify how eligible employees earn service credit, please indicate how many hours per month an eligible employee needs to work. For example, if you require 10 eight-hour days, this would be 80 hours per month. If an *hours and days* has been previously defined (like 10 seven-hour days), stating "70 hours" will be required. Employees must meet the definition of Plan Eligibility in order to earn service credit under the plan.

To receive one month of service credit, an employee shall work (or be paid for as if working) 80 hours in a month.

2. Leaves of Absence

Indicate by checking the boxes below, whether the potential for service credit will be allowed if an eligible employee is on one of the following types of leave, regardless of meeting the service credit qualification criteria.
Regardless whether an eligible employee is awarded service credit while on the selected type(s) of leave:

- MERS will skip over these months when determining the FAC amount for benefit calculations.
- Third-party wages **are not** reported for leaves of absence.
- Employers **are not** required to remit employer contributions based on leaves of absence when no wages are paid by the employer.
- For **contributory divisions**, employee contributions are required where service credit is granted and due at the time of monthly wage and contribution reporting. Employers may use the following formula to calculate employee contributions: the employee's current hourly rate (prior to leave), multiplied by service credit qualification (hours) multiplied by employee contribution. For example, if employees' hourly rate is $20, the division requires 120 hours to obtain service credit, and employee contributions are 5%, the calculation will look like: $20/hour X 120 X .05 = $120 in employee contribution for that leave month. Employers may use another internal formula, if they choose and MERS will make note of it.

Type of Leave	Service Credit Granted	Service Credit Excluded
Short-Term Disability	☐	☐
Long-Term Disability	☐	☐
Workers' Compensation	☐	☐
Unpaid Family Medical Leave Act (FMLA)	☐	☐
Other: Personal, Medical, or other unpaid leaves For example, sick and accident, administrative, educational, sabbatical, etc.	☐	☐
Other 2: Military Leaves (active/reserve duty, etc) Additional leave types as above	☐	☐

Leaves of absence due to military service are governed by the Federal U*niformed Services Employment and Reemployment Rights Act* of 1994 (USERRA), IRC 414(u), effective January 1, 2007, IRC 401(a)(37). Military reporting requires historical wage and contribution reporting for Defined Benefit as applicable.

3. Definition of Compensation

The Definition of Compensation is used to calculate a participant's final average compensation and is used in determining both employer and employee contributions. Wages paid to employees, calculated using the elected definition, must be reported to MERS.

Select your Definition of Compensation:

☐ Base Wages ◯ Box 1 Wages of W-2 ◯ Gross Wages

Click here to view details of Base, Box 1, and Gross Wages

◯ Custom Definition

(To customize your definition, please complete the Custom Definition of Compensation Addendum.)

V. Valuation-Required Provisions

Valuation Date: September 14, 2026

1. Review the valuation results

It is recommended that your MERS representative presents and explains the valuation results to your municipality before adopting. Please choose one:

☐ Our MERS representative presented and explained the valuation results to the Executive Director (Board, Finance Cmte, etc.) on 09/14/2026 (mm/dd/yyyy).

◯ As an authorized representative of this municipality, I _____ (Name) _____ (Title) waive the right for a presentation of the results.

This Adoption Agreement will be implemented in conjunction with a current actuarial valuation certified by a MERS actuary that sets contribution rates.

Annually, the MERS actuary will conduct an actuarial valuation to determine the employers' contribution rates. Employers are responsible for payment of said contributions at the rate, in the form and at the time that MERS determines.

2. **Benefit Multiplier** (1%-2.5%, increments of 0.05%) 2.5 % (max 80% for multipliers over 2.25%)

   ☐ Check here if multiplier will be effective for existing active members' future service only (Bridged Benefit as of effective date on page 1)

   If checked, select one below:

   ☐ Termination Final Average Compensation (calculated over the members entire wage history)

   ☐ Frozen Final Average Compensation (FAC is calculated twice, once for the timeframe that matches the original multiplier, and once for the new multiplier)

3. **Final Average Compensation** (Min 3 yr, increments of 1 yr) 3 years

4. **Vesting** (1 -10 yrs, increments of 1 yr) 10 years

5. **Normal Retirement Age** will be the later of: 60 (any age from 60-70), or the vesting provision selected above (#4).

6. **Required employee contribution** (Increments of 0.01%) 10 %

7. **Unreduced Early Retirement/Service Requirements:**

☐ Age 50 – 54_____	Service between 25 and 30 years _____
☑ Age 55 – 65 55	Service between 15 and 30 years 25
☐ Service only (must be any number from 20 – 30 years accrued service): _____	
☐ Age + Service Points (total must be from 70 – 90): _____ points	

8. **Other**

   ☐ Surviving Spouse will receive 50% of Straight Life benefit without a reduction to the employees' benefit (also known as an RS50)

   ☐ Duty death or disability enhancement (add up to additional 10 years of service credit not to exceed 30 years of service)

   ☐ Deferred Retirement Option Program (DROP)

   ☐ Annuity Withdrawal Program (AWP)

   Calculation of the actuarial equivalent of the lump sum distribution made under AWP will be done using:

   ☐ Interest rate for employee contributions as determined by the Retirement Board, or

   ☐ MERS' assumed rate of return as of the date of the distribution.

9. Cost-of-Living Adjustment

❒ All **current** retirees as of effective date ❒ Retirees who retire **between** ____/01/____ and ____/01/____	❒ **Future** retirees who retire after effective date
Increase of _____% or $_____ per month	Increase of _____% or $_____ per month
Select one: ❒ Annual automatic increase ❒ One-time increase	❒ Annual automatic increase
Select one: ❒ Compounding ❒ Non-compounding	Select one: ❒ Compounding ❒ Non-compounding
Employees must be retired _____ months (6-12 months, increments of 1 month)	Employees must be retired _____ months (6-12 months, increments of 1 month)

❒ Check here if the existing COLA will be bridged for active participants as of the effective date selected on this form. Benefits accrued for service after the effective date will have no COLA increase applied.

10. Service Credit Purchase Estimates are:

❒ Not permitted
❒ Permitted

VI. Appointing MERS as the Plan Administrator

The Employer hereby agrees to the provisions of this *MERS Defined Benefit Plan Adoption Agreement* and appoints MERS as the Plan Administrator pursuant to the terms and conditions of the Plan. The Employer also agrees that in the event of any conflict between the MERS Plan Document and the MERS Defined Benefit Plan Adoption Agreement, the provisions of the Plan Document control.

VII. Modification Of The Terms Of The Adoption Agreement

If the Employer desires to amend any of its elections contained in this Adoption Agreement, including attachments, the Governing Body or Chief Judge, by resolution or official action accepted by MERS, must adopt a new Adoption Agreement. The amendment of the new Agreement is not effective until approved by MERS.

VIII. Employer Funding Requirements

1. Should the Employer credit all or a portion of pre-MERS prior service credit in Section II.A. above, then the Employer must deposit with MERS market value assets in an amount equal to 100% of actuarial accrued liability as determined by the MERS Actuary in the Initial Actuarial Valuation.
2. The Employer acknowledges and agrees that its plan must maintain at least 100% funding for the duration of participation based on MERS' actuarial assumptions. If, based on an Annual Actuarial Valuation or a supplemental valuation conducted by the MERS Actuary, the Employer's plan is less than 100% funded on an actuarial basis, the Employer agrees and covenants to remit to MERS payment of sufficient funds to attain the 100% funded level within sixty (60) days of MERS' transmission of the valuation to the Employer, unless a different time period is agreed upon by MERS' Chief Executive Officer and the Employer in writing. Failure to remit this payment will be subject to the MERS Reporting and Contribution Enforcement Policy. Closure or freezing of a defined benefit division or divisions, or merger or transfer of divisions or the plan to a new or different entity shall not impact this requirement.
3. In the event the Employer terminates participation in MERS by reason of dissolution, privatization, or other change in structure pursuant to Plan Document Section 11(1)(a)(ii), then, prior to the effective date of dissolution, privatization or other change in structure, the Employer must deposit with MERS market value assets to ensure 120% funding of the actuarial accrued liabilities of the plan.

IX. Enforcement

1. The Employer acknowledges that the Michigan Constitution of 1963, Article 9, Section 24, provides that accrued financial benefits arising under a public Employer's retirement plan are a contractual obligation of the Employer that may not be diminished or impaired, and prohibits the use of the Employer's required current service funding to finance unfunded accrued liabilities.
2. The Employer agrees that, pursuant to the Michigan Constitution, its obligations to pay required contributions are contractual obligations to its employees and to MERS and may be enforced in a court of competent jurisdiction;
3. In accordance with the Constitution and this Agreement, if at any time the balance standing to the Employer's credit in the reserve for employer contributions and benefit payments is insufficient to pay all service benefits due and payable to the entity's retirees and beneficiaries, the Employer agrees and covenants to promptly remit to MERS the amount of such deficiency as determined by the Retirement Board within thirty (30) days notice of such deficiency.
4. The Employer acknowledges that wage and service reports are due monthly, and the employee contributions (if any) and Employer contributions are due and payable monthly, and must be submitted in accordance with the MERS Enforcement Procedure for Prompt Reporting and Payment, the terms of which are incorporated herein by reference.
5. Should the Employer fail to make its required contribution(s) when due, the retirement benefits due and payable by MERS on behalf of the entity to its retirees and beneficiaries may be suspended until the delinquent payment is received by MERS. MERS may implement any applicable interest charges and penalties pursuant to the MERS Enforcement Procedure for Prompt Reporting and Payment and Plan Document Section 79, and take any appropriate legal action, including but not limited to filing a lawsuit and reporting the entity to the Treasurer of the State of Michigan in accordance with MCL 141.1544(d), Section 44 of PA 436 of 2012, as may be amended.
6. The Employer acknowledges that changes to the Employer's MERS Defined Benefit Plan must be made in accordance with the MERS Plan Document and applicable law, and agrees that MERS will not administer any such changes unless the MERS Plan Document and applicable law permit same, and MERS is capable of administering same.

X. Execution

Authorized Designee of Governing Body of Municipality or Chief Judge of Court

The foregoing Adoption Agreement is hereby approved by TRANSPORTATION AUTHORITY OF CALHOUN COUNTY (Name of Approving Employer) on the 23rd day of September, 20 26.

Authorized signature: _____

Title: Executive Director

Received and Approved by the Municipal Employees' Retirement System of Michigan

Dated: _____, 20_____ Signature: _____
(Authorized MERS Signatory)

Customized Definition of Compensation Addendum

(MERS Defined Benefit, Defined Contribution, Hybrid, or 457)

MERS® Municipal Employees' Retirement System

1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711 www.mersofmich.com

If you choose to customize your Definition of Compensation as part of your MERS plan provisions, you must select boxes in each section you would like to include. You will be responsible for additional reporting details to track custom definitions.

Types of Compensation

Regular Wages (paid time, or time as though working, within the pay period)

- [x] Salary or hourly wage X hours
- [x] PTO used (sick, vacation, personal, bereavement, holiday leave, or unclassified)
- [x] On-call pay
- [ ] Other: _____

Other Wages apply: **YES** ☐ **NO** ☐

- [x] Shift differentials
- [x] Overtime
- [ ] Severance issued over time (weekly/bi-weekly)
- [ ] Other: _____

Lump Sum Payments apply: **YES** ☐ **NO** ☐ (check all that apply)

- [ ] PTO (Paid Time Off)
- [ ] Vacation
- [ ] Personal
- [ ] Longevity
- [ ] Bonuses
- [ ] Merit pay
- [ ] Sick payouts
- [ ] Comp time
- [ ] Annual holiday pay
- [ ] Hazard pay
- [ ] Job certifications
- [ ] Educational degrees
- [ ] Moving expenses
- [ ] Severance
- [ ] Other: _____

Taxable Payments apply: **YES** ☐ **NO** ☐

- [ ] Travel through a non-accountable plan (i.e. mileage not tracked for reimbursement)
- [ ] Prizes, gift cards
- [ ] Personal use of a company car
- [ ] Car allowance
- [ ] Other: _____

Reimbursement of Nontaxable Expenses (as defined by the IRS) apply: **YES** ☐ **NO** ☐

- [ ] Gun, tools, equipment, uniform
- [ ] Phone
- [ ] Fitness
- [ ] Mileage reimbursement
- [ ] Travel through an accountable plan (i.e. tracking mileage for reimbursement)
- [ ] Other: _____

Types of Deferrals

Elective Deferrals of Employee Premiums/Contributions apply: **YES** ☐ **NO** ☐

- [ ] 457 employee and employer contributions
- [ ] 125 cafeteria plan, FSAs and HSAs
- [ ] IRA contributions
- [ ] Other: _____

Types of Benefits

Nontaxable Fringe Benefits of Employees apply: **YES** ☐ **NO** ☐

- [ ] Health plan, dental, vision benefits
- [ ] Workers compensation premiums
- [ ] Short- or Long-term disability premiums
- [ ] Group term or whole life insurance < $50,000
- [ ] Other: _____

Mandatory Contributions apply: **YES** ☐ **NO** ☐

- [ ] Defined Benefit employee contributions
- [ ] MERS Health Care Savings Program employee contributions
- [ ] Other: _____

Taxable Fringe Benefits apply: **YES** ☐ **NO** ☐

- [ ] Clothing reimbursement
- [ ] Stipends for health insurance opt out payments
- [ ] Group term life insurance > $50,000
- [ ] Other: _____

Other Benefits / Lump Sum Payments apply: **YES** ☐ **NO** ☐

- [ ] Workers compensation settlement payments
- [ ] Other: _____

Resolution Adopting the MERS Defined Contribution Plan

1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711 www.mersofmich.com

This Resolution is entered into under the provisions of 1996 PA 220 and the Municipal Employees' Retirement System of Michigan ("MERS") Plan Document, as each may be amended.

WHEREAS, the participating entity desires to adopt the MERS Defined Contribution Plan for its designated employees;

WHEREAS, the participating entity has furnished MERS with required data regarding each eligible employee and retiree;

WHEREAS, as a condition of MERS membership, and pursuant to the MERS Retirement Board's power as plan administrator and trustee under Plan Document Section 71 and MCL 38.1536, as each may be amended, it is appropriate and necessary to enter into a binding agreement providing for the administration of the Defined Contribution Plan, the reporting of wages, and the payment of the required contributions of a participating entity and withholding of employee contributions; now, therefore,

IT IS HEREBY RESOLVED:

On behalf of the participating entity, the governing body of TRANSPORTATION AUTHORITY OF CALHOUN COUNTY adopts the MERS Defined Contribution Plan in accordance with Plan Section 4 for its eligible employees as described in the MERS Defined Contribution Adoption Agreement, subject to the MERS Plan Document and as authorized by 1996 PA 220, as both may be amended;

I hereby certify that the above is a true copy of the Defined Contribution Resolution adopted at the official meeting held by the governing body of this municipality:

Dated: September 23, 20 26. _____
(Signature of Authorized Official)

Printed name: _____
(Authorized Official - printed)

This Resolution shall have no legal effect under the MERS Plan Document until a certified copy of this adopting Resolution is filed with MERS, MERS determines that all necessary requirements under the Plan Document, the Adoption Agreement, and this Resolution have been met, and MERS certifies the Resolution below.

Received and Approved by the Municipal Employees' Retirement System of Michigan:

Dated: _____, 20____. _____
(Signature of Authorized MERS Representative)

MERS Defined Contribution (DC) Adoption Agreement

1134 Municipal Way Lansing, MI 48917 | 800.767.6377 mersofmich.com

I. EMPLOYER INFORMATION

Municipality Name: TRANSPORTATION AUTHORITY OF CALHOUN COUNTY

Municipality Address:

Street: 339 W Michigan Ave

City: Battle Creek Zip: 49037

Municipality Phone: 269-966-3474 Municipality Number: 269-966-3588

Plan Number: _____ Reporting Unit: _____

Payroll Frequency: Every Other Week

If **Other** is selected, provide details here: _____

II. EFFECTIVE DATE

☐ New Plan
Effective Date: 07/01/2026

☐ Amended Plan
The agreement is a substitution and amendment of an existing MERS Defined Contribution Plan.

Note: You only need to mark **changes** to your plan throughout the remainder of this Agreement.

Effective Date: _____

This municipality or division is new to MERS, so vesting credit prior to the **initial** MERS effective date by each eligible employee shall be credited as follows (choose one):

☐ Vesting credit from date of hire

☐ No vesting credit prior to initial MERS effective date

Plan Transfer, Merger, or Closure (select below if applicable)

☐ To separate employees from an existing DC division into a new one:

Effective Date: _____

Existing Plan Numbers: _____

☐ To merge existing divisions:

Effective Date: _____

Existing Plan Numbers: _____

Merged Plan Number: _____

☑ This division is the open plan receiving new hires, rehires, transfers from a closed division:

Effective Date: 07/01/2026

Closed (Defined Benefit or Hybrid) Division/Plan Number(s) : DB Non-Union division

III. PLAN ELIGIBILITY

Only those employees eligible for MERS membership may participate in the MERS Defined Contribution Plan. If an employee classification is included in the plan, then employees that meet this definition are required to participate in the plan and earn time toward vesting. All eligible employees must be reported to MERS and earn time toward vesting. Some excluded classifications require additional information below. Please describe the specific classifications that are eligible for MERS within the division:

Eligible Employees (examples: Full-Time, Clerical, Union Employees participating in XXXX Union):

Full-Time Non-Union Admin hired on or after 7/1/26

This plan will be named: Full-Time Non-Union

Probationary Period (Note: Vesting begins with Date of Hire regardless of the selection below.)

☐ No probationary period. Contributions begin with date of hire, at which point, all wages and associated contributions must be submitted to MERS

◯ Contributions will begin after the probationary period has been satisfied. Probationary periods are allowed in one-month increments, no longer than 12 months. Participant wages must be reported to MERS from the time of hire, including during the probationary period.

Probationary months: _____

Public Safety

This division includes public safety employees: ◯ Yes ◯ No

Employee Classification

	Included	Excluded	Not Employed
Temporary Employees: Those who will work for fewer than ___ months in total		◉	○
Part-Time Employees: Those who regularly work fewer than ___ per _____		◉	○
Seasonal Employees: Those who are employed for tasks that occur at specific times of the year		○	◉
Voter-Elected Officials		○	◉
Appointed Officials: Official position not elected by voters		○	◉
Contract Employees: Municipal or judicial employees working under an employment contract with the municipality (excluding a collective bargaining agreement) and whose wages are reported under IRS Form W-2		○	◉
Other: _____		○	○
Other: _____		○	○

IV. VESTING

Vesting Crediting

Vesting in employer contributions will occur on the following schedule (check one below):

◉ Elapsed Time Method – Employees will be credited with one vesting year for each 12 months continuous employment from date of hire.

○ Hours Reported Method – Employers will be credited with one vesting year for each calendar year in which they meet a minimum number of hours worked. Hours: _____

Vesting Schedule

Vesting will be credited using (check one below):

☐ **Immediate**

○ **Cliff Vesting** – Fully vested after specific number of whole years, not to exceed 15 years. Years: ___

◉ **Graded Vesting** – The % of vesting acquired after employment for the designated number of whole years, not to exceed 10 years; or, where full vesting is attained between 10 and 20 years, graded vesting must begin no later than 3 years of service. (Fill out the table provided.)

Note: All mandatory pre-tax employee contributions are immediately 100% vested.

% Vested	Years of Service
20	1
40	2
60	3
80	4
100	5

Vesting Acceleration

In the event of disability or death of an active employee, their (or beneficiary's) entire employer contribution account shall be 100% vested, to the extent that the account balance hasn't previously been forfeited.

If an employee is still employed with the municipality at the age specified here, their entire employer contribution balance will become 100% vested regardless of years of service.

Normal Retirement Age (Must be a whole number): 60 (MERS' default for normal retirement age is 60)

V. CONTRIBUTIONS

Definition of Compensation
This must be used when determining both employer and employee contributions.
Check one below.

- ☐ Base Wages
- ☐ Box 1 Wages of W-2
- ☐ Gross Wages
- ☐ Box 5 Medicare Wages of W-2
- ◉ Custom Definition. If selected, you must submit a Custom Definition of Compensation Addendum (MD-008)

Mandatory Contributions

Required Employee and Employer Contributions are outlined within the Contribution Addendum (MD-070b) for MERS Defined Contribution.

VI. LOANS

Loans are permitted:

- ☐ No
- ☐ Yes – If Yes, your signature on this document confirms you have received and reviewed the Defined Contributions & 457 Loan Addendum (MD-071). Also, the election of loans for any plan automatically applies to all divisions of your DC Plan.

VIII. APPOINTING MERS AS THE PLAN ADMINISTRATOR

The Employer hereby agrees to the provisions of this MERS Defined Contribution Plan Adoption Agreement and appoints MERS as the Plan Administrator pursuant to the terms and conditions of the Plan. The Employer also agrees that in the event of any conflict between the MERS Plan Document and the MERS Defined Contribution Plan Adoption Agreement, the provisions of the Plan Document control.

IX. MODIFICATION OF THE TERMS OF THE ADOPTION AGREEMENT

If the Employer desires to amend any of its elections contained in this Adoption Agreement, including attachments, the Governing Body or Chief Judge, by resolution or official action accepted by MERS, must adopt a new Adoption Agreement. The amendment of this Agreement is not effective until approved by MERS.

X. ENFORCEMENT

1. The Employer acknowledges that the Michigan Constitution of 1963, Article 9, Section 24, provides that accrued financial benefits arising under a public Employer's retirement plan are a contractual obligation of the Employer that may not be diminished or impaired.
2. The Employer agrees that, pursuant to the Michigan Constitution, its obligations to pay required contributions are contractual obligations to its employees and to MERS and may be enforced in a court of competent jurisdiction;
3. The Employer acknowledges that employee contributions (if any) and employer contributions must be submitted in accordance with the MERS Reporting and Contribution Enforcement Policy, the terms of which are incorporated herein by reference;
4. The Employer acknowledges that late or missed contributions will be required to be made up, including any applicable gains, pursuant to the Internal Revenue Code;
5. Should the Employer fail to make its required contribution(s) when due, MERS may implement any applicable interest charges and penalties pursuant to the MERS Reporting and Contribution Enforcement Policy and Plan Document Section 79, and take any appropriate legal action, including but not limited to filing a lawsuit and reporting the entity to the Treasurer of the State of Michigan in accordance with MCL 141.1544(d), Section 44 of PA 436 of 2012, as may be amended.
6. It is expressly agreed and understood as an integral and non-severable part of this Agreement that Section 43 of the Plan Document shall not apply to this Agreement and its administration or interpretation. In the event any alteration of the terms or conditions of this Agreement is made or occurs, under Section 43 or other plan provision or law, MERS and the Retirement Board, as sole trustee and fiduciary of the MERS plan and its trust reserves, and whose authority is nondelegable, shall have no obligation or duty to administer (or to have administered) the MERS Defined Contribution Plan, to authorize the transfer of any defined benefit assets to the MERS Defined Contribution Plan, or to continue administration by MERS or any third-party administrator of the MERS Defined Contribution Plan.

XI. EXECUTION

Authorized Designee of Governing Body of Municipality or Chief Judge of Court

This Adoption Agreement is hereby approved by (municipality/court):
TRANSPORTATION AUTHORITY OF CALHOUN COUNTY

Dated (DD/MM/YYYY): 09/23/2026

Authorized signature: _____

Name (printed): Mallory Avis

Title: Executive Director

Approved by the Municipal Employees' Retirement System of Michigan

Dated (DD/MM/YYYY): _____

Authorized MERS Signature: _____

Contribution Addendum for MERS Defined Contribution (DC)

1134 Municipal Way Lansing, MI 48917 | 800.767.6377 mersofmich.com

This is an addendum to the MERS Defined Contribution Adoption Agreement completed by the following municipality.

Municipality Name: TRANSPORTATION AUTHORITY OF CALHOUN COUNTY

Plan Number: _____

The details below apply to ☑ **ALL** covered employees –OR– a specific group of covered employees (specify here): Full-time Non-Union

MANDATORY PARTICIPANT CONTRIBUTIONS

Select one below:

◉ **Required Fixed Contribution** – Employees are required to contribute (specify % or $) 10% per pay period.

○ **One-Time Elective Contribution** – Up to 99% (or IRS limit) per pay period.

Default Contribution Rate – (only applicable if One-Time Elective Contribution is selected). Federal law requires employees only be offered a contribution choice at the time of first eligibility in any plan of the employer, and that choice is irrevocable and unchangeable. Therefore, the default employee contribution rate will apply when an eligible employee fails to make an election prior to their first payroll reporting in which they qualified for any plan of the employer, or in certain transfer situations.

☐ The plan's standard default contribution rate of 10%

○ An amount of (specify % or $) _____

○ **Both** – Employees are required to contribute (specify % or $) _____ per pay period as well as making a one-time irrevocable election for an additional employee contribution up to 99% (or IRS limit) per pay period.

○ **No Employee Contributions** – No mandatory or one-time elective pre-tax employee contributions permitted.

Plan Number: _____

EMPLOYER CONTRIBUTIONS

Select at least one employer option in Section 1 below:

1 Employer Matching Contributions

☐ No – If No, skip to Section 2.

☐ Yes – If Yes, complete 1.1 through 1.3 below.

1.1 Employer will make matching contributions into the DC Plan based on (Check all that apply):

☐ Employee's 457 election (MERS or non-MERS)

☐ Employee's MERS DC mandatory participant contributions

☐ Other: _____

1.2 Employer Match Calculation

The employer elects the following matching contribution formula (check one):

☐ **Percentage:** The employer will match ____% of the participant contributions (as selected in 1.1) at a rate of ____% (minimum) up to ____% (maximum).

For example, if an employer chooses a 50% match, they contribute 0.50% for every 1% the participant defers. For a 100% match with a 5% minimum and 10% maximum, the employer matches contributions dollar-for-dollar on amounts above 5% and below 10%.

☐ **Flat Dollar:** The employer will match ____%of the participant contributions (as selected in 1.1) as a flat dollar rate of $_____ (minimum) up to $_____ (maximum) per _____.

1.3 Employer Match Frequency

Employer match contributions will be made (check one):

☐ Per Payroll ☐ Quarterly ☐ Annually ☐ Other: _____

2 Non-Matching Contributions

☐ No

☐ Yes – If Yes, complete 2.1 to 2.2 below.

2.1 Employer Non-Match Calculation

The employer hereby elects to make contributions to the participants' accounts without regard to a participant's contribution amount (check all that apply).

☐ **Compensation:** a contribution of $_____ or 10 %

☐ **One-Time:** $_____

2.2 Employer Non-Match Frequency

Employer non-matching contributions will be made (check one):

☐ Per Payroll ☐ Quarterly ☐ Annually ☐ Other: _____

Customized Definition of Compensation Addendum

(MERS Defined Benefit, Defined Contribution, Hybrid, or 457)

1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711 www.mersofmich.com

If you choose to customize your Definition of Compensation as part of your MERS plan provisions, you must select boxes in each section you would like to include. You will be responsible for additional reporting details to track custom definitions.

Types of Compensation

Regular Wages (paid time, or time as though working, within the pay period)

- [x] Salary or hourly wage X hours
- [x] PTO used (sick, vacation, personal, bereavement, holiday leave, or unclassified)
- [x] On-call pay
- [ ] Other: _____

Other Wages apply: **YES** ☐ **NO** ☐

- [x] Shift differentials
- [x] Overtime
- [ ] Severance issued over time (weekly/bi-weekly)
- [ ] Other: _____

Lump Sum Payments apply: **YES** ☐ **NO** ☐ (check all that apply)

- [ ] PTO (Paid Time Off)
- [ ] Vacation
- [ ] Personal
- [ ] Longevity
- [ ] Bonuses
- [ ] Merit pay
- [ ] Sick payouts
- [ ] Comp time
- [ ] Annual holiday pay
- [ ] Hazard pay
- [ ] Job certifications
- [ ] Educational degrees
- [ ] Moving expenses
- [ ] Severance
- [ ] Other: _____

Taxable Payments apply: **YES** ☐ **NO** ☐

- [ ] Travel through a non-accountable plan (i.e. mileage not tracked for reimbursement)
- [ ] Prizes, gift cards
- [ ] Personal use of a company car
- [ ] Car allowance
- [ ] Other: _____

Reimbursement of Nontaxable Expenses (as defined by the IRS) apply: **YES** ☐ **NO** ☐

- [ ] Gun, tools, equipment, uniform
- [ ] Phone
- [ ] Fitness
- [ ] Mileage reimbursement
- [ ] Travel through an accountable plan (i.e. tracking mileage for reimbursement)
- [ ] Other: _____

Types of Deferrals

Elective Deferrals of Employee Premiums/Contributions apply: **YES** ☐ **NO** ☐

- [ ] 457 employee and employer contributions
- [ ] 125 cafeteria plan, FSAs and HSAs
- [ ] IRA contributions
- [ ] Other: _____

Types of Benefits

Nontaxable Fringe Benefits of Employees apply: **YES** ☐ **NO** ☐

- [ ] Health plan, dental, vision benefits
- [ ] Workers compensation premiums
- [ ] Short- or Long-term disability premiums
- [ ] Group term or whole life insurance < $50,000
- [ ] Other: _____

Mandatory Contributions apply: **YES** ☐ **NO** ☐

- [ ] Defined Benefit employee contributions
- [ ] MERS Health Care Savings Program employee contributions
- [ ] Other: _____

Taxable Fringe Benefits apply: **YES** ☐ **NO** ☐

- [ ] Clothing reimbursement
- [ ] Stipends for health insurance opt out payments
- [ ] Group term life insurance > $50,000
- [ ] Other: _____

Other Benefits / Lump Sum Payments apply: **YES** ☐ **NO** ☐

- [ ] Workers compensation settlement payments
- [ ] Other: _____

MERS Defined Contribution & 457 Loan Addendum

1134 Municipal Way Lansing, MI 48917 | 800.767.6377 | Fax 517.703.9711 mersofmich.com

I. Applicability of Loan Provision Adoption

This addendum is applicable to all employers that participate in the MERS Defined Contribution (DC) Plan (or DC portion of Hybrid) or 457 and offer loans as a provision in their Plan. A loan provision is adopted by an employer's Plan as a whole, and all divisions of that Plan are covered by that provision.

II. Loan Procedures

1. **Availability**. Any participant who is an active employee may apply to the Employer for a loan from the employee's account balance in the Plan. Loans will be available to all such participants on a uniform and nondiscriminatory basis upon submission of the required loan application forms. All loans are subject to the approval of the Employer and MERS.
2. **Purpose**. A general purpose loan may be obtained for any purpose.
3. **Restrictions on Availability**. A participant may not have more than two (2) outstanding loan(s) at any one time.
4. **Frequency**. A participant may not apply for a loan any more frequently than once per a rolling 12-month period.
5. **Minimum Amount**. The minimum loan amount is One Thousand Dollars ($1,000.00).
6. **Maximum Amount**

   The maximum amount for all outstanding loans to the participant from the Plan and all other plans participated in is the lesser of:

   (a) Fifty Thousand Dollars ($50,000.00), reduced by the highest outstanding balance of loans from all the plans in which the participant participates during the one (1) year period ending on the day before the date on which the loan is to be made; or

   (b) One-half (1/2) of the sum of the vested account balance, reduced by the participant's current outstanding balance of all loans from all plans of the participant for that participant, determined as of the loan application date.

   The maximum amount will also be reduced by the amount of any existing loan balance (including accrued interest).

7. **Domestic Relations Orders**

   No loans will be made during a period when MERS is determining whether a domestic relations order affecting the participant's accounts is an "eligible domestic relations order" as defined by the Eligible Domestic Relations Order Act, MCL 38.1701, *et seq*.

8. **Interest Rate**

   (a) The interest rate to be charged on a loan will be the prime interest rate (as reported by the Wall Street Journal or any successor thereto) plus two percent (2.00%) and is fixed for the life of the loan. The interest rate will be the established rate in effect on the date the loan application becomes effective and is approved by MERS.

   (b) Interest payments on the loans by participants are not deductible for tax purposes.

9. **Term**

(a) The term of the loan must extend for at least one (1) year from the date of the loan but must not exceed five (5) years.

(b) The term of the loan will end prior to the end of the applicable period and the outstanding balance (principal and accrued interest) will become immediately due and payable on the earlier of:

(1) in the case of a participant who becomes eligible for a plan distribution (other than an in-service distribution beginning at age 70½) which begins after the beginning date of the loan, the date such distribution begins;

(2) the date of distribution or separation of (1) the participant's accounts pursuant to an eligible domestic relations order, or (2) any portion of the accounts which causes the remaining portion of the accounts to be less than the security interest established at the time of inception of the loan;

(3) the date of termination of employment of the participant as provided in paragraph 15; or

(4) the date of a default on the loan as provided in paragraph 16.

(c) The term of the loan shall not exceed a period which would cause the payment to be less than Five Dollars ($5.00) per week.

(d) Loans may not be refinanced for any reason.

10. **Repayment**

(a) Each loan must be repaid in substantially equal installments, with payments not less frequently than each payroll period beginning as specified in loan document but no later than 30 days from receipt of payment.

(b) The participant must authorize repayment of the principal and interest of each loan to be made by regular payroll deduction payments and reported to MERS according to reporting cycle selected in Adoption Agreement. If the scheduled repayment amount is greater than the participant's payroll, the participant must make payment in full for any remaining repayment amount not collected through payroll deduction by delivering to the Employer a check or other negotiable instrument (not cash) payable to the Employer.

(c) Repayments will be reallocated to the participant's account according to the investment election made by the participant, and in effect at the time the payment is processed to the participant's account.

11. **Unpaid Leave of Absence**

During the term of a loan, if a participant takes an approved leave of absence without pay, the participant may choose to suspend regular loan payments for up to one year during such unpaid leave of absence. Suspension of payments will not cause the term of the loan to be extended beyond its original term, and such suspended payments (and accrued interest) will become due and payable at the end of the original loan term in one lump sum payment. If a participant on a leave of absence without pay chooses to continue regular payments during such unpaid leave of absence, payments may be made by check or other negotiable instrument (not cash) made payable to the Employer and delivered to the Employer.

12. **Military Service**

As permitted under Code Section 414(u), if a participant with an outstanding plan loan takes a leave of absence for a period of military service; such participant may elect to suspend regular loan payments during such period of military service, regardless of the duration of such service. Upon completion of such military service, the participant must resume making loan repayments in an amount which is not less than the original repayment amount, and in installments which are not less frequent than the frequency required under the terms of the original loan. The loan must be repaid in full (including interest that accrues during the period of military service at a rate not to exceed 6% compounded annually) by no later than the date of the original loan plus the period of military service. Any balance due and payable at the end of the adjusted loan term must be paid in one lump sum payment. Such lump sum payments may be made by check or other negotiable instrument (not cash) made payable to the Employer and delivered to the Employer.

13. **Prepayments**

The participant may repay, without penalty, the entire outstanding principal balance of the loan and accrued interest to date of repayment. Prepayments should be made by check or other negotiable instrument (not cash) made payable to the Employer and delivered to the Employer who shall report the payment to MERS.

14. **Loan Processing Fees**

Any loan processing fee charged by MERS will be paid by the participant. Following loan issuance, MERS will deduct an initial processing fee of $150.00 from the participant's remaining vested account balance. MERS reserves the right to charge an annual maintenance fee.

15. **Termination of Employment**

(a) The entire amount outstanding on the participant's loan will be due and payable on the date of the participant's termination of employment. The date a participant terminates employment is the date on which the participant quits, retires, is discharged, or dies. If the loan is not paid in full at termination, default will occur and paragraph 16 applies.

(b) No distributions to a participant (other than in-service withdrawals, as limited under paragraph 18(b)) will be made prior to repayment of all outstanding loans, including interest, costs, and expenses due thereon regardless of termination of employment. If there is a distributable event with respect to the participant, the accounts of the participant will be applied against any outstanding loans to the extent necessary to fully repay the same as provided in paragraph 17.

16. **Defaults and Remedies**

(a) The Plan may declare a default on a loan as of the last day of the quarter following the quarter in which either of the following occurs:

(1) the participant fails to make a payment (other than due to an unpaid leave of absence as provided in item 11 or military service as provided in item 12 of these Loan Procedures); or

(2) MERS in good faith deems the Benefit Program DC insecure with respect to the repayment of the loan and notifies the participant of this deemed insecurity.

(b) If a default occurs prior to a distributable event, the defaulted loan amount will be a taxable "deemed" distribution. When the participant is later eligible for a distribution, the amount distributed will be net of the loan balance, adjusted for interest. This "offset" at the time of distribution is not taxable.

(c) When a default occurs simultaneously with a distributable event, the defaulted loan balance will be treated as part of the actual taxable distribution.

(d) A participant will not be eligible to receive any subsequent loans if the participant has ever defaulted on a plan loan.

17. **Source of Loan Funds**

Any loan to a participant will be considered a separate asset of the trust fund segregated for the benefit of such participant. The loan proceeds will come from the fund or funds of the participant in which the vested accumulated balance is invested on a pro-rata basis.

18. **Security**

(a) The participant must pledge his or her remaining vested account balance as the security interest for the loan, which will be reduced by the amount of loan plus any accrued interest should the loan be defaulted.

(b) The unpaid portion of the loan is not available for the participant in-service withdrawals.

(c) No loans will be permitted to a participant who has previously defaulted on a loan.

19. **Loan Application and Processing**

(a) Loan applications may be made by completing the required forms obtained from the Employer and submitting them to the Employer.

(b) All loans will be subject to approval by the Employer. The Employer will designate the individual or individuals authorized to approve loans.

(c) If a loan application is approved, the Employer will forward the approved application materials to MERS. The amount of the loan will be issued to the participant as soon as administratively feasible after the completed application is submitted to MERS and MERS determines that the participant is eligible for the requested loan.

(d) If a loan application is denied, the Employer will notify the participant in writing.

III. Enforcement

In the event a filing under the IRS Employee Plans Compliance Resolution System becomes necessary with respect to a loan, the filing may, at MERS' discretion, be managed by MERS; however, the Employer shall be responsible for paying all costs and fees associated with such filing, including legal fees.

Resolution Adopting the MERS Hybrid Plan

1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711 www.mersofmich.com

This Resolution is entered into under the provisions of 1996 PA 220 and the Municipal Employees' Retirement System of Michigan ("MERS") Plan Document, as each may be amended.

WHEREAS, the participating entity desires to adopt the MERS Hybrid Plan for its designated employees;

WHEREAS, the participating entity has furnished MERS with required data regarding each eligible employee and retiree, and, for employees, MERS' actuary has computed the liabilities for benefits payable and which may become payable (on account of service already, and to be, rendered) with respect to the defined benefit portion of the MERS Hybrid Plan, and the participating entity has furnished MERS with required data regarding each eligible employee and retiree with respect to the defined contribution portion of the MERS Hybrid Plan;

WHEREAS, as a condition of MERS membership, and pursuant to the MERS Retirement Board's power as plan administrator and trustee under Plan Document Section 71 and MCL 38.1536, as each may be amended, it is appropriate and necessary to enter into a binding agreement providing for the administration of the Hybrid Plan, the reporting of wages, and the payment of the required contributions of a participating entity and withholding of employee contributions; now, therefore,

IT IS HEREBY RESOLVED:

On behalf of the participating entity, the governing body of

TRANSPORTATION AUTHORITY OF CALHOUN COUNTY adopts the MERS Hybrid Plan in accordance with Plan Section 4 for its eligible employees as described in the MERS Hybrid Adoption Agreement, subject to the MERS Plan Document and as authorized by 1996 PA 220, as both may be amended;

I hereby certify that the above is a true copy of the Hybrid Resolution adopted at the official meeting held by the governing body of this municipality:

Dated: September 23, 20 26. _____
(Signature of Authorized Official)

Printed name: Mallory Avis
(Authorized Official - printed)

Position title: Executive Director
(Authorized Official - position)

This Resolution shall have no legal effect under the MERS Plan Document until a certified copy of this adopting Resolution is filed with MERS, MERS determines that all necessary requirements under the Plan Document, the Adoption Agreement, and this Resolution have been met, and MERS certifies the Resolution below.

Received and Approved by the Municipal Employees' Retirement System of Michigan:

Dated: _____, 20____. _____
(Signature of Authorized MERS Representative)

MERS Hybrid Adoption Agreement

1134 Municipal Way Lansing, MI 48917 | 800.767.6377 mersofmich.com

I. EMPLOYER INFORMATION

Municipality Name: TRANSPORTATION AUTHORITY OF CALHOUN COUNTY

Municipality Address:

Street: 339 W Michigan Ave

City: Battle Creek Zip: 49037

Municipality Phone: 269-966-3474 Municipality Number: 269-966-3588

Reporting Unit: _____

DC-Hybrid Payroll Frequency: Every Other Week

If **Other** is selected, provide details here: _____

DC-Hybrid Plan Number: _____

DB-Hybrid Division Number: _____

Fiscal Year (only required if new to MERS) – **Month**: Oct. through **Month**: Sept.

II. EFFECTIVE DATE

☉ New Plan
Effective Date: 07/01/2026

☉ This municipality or division is new to MERS, so vesting credit prior to the **initial** MERS effective date by each eligible employee shall be credited as follows (choose one):

- ○ Vesting credit from date of hire
- ○ No vesting credit prior to initial MERS effective date

☐ This division is for new hires, rehires, and transfers of current Defined Benefit division

#_____ and/or current Defined Contribution plan #_____

Note: For divisions that ar closing or freezing with or without conversion, the Employer must complete the Addendum for Plan Freeze, Closure, and Conversions.

☐ Amended Plan
This agreement is a substitution and amendment of an existing MERS Hybrid Plan.

Note: You only need to mark **changes** to your plan throughout the remainder of this Agreement.

Effective Date: _____

Plan Transfer, Merger, or Closure (select below if applicable)

☐ To separate employees from an existing Hybrid division into a new one:

Effective Date: _____

Existing Division Numbers: _____

☐ To merge existing divisions:

Effective Date: _____

Existing Division Number(s): _____

Merged Division Number: _____

☑ This division is the open plan receiving new hires, rehires, transfers from a closed division:

Effective Date: 07/01/2026

Closed (Defined Benefit or Hybrid) Division/Plan Number(s) : DB Non-Union division

Note: **Closing this Hybrid division(s) will change future invoices to a flat dollar amount instead of a percentage of payroll, as provided in your most recent annual actuarial valuation.** The amount may be adjusted for any benefit modifications that may have take place since then.

III. PLAN ELIGIBILITY

Only those employees eligible for MERS membership may participate in the MERS Hybrid Plan. If an employee classification is included in the plan, then employees that meet this definition will receive service credit if they work the required number of hours to meet the specified service credit qualification and are required to contribute to both the Defined Benefit and Defined Contribution portions of Hyrbid as defined below. All eligible employees must be reported to MERS. Please describe the specific classifications that are eligible for MERS within the division:

Eligible Employees (examples: Full-Time, Clerical, Union Employees participating in XXXX Union):
Full-Time Non-Union Admin hired on or after 7/1/26

This plan will be named: Full-Time Non-Union

Public Safety

This division includes public safety employees: ☐ Yes ☐ No

(This information is used for actuarial purposes only. It does not relate to the additional tax for early distribution.)

Probationary Period

☐ No probationary period. Contributions and service begin with date of hire, at which point, all wages and associated contributions must be submitted to MERS

☐ Contributions will begin after the probationary period has been satisfied. Probationary periods are allowed in one-month increments, no longer than 12 months.

For the Defined Contribution portion of Hybrid, participant wages must be reported to MERS from the time of hire (no contributions), including during the probationary period.

For the Defined Benefit portion of Hybrid, service will be reported once the probationary period has been satisfied.

Probationary months: _____

Comments:

Employee Classification

If you elect to include a special classification (chart below), then the employee will be required to meet the Service Credit Qualification under the Defined Benefit portion of Hybrid as defined under section V (Defined Benefit Provisions) in order to earn a month of service. Excluded classifications will require additional information below. For the Defined Contribution portion of Hybrid, vesting is determined according to elapsed time (or hours reported, if applicable).

To further define eligibility (select all that apply):

Special Classification	Included	Excluded	Not Employed
Temporary Employees: Those who will work for fewer than ___ months in total	○	◉	○
Part-Time Employees: Those who regularly work fewer than ___ per _____	○	◉	○
Seasonal Employees: Those who are employed for tasks that occur at specific times of the year	○	○	◉
Voter-Elected Officials	○	○	◉
Appointed Officials: Official position not elected by voters	○	○	◉
Contract Employees: Municipal or judicial employees working under an employment contract with the municipality (excluding a collective bargaining agreement) and whose wages are reported under IRS Form W-2	○	○	◉
Other: _____	○	○	○
Other: _____	○	○	○

IV. HYBRID PROVISIONS

Definition of Compensation
The Definition of Compensation is used to calculate a participant's final average compensation and is used to determine both employer and employee contributions. Wages paid to employees, calculated using the elected definition, must be reported to MERS.

Check one below:

- ☐ Base Wages
- ☐ Box 1 Wages of W-2
- ☐ Gross Wages
- ☐ Box 5 Medicare Wages of W-2
- ◉ Custom Definition. If selected, you must submit a Custom Definition of Compensation Addendum (MD-008)

Employer Caps
Check one below (if applicable): N/A

☐ The Employer hereby elects to cap the annual contribution to Hybrid (total amount for both Defined Benefit and Defined Contribution portions) to _____% of payroll. The employer will adjust its contribution to the DC portion of the plan based on the required contribution for the DB portion. An employee contribution will become required on the DB portion of the plan if the total employer contribution DB + DC portions has exceeded the cap with no employer contribution to the DC portion.

☐ The Employer hereby elects to cap the annual contribution to the Defined Benefit portion of Hybrid to _____% of payroll. An employee contribution will become required on the DB portion of the plan if the required employer contribution for the DB portion of the plan has exceeded the set cap (regardless of the employer contribution to the DC portion of the plan).

V. DEFINED BENEFIT COMPONENT PROVISIONS

The Defined Benefit provisions, once adopted, are irrevocable and shall not be later changed except for definition of compensation and early out provisions.

Valuation Date: 07/14/2026

1. This Adoption Agreement will be implemented in conjunction with a current actuarial valuation certified by a MERS actuary or normal cost calculation created by MERS that sets contribution rates.
2. Annually, the MERS actuary will conduct an actuarial valuation to determine the employer's contribution rates for the Defined Benefit portion of Hybrid. Employers are responsible for payment of said contributions at the rate, in the form and at the time that MERS determines.
3. **Benefit Multiplier**
   The multiplier shall be one of the following, dependent on the division's Social Security status:

Social Security Coverage	No Social Security Coverage	
☐ 1.00%	☐ 1.00%	☐ 1.75%
◉ 1.25%	☐ 1.25%	☐ 2.00%
☐ 1.50%	☐ 1.50%	

4. Final Average Compensation (FAC) shall be based on the highest consecutive 3 years.
5. Vesting shall be 6 years.
6. Normal DB Retirement Age: 60 (any age from 60-70)
7. Early Normal Retirement with unreduced benefits at age 60 (may be any number from 55-65 with 25 years of service).
8. **Service Credit Qualification**

   To clarify how eligible employees earn service credit, please indicate how many hours per month an eligible employee needs to work. For example, if you require 10 eight-hour days, this would be 80 hours per month. If an 'hour per day' has been defined (like ten 7-hour days), electing 70 hours will be required. Employees must meet the definition of Plan Eligibility and service credit qualification in order to earn service credit under the plan.

   To receive one month of service credit, an employee shall work (or be paid as if working) 80 hours in a month.

   Note: For purposes of Defined Contribution, vesting is determined by elapsed time or hours reported.
9. **Leaves of Absence**

   Indicate in the chart below, whether the potential for service credit will be allowed if an eligible employee is on one of the following types of leave, regardless of meeting the service credit qualification criteria. Regardless whether an eligible employee is awarded service credit while on the selected type(s) of leave:

   - MERS will skip over these months when determining the FAC amount for benefit calculations.
   - Third-party wages **are not** reported for leaves of absence.
   - Employers **are not** required to remit employer contributions based on leaves of absence when no wages are paid by the employer.
   - For **contributory divisions**, employee contributions are required where service credit is granted and due at the time of monthly wage and contribution reporting. Employers may use the following formula to calculate employee contributions: the employee's current hourly rate (prior to leave), multiplied by service credit qualification (hours) multiplied by employee contribution. For example, if employees' hourly rate is $20, the division requires 120 hours to obtain service credit, and employee contributions are 5%, the calculation will look like:
     $20/hour X 120 X .05 = $120 in employee contribution for that leave month. Employers may use another internal formula, if they choose and MERS will make note of it. If an alternative formula is going to be used, please describe that here:

     If an alternative formula is going to be used, please describe that here:

Note: For the Defined Contribution portion of Hybrid, service is not "granted" or "Excluded" as elapsed time (or accumulated hours) are used to determine vesting. Contributions will be due only for months where wages are paid.

Type of Leave	Service Credit Granted	Service Credit Excluded
Short-Term Disability	☐	☐
Long-Term Disability	☐	☐
Workers' Compensation	☐	☐
Unpaid Family Medical Leave Act (FMLA)	☐	☐
Other: Unpaid leaves provided under contract For example, sick and accident, administrative, educational, sabbatical, etc.	☐	☐
Other 2: Military leaves provided under contract Additional leave types as above	☐	☐

Leaves of absence due to military service are governed by the Federal U*niformed Services Employment and Reemployment Rights Act* of 1994 (USERRA), IRC 414(u), effective January 1, 2007, IRC 401(a)(37). Military reporting requires historical wage and contribution reporting for Defined Benefit as applicable.

VI. DEFINED CONTRIBUTION COMPONENT PROVISIONS

1. Vesting Crediting

Vesting in employer contributions will occur on the following schedule (check one below):

◉ Elapsed Time Method – Employees will be credited with one vesting year for each 12 months continuous employment from date of hire.

☐ Hours Reported Method – Employers will be credited with one vesting year for each calendar year in which they meet a minimum number of hours worked. Hours: _____

2. Vesting Schedule

Vesting will be credited using (check one below):

☐ **Immediate**

☐ **Cliff Vesting** – Fully vested after specific number of whole years, not to exceed 15 years. Years: ___

◉ **Graded Vesting** – The % of vesting acquired after employment for the designated number of whole years, not to exceed 10 years; or, where full vesting is attained between 10 and 20 years, graded vesting must begin no later than 3 years of service. (Fill out the table provided.)

Note: All mandatory pre-tax employee contributions are immediately 100% vested.

% Vested	Years of Service
20	1
40	2
60	3
80	4
100	5

3. Vesting Acceleration

In the event of disability or death of an active employee, their (or beneficiary's) entire employer contribution account shall be 100% vested, to the extent that the account balance hasn't previously been forfeited.

If an employee is still employed with the municipality at the age specified here, their entire employer contribution balance will become 100% vested regardless of years of service.

Normal Retirement Age (Must be a whole number): 60 (MERS' default for normal retirement age is 60)

4. Contributions

Mandatory Contributions

Required Employee and Employer Contributions are outlined within the Contribution Addendum (MD-070b) for MERS Defined Contribution. Contributions will be remitted according to Employer's "Payroll Period" which represents the actual period amounts are withheld from participant paychecks, or within the month during which amounts are withheld.

5. Loans

Loans are permitted:

☐ No

☐ Yes – If Yes, your signature on this document confirms you have received and reviewed the Defined Contributions & 457 Loan Addendum (MD-071). Also, the election of loans for any plan automatically applies to all divisions of your DC Plan.

VII. APPOINTING MERS AS THE PLAN ADMINISTRATOR

The Employer hereby agrees to the provisions of this MERS Hybrid Plan Adoption Agreement and appoints MERS as the Plan Administrator pursuant to the terms and conditions of the Plan. The Employer also agrees that in the event of any conflict between the MERS Plan Document and the MERS Defined Hybrid Plan Adoption Agreement, the provisions of the Plan Document control.

VIII. MODIFICATION OF THE TERMS OF THE ADOPTION AGREEMENT

If the Employer desires to amend any of its elections contained in this Adoption Agreement, including attachments, the Governing Body or Chief Judge, by resolution or official action accepted by MERS, must adopt a new Adoption Agreement. The amendment of this Agreement is not effective until approved by MERS.

IX. EMPLOYER FUNDING REQUIREMENTS

1. Should the Employer credit all or a portion of pre-MERS prior service credit in Section II.A. above, then the Employer must deposit with MERS market value assets in an amount equal to 100% of actuarial accrued liability as determined by the MERS Actuary in the Initial Actuarial Valuation.
2. The Employer acknowledges and agrees that its plan must maintain at least 100% funding for the duration of participation based on MERS' actuarial assumptions. If, based on an Annual Actuarial Valuation or a supplemental valuation conducted by the MERS Actuary, the Employer's plan is less than 100% funded on an actuarial basis, the Employer agrees and covenants to remit to MERS payment of sufficient funds to attain the 100% funded level within sixty (60) days of MERS' transmission of the valuation to the Employer, unless a different time period is agreed upon by MERS' Chief Executive Officer and the Employer in writing. Failure to remit this payment will be subject to the MERS Reporting and Contribution Enforcement Policy. Closure or freezing of a defined benefit division or divisions, or merger or transfer of divisions or the plan to a new or different entity shall not impact this requirement.
3. In the event the Employer terminates participation in MERS by reason of dissolution, privatization, or other change in structure pursuant to Plan Document Section 11(1)(a)(ii), then, prior to the effective date of dissolution, privatization or other change in structure, the Employer must deposit with MERS market value assets to ensure 120% funding of the actuarial accrued liabilities of the plan.

X. ENFORCEMENT

1. The Employer acknowledges that the Michigan Constitution of 1963, Article 9, Section 24, provides that accrued financial benefits arising under a public Employer's retirement plan are a contractual obligation of the Employer that may not be diminished or impaired.
2. The Employer agrees that, pursuant to the Michigan Constitution, its obligations to pay required contributions are contractual obligations to its employees and to MERS and may be enforced in a court of competent jurisdiction;
3. In accordance with the Constitution and this Agreement, if at any time the balance standing to the Employer's credit in the reserve for employer contributions and DB benefit payments is insufficient to pay all service benefits due and payable to the entity's retirees and beneficiaries, the Employer agrees and covenants to promptly remit to MERS the amount of such deficiency as determined by the Retirement Board within thirty (30) days notice of such deficiency;
4. The Employer acknowledges that the DB wage and service reports are due monthly, and the employee contributions (if any) and Employer contributions are due and payable monthly, and must be submitted in accordance with the MERS Enforcement Procedure for Prompt Reporting and Payment, the terms of which are incorporated herein by reference;
5. The Employer acknowledges that employee contributions (if any) and employer contributions must be submitted in accordance with the MERS Enforcement Procedure for Prompt Reporting and Payment, the terms of which are incorporated herein by reference;
6. The Employer acknowledges that late or missed contributions will be required to be made up, including any applicable gains for the Defined Contribution portion of Hybrid, pursuant to the Internal Revenue Code;
7. Should the Employer fail to make its required contribution(s) when due, the retirement benefits due and payable by MERS on behalf of the entity to its retirees and beneficiaries may be suspended until the delinquent payment is received by MERS. MERS may implement any applicable interest charges and penalties pursuant to the MERS Enforcement Procedure for Prompt Reporting and Payment and Plan Document Section 79, and take any appropriate legal action, including but not limited to filing a lawsuit and reporting the entity to the Treasurer of the State of Michigan in accordance with MCL 141.1544(d), Section 44 of PA 436 of 2012, as may be amended;
8. It is expressly agreed and understood as an integral and non-severable part of this Agreement that Section 43 of the Plan Document shall not apply to this Agreement and its administration or interpretation. In the event any alteration of the terms or conditions of this Agreement is made or occurs, under Section 43 or other plan provision or law, MERS and the Retirement Board, as sole trustee and fiduciary of the MERS plan and its trust reserves, and whose authority is non-delegable, shall have no obligation or duty to administer (or to have administered) the Hybrid Plan, to authorize the transfer of any assets to the Hybrid Plan, or to continue administration by MERS or any third-party administrator of the Hybrid Plan.

XI. EXECUTION

Authorized Designee of Governing Body of Municipality or Chief Judge of Court

This Adoption Agreement is hereby approved by (municipality/court):
TRANSPORTATION AUTHORITY OF CALHOUN COUNTY

Dated (DD/MM/YYYY): 09/23/2026

Authorized signature: _____

Name (printed): Mallory Avis

Title: Executive Director

Approved by the Municipal Employees' Retirement System of Michigan

Dated (DD/MM/YYYY): _____

Authorized MERS Signature: _____

Contribution Addendum for MERS Defined Contribution (DC)

MERS Municipal Employees' Retirement System

1134 Municipal Way Lansing, MI 48917 | 800.767.6377 mersofmich.com

This is an addendum to the MERS Defined Contribution Adoption Agreement completed by the following municipality.

Municipality Name: TRANSPORTATION AUTHORITY OF CALHOUN COUNTY

Plan Number: _____

The details below apply to ☑ **ALL** covered employees –OR– a specific group of covered employees (specify here): Full-time Non-Union

MANDATORY PARTICIPANT CONTRIBUTIONS

Select one below:

◉ **Required Fixed Contribution** – Employees are required to contribute (specify % or $) 10% per pay period.

☐ **One-Time Elective Contribution** – Up to 99% (or IRS limit) per pay period.

Default Contribution Rate – (only applicable if One-Time Elective Contribution is selected). Federal law requires employees only be offered a contribution choice at the time of first eligibility in any plan of the employer, and that choice is irrevocable and unchangeable. Therefore, the default employee contribution rate will apply when an eligible employee fails to make an election prior to their first payroll reporting in which they qualified for any plan of the employer, or in certain transfer situations.

☐ The plan's standard default contribution rate of 10%

☐ An amount of (specify % or $) _____

☐ **Both** – Employees are required to contribute (specify % or $) _____ per pay period as well as making a one-time irrevocable election for an additional employee contribution up to 99% (or IRS limit) per pay period.

☐ **No Employee Contributions** – No mandatory or one-time elective pre-tax employee contributions permitted.

Plan Number: _____

EMPLOYER CONTRIBUTIONS

Select at least one employer option in Section 1 below:

1 Employer Matching Contributions

☐ No – If No, skip to Section 2.

☐ Yes – If Yes, complete 1.1 through 1.3 below.

1.1 Employer will make matching contributions into the DC Plan based on (Check all that apply):

☐ Employee's 457 election (MERS or non-MERS)

☐ Employee's MERS DC mandatory participant contributions

☐ Other: _____

1.2 Employer Match Calculation

The employer elects the following matching contribution formula (check one):

☐ **Percentage:** The employer will match ____% of the participant contributions (as selected in 1.1) at a rate of ____% (minimum) up to ____% (maximum).

For example, if an employer chooses a 50% match, they contribute 0.50% for every 1% the participant defers. For a 100% match with a 5% minimum and 10% maximum, the employer matches contributions dollar-for-dollar on amounts above 5% and below 10%.

☐ **Flat Dollar:** The employer will match ____%of the participant contributions (as selected in 1.1) as a flat dollar rate of $_____ (minimum) up to $_____ (maximum) per _____.

1.3 Employer Match Frequency

Employer match contributions will be made (check one):

☐ Per Payroll ☐ Quarterly ☐ Annually ☐ Other: _____

2 Non-Matching Contributions

☐ No

☐ Yes – If Yes, complete 2.1 to 2.2 below.

2.1 Employer Non-Match Calculation

The employer hereby elects to make contributions to the participants' accounts without regard to a participant's contribution amount (check all that apply).

☉ **Compensation:** a contribution of $_____ or 10 %

☐ **One-Time:** $_____

2.2 Employer Non-Match Frequency

Employer non-matching contributions will be made (check one):

☉ Per Payroll ☐ Quarterly ☐ Annually ☐ Other: _____

Customized Definition of Compensation Addendum

(MERS Defined Benefit, Defined Contribution, Hybrid, or 457)

1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711 www.mersofmich.com

If you choose to customize your Definition of Compensation as part of your MERS plan provisions, you must select boxes in each section you would like to include. You will be responsible for additional reporting details to track custom definitions.

Types of Compensation

Regular Wages (paid time, or time as though working, within the pay period)

- [x] Salary or hourly wage X hours
- [x] PTO used (sick, vacation, personal, bereavement, holiday leave, or unclassified)
- [x] On-call pay
- [ ] Other: _____

Other Wages apply: **YES** ☐ **NO** ☐

- [x] Shift differentials
- [x] Overtime
- [ ] Severance issued over time (weekly/bi-weekly)
- [ ] Other: _____

Lump Sum Payments apply: **YES** ☐ **NO** ☐ (check all that apply)

- [ ] PTO (Paid Time Off)
- [ ] Vacation
- [ ] Personal
- [ ] Longevity
- [ ] Bonuses
- [ ] Merit pay
- [ ] Sick payouts
- [ ] Comp time
- [ ] Annual holiday pay
- [ ] Hazard pay
- [ ] Job certifications
- [ ] Educational degrees
- [ ] Moving expenses
- [ ] Severance
- [ ] Other: _____

Taxable Payments apply: **YES** ☐ **NO** ☐

- [ ] Travel through a non-accountable plan (i.e. mileage not tracked for reimbursement)
- [ ] Prizes, gift cards
- [ ] Personal use of a company car
- [ ] Car allowance
- [ ] Other: _____

Reimbursement of Nontaxable Expenses (as defined by the IRS) apply: **YES** ☐ **NO** ☐

- [ ] Gun, tools, equipment, uniform
- [ ] Phone
- [ ] Fitness
- [ ] Mileage reimbursement
- [ ] Travel through an accountable plan (i.e. tracking mileage for reimbursement)
- [ ] Other: _____

Types of Deferrals

Elective Deferrals of Employee Premiums/Contributions apply: **YES** ☐ **NO** ☐

- [ ] 457 employee and employer contributions
- [ ] 125 cafeteria plan, FSAs and HSAs
- [ ] IRA contributions
- [ ] Other: _____

Types of Benefits

Nontaxable Fringe Benefits of Employees apply: **YES** ☐ **NO** ☐

- [ ] Health plan, dental, vision benefits
- [ ] Workers compensation premiums
- [ ] Short- or Long-term disability premiums
- [ ] Group term or whole life insurance < $50,000
- [ ] Other: _____

Mandatory Contributions apply: **YES** ☐ **NO** ☐

- [ ] Defined Benefit employee contributions
- [ ] MERS Health Care Savings Program employee contributions
- [ ] Other: _____

Taxable Fringe Benefits apply: **YES** ☐ **NO** ☐

- [ ] Clothing reimbursement
- [ ] Stipends for health insurance opt out payments
- [ ] Group term life insurance > $50,000
- [ ] Other: _____

Other Benefits / Lump Sum Payments apply: **YES** ☐ **NO** ☐

- [ ] Workers compensation settlement payments
- [ ] Other: _____

Resolution Establishing Authorized Signatories for MERS Contracts and Service Credit Purchase Approvals

1134 Municipal Way Lansing, MI 48917 | 800.767.MERS (6377) | Fax 517.703.9711 www.mersofmich.com

This Resolution is entered into under the provisions of 1996 PA 220 and the Municipal Employees' Retirement System of Michigan ("MERS") Plan Document, as each may be amended.

This resolution applies to reporting unit(s) #_____ of the participating municipality listed below.

WHEREAS, Transportation Authority of Calhoun Count ("Employer") is a participating municipality with the Municipal Employees' Retirement System of Michigan ("MERS") and has adopted one or more retirement, insurance, investment or other post-employment benefit products administered by MERS;

WHEREAS, MERS requires signatures of an authorized representative of the Employer to execute contracts with MERS, the entry of which is authorized by the governing body and permitted under the applicable MERS Plan Document(s);

WHEREAS, the Employer wishes to designate certain job position(s), the holder(s) of which may sign MERS' contracts relating to the adoption, amendment and termination of MERS' products, and defined benefit service credit purchase approvals on behalf of Employer to implement decisions and actions of the governing body;

WHEREAS, this Resolution is not intended to apply to MERS forms or any other MERS document except as specifically mentioned herein,

Therefore, the Governing Body resolves:

The holders of the following job position(s) are hereby *Authorized Officials* that can sign: (1) MERS Adoption Agreements, Resolutions, Participation Agreements, Administrative Services Agreements, Withdrawal Agreements and any other contracts between MERS and the Employer with respect to Employer's participation in any MERS-administered product and any amendments and addendums thereto, and (2) MERS Defined Benefit service credit purchase approvals:

1. Executive Director

Optional additional job positions:

2. Director of Administration and Planning
3. _____

This Resolution may be revoked in writing or amended by the Governing Body at any time, provided that it will not be effective until such writing or amended Resolution is received by MERS. The Governing Body agrees that MERS may rely upon this Resolution as conferring signing authority upon the holders of the above job position(s) to bind Employer with respect to MERS.

Adopted at a regular/special meeting of the Governing Body on September 23, 20 26.

Authorized signature (must be currently in a position named above): _____

Name: Mallory Avis

Title: Executive Director

Witness signature: _____

Witness name: Vivian Davis

Witness title: Board Secretary

TRANSPORTATION AUTHORITY OF CALHOUN COUNTY
BOARD OF DIRECTORS

Resolution 36-2026

At the regular Board of Directors meeting of the Transportation Authority of Calhoun County (TACC), held at Ride Calhoun Administrative Offices, located at 49 South Cass St., Battle Creek, MI 49037, on Wednesday, September 23, 2026, with Board Chair Erick Stewart presiding, the following action was taken:

Whereas, the urban transportation planning regulations, implementing sections of the Infrastructure Investment and Jobs Act (IIJA) federal legislation, require that each urbanized area, as a condition of receipt of Federal capital or operating assistance, have a continuing, cooperative, and comprehensive urban transportation planning process that results in plans and programs consistent with the comprehensively planned development of the urbanized area; and

Whereas, in the Battle Creek urbanized area, the continuing, cooperative, and comprehensive transportation planning process is being conducted by the Battle Creek Area Transportation Study (BCATS) Policy Committee, a forum for cooperative transportation decision-making by principal elected officials of local government, developed under federal guidelines for purposes of urban transportation planning conduct; and

Whereas, the Battle Creek Area Transportation Study annually develops a Unified Work Program identifying activities and costs necessary for the conduct of the urban transportation planning process; and

Whereas, transportation planning funds, indirectly available from the U.S. Department of Transportation, are utilized to carry out the activities defined in the Unified Work Program; and

Whereas, these funds, available under the federal legislation as a Consolidated Planning Grant from the Federal Highway Administration (which includes funds flexed from the Federal Transit Administration to FHWA) require a local match of 18.15%, and

Whereas, the Policy Committee of the Battle Creek Area Transportation Study has recommended that the local match required to assure the timely conduct of the Study be determined and provided for in the following manner:

1. The reimbursement schedule to be used for participating agencies (those doing BCATS work will be paid 100% of their total charge). BCATS staff office costs will be reimbursed 100%.
2. The formula for computing the local funds will be based on the urbanized area population for FHWA funding (applied to road agencies) and minimum required local match for FTA funding (applied to the TACC only). The local agencies will contribute the local share for their own activities within the BCATS program as noted on the attached table (see 3. below).
3. Distribution for local match funding is shown on the attached table, which is the same as Schedule D in the FY 2027 Unified Work Program.

Whereas, it has been determined that the total local share requirements for the operation of the Battle Creek Area Transportation Study's work program for fiscal year 2027 will be $63,920;

Now, Therefore, be it resolved, the Transportation Authority of Calhoun County agrees to participate in the funding of the local share costs of the Battle Creek Area Transportation Study's work program for fiscal year 2027 (October

1, 2026 - September 30, 2027) by providing the required local match for only the Federal Transit Administration planning funds provided for BCATS' staff costs; plus $2,178 for costs specific to the Transportation Authority of Calhoun County's participation in the BCATS program;

Be it further resolved, the total local contribution for the Transportation Authority of Calhoun County for FY 2027 will be $12,939;

Be it further resolved, the Transportation Authority of Calhoun County agrees to submit to the Battle Creek Area Transportation Study office (601 Avenue A, Springfield, MI 49037 RE: Fund No. 230.594.2321) payment of local match share no later than January 1, 2027;

Be it further resolved, the Transportation Authority of Calhoun County agrees this resolution becomes effective at such time as all other local Study participants providing financial support pass resolutions of financial commitment in the proportion and manner described in this resolution.

CERTIFICATE

I, Vivian Davis, Secretary of the Transportation Authority of Calhoun County, having custody of the records and proceedings of the Transportation Authority of Calhoun County at the meeting of September 23, 2026, with the original minutes now on file and of record in the office that this resolution is true and correct.

_____ _____

Signature Printed Name

_____ _____

Title Date

BCATS
Battle Creek Area Transportation Study

601 Avenue A Springfield, MI 49037 269-963-1158 www.bcatsmpo.org

June 29, 2026

Mr. Erick Stewart, Board Chair
Transportation Authority of Calhoun County

Dear Mr. Stewart:
RE: BCATS FY 2027 Local Funding Resolution

Enclosed is a sample resolution for local funding of the Battle Creek Area Transportation Study (BCATS) for FY 2027 (October 1, 2026-September 30, 2027). This distribution of local share costs was recommended by the BCATS Policy Committee at its June 24, 2026 meeting and is provided for action by the Transportation Authority of Calhoun County. The 2027 local share total for the Transportation Authority of Calhoun County (TACC) is $12,939.

Local funding for BCATS is used to support the BCATS work program by matching available Federal transportation planning funds. BCATS' work program also provides funds back to the TACC to conduct local transit planning. The FY 2027 Unified Work Program (UWP) will make $12,000 in federal funds available to the TACC for its proposed local transit planning initiatives, resulting in a 93% rebate of the TACC's local share expense to BCATS. Additionally, the existence of BCATS makes it possible for local units of government to receive transit, Congestion Mitigation Air Quality (CMAQ), and Carbon Reduction Program funds from the U.S. Department of Transportation.

The requested local funds are consistent with a budget approved by the BCATS Policy Committee on June 24, 2026 for the 2027 fiscal year in the new FY 2027 Unified Work Program (UWP). The funding table included with this letter and resolution details the local share funding distribution for FY 2027.

Please schedule this resolution for action by the Transportation Authority of Calhoun County Board as soon as possible. If you need any further information or have questions about this request, please feel free to contact me. BCATS appreciates the coordination efforts between the TACC and BCATS, and looks forward to continuing mutual support of each agency's mission and programs.

Sincerely,

Jeff Franklin

Jeff Franklin
Executive Director

cc: Maya Williams, Transportation Authority of Calhoun County
Mallory Avis, Transportation Authority of Calhoun County

SCHEDULE D
BATTLE CREEK AREA TRANSPORTATION STUDY

LOCAL SHARE FUNDING TABLE
FY 2027

UNIT	Federally Required Cash Contribution	Total Cash Contribution
City of Battle Creek		
(55.98%* of $47,351 for cash, plus	26,507.00	**28,322.00**
$1,815 for CBC Public Works activity)	1,815.00	
Calhoun County/Calhoun County Road Department		
(38.40%* of $47,351 for cash, plus	18,183.00	**19,998.00**
$1,815 for CCRD specific activity)	1,815.00	
City of Springfield	2,661.00	**2,661.00**
(5.62%* of $47,351 for cash)		
Transportation Authority of	10,761.00	**12,939.00**
Calhoun County (TACC)	2,178.00	
(18.15% of $48,526 ** for cash, plus $2,178 for TACC activity)		
TOTAL	**63,920**	**63,920**

NOTES:

1. *Shares based on U.S. Census 2020 population figures, and road agency shares based on FHWA designated funding towards the BCATS Consolidated Planning Grant
2. **Minimum local match required for FTA Section 5303 designated funding towards the BCATS Consolidated Planning Grant

TRANSPORTATION AUTHORITY OF CALHOUN COUNTY
BOARD OF DIRECTORS

Resolution 37-2026

At the regular Board of Directors meeting of the Transportation Authority of Calhoun County (TACC), held at Ride Calhoun Administrative Offices, located at 49 South Cass St., Battle Creek, MI 49037, on Wednesday, September 23, 2026, with Board Chair Erick Stewart presiding, the following action was taken:

Whereas, the Transportation Authority of Calhoun County (TACC) is required to establish and maintain a Local Advisory Council (LAC) in accordance with Section 10e of 1951 PA 51, MCL 247.660e; and

Whereas, the Local Advisory Council provides an independent assessment of TACC's accessibility plan and an opportunity for individuals representing older adults and persons with disabilities to provide input regarding transportation accessibility and services; and

Whereas, the Area Agency on Aging previously appointed a representative to the LAC, and a replacement appointment is necessary to maintain the required representation;

Now, Therefore, be it resolved, the Board of Directors of the Transportation Authority of Calhoun County hereby appoints Evan McCoy to the Local Advisory Council, replacing Paulette Porter, previously appointed by the Area Agency on Aging, consistent with applicable requirements.

CERTIFICATE

I, Vivian Davis, Secretary of the Transportation Authority of Calhoun County, having custody of the records and proceedings of the Transportation Authority of Calhoun County at the meeting of September 23, 2026, with the original minutes now on file and of record in the office that this resolution is true and correct.

_____ _____

Signature Printed Name

_____ _____

Title Date

TRANSPORTATION AUTHORITY OF CALHOUN COUNTY
BOARD OF DIRECTORS

Resolution 38-2026

At the regular Board of Directors meeting of the Transportation Authority of Calhoun County (TACC), held at Ride Calhoun Administrative Offices, located at 49 South Cass St., Battle Creek, MI 49037, on Wednesday, September 23, 2026, with Board Chair Erick Stewart presiding, the following action was taken:

Whereas, The Transportation Authority of Calhoun County (TACC), has the authority to contract with the Michigan Department of Transportation for State and/or Federal funds for passenger transportation related services; and

Whereas, the Transportation Authority of Calhoun County does hereby approve Master Agreement Number 2027-0153;

Now, Therefore, be it resolved, the Executive Director of the Transportation Authority of Calhoun County, be authorized and directed to execute said agreement 2027-0153 for and on behalf of the Transportation Authority of Calhoun County.

CERTIFICATE

I, Vivian Davis, Secretary of the Transportation Authority of Calhoun County, having custody of the records and proceedings of the Transportation Authority of Calhoun County at the meeting of September 23, 2026, with the original minutes now on file and of record in the office that this resolution is true and correct.

_____ _____

Signature Printed Name

_____ _____

Title Date

AGREEMENT NO: 2027-0153

MICHIGAN DEPARTMENT OF TRANSPORTATION

TRANSPORTATION AUTHORITY OF CALHOUN COUNTY

MASTER AGREEMENT FOR

PUBLIC TRANSPORTATION PROJECTS

This Agreement is made and entered into between the Michigan Department of Transportation (MDOT) and Transportation Authority of Calhoun County (AGENCY).

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MDOT Michigan Department of Transportation

SECTION 1. PURPOSE

The purpose of this Agreement is to make federal and/or state grant funds available to the AGENCY for the costs of eligible public transportation projects (funded activities budgeted and managed as individual entities). This Agreement sets forth the terms and conditions for any and all project authorizations (written documents, in electronic or paper form, through which specific project(s) are to be carried out by the AGENCY under the terms of this Agreement) issued hereunder. Award of this Agreement will not itself provide for or imply any agreement on the part of MDOT to issue any project authorization(s) to the AGENCY.

For each project authorization that contains federal or state funds, the AGENCY must follow the guidelines and regulations of the respective federal agency and program, which may include the Federal Transit Administration (FTA) Certifications and Assurances and/or the FTA Master Agreement, which are updated annually, as applicable.

SECTION 2. PRE-AWARD

A. APPLICATIONS

The AGENCY must have an approved application or proposal for projects to be selected for funding. Please see the MDOT Office of Passenger Transportation (OPT) Annual Application Instructions or the application instructions for programs outside annual cycles.

B. ELIGIBLE PROJECT COSTS

The AGENCY agrees that the costs reported to MDOT for each project authorization will represent only those items that are properly chargeable in accordance with this Agreement. The AGENCY also certifies that it has read the Agreement terms and has made itself aware of the applicable laws, regulations, and terms of this Agreement that apply to the reporting of costs incurred under the terms of this Agreement.

Direct Recipients: A direct recipient is an agency that receives federal funds directly. The Code of Federal Regulations Title 2 – Grants and Agreements, Subtitle B, Chapter XII, Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Part 200) governs the grant administration, cost principles, and audit requirements for federal awards. Application of Part 200 is not automatic. Individual agency regulations and the terms and conditions of individual federal awards determine if and how Part 200 affects a specific award. It is the AGENCY's responsibility to determine the applicability of Part 200 and to notify MDOT in writing of that determination.

Subrecipients: A subrecipient is an agency that receives federal funds through MDOT. Project authorizations that reimburse operating expenses must comply with the Local Public Transit Revenue and Expense Manual except for project authorizations under the Specialized Services Program (See Section 6.). Project authorizations that reimburse capital expenses must comply with the terms of this Agreement and MDOT's purchasing/procurement requirements.

Travel costs must be actual travel costs in accordance with and not exceed the amounts set forth in the current State of Michigan Standardized Travel Regulations, incorporated herein by reference. Meals will be reimbursed at the applicable meal allowance rates set forth in the current State of Michigan Standardized Travel Regulations.

Insurance proceeds received for all losses, after deductibles are met, will be used for replacement/repair before state and/or federal funds are used.

If the AGENCY receives state and/or federal operating funds for more than one project, a narrative cost allocation methodology is required and must be submitted to MDOT for approval.

Expenses paid under a project authorization cannot be included in expenses to be reimbursed under the 1951 Public Act 51, Section 10e(4) Local Bus Operating Assistance Program. If MDOT determines that the same expense is presented as being eligible for payment under a project authorization and presented as being eligible for Local Bus Operating Assistance Program reimbursement, the expense will not be paid under both.

C. PROJECT FUNDING

The maximum reimbursement for any project will be the amount indicated in the project authorization. MDOT funds for project authorizations made available through legislative appropriations are based on projected revenue estimates. MDOT may reduce the amount of any project authorization or terminate any project authorization if the revenue actually received is insufficient to support the appropriation under which the project authorization is issued. The AGENCY will be responsible for all costs in excess of the funds shown in any project authorization.

If the federal funds received are less than the amount shown in any project authorization, the MDOT funds will be adjusted to maintain the same funding ratio shown in the project authorization. In no case will the MDOT share increase in ratio or in dollar amount without a revision to the project authorization.

In any case in which a project authorization contains state funds that match federal funds, funding of the project authorization is contingent upon the award of the corresponding federal grant. When MDOT is the recipient of the federal grant, project authorization funding is contingent upon the award of the grant between MDOT and the federal agency. When the AGENCY is the recipient of the federal grant, the project authorization funding is contingent upon award of the federal grant between the AGENCY and the federal agency. MDOT and the AGENCY must comply with the provisions established by the federal matching grant as they affect this Agreement and each project authorization, the federal grant being incorporated herein by reference. When the federal grant is administered by the AGENCY, special provisions apply as indicated in the project authorization. The AGENCY must comply with the appropriate fiscal year contract clauses certification referenced in the project authorization. In addition, the AGENCY must comply with any applicable Department of Labor Certification of Transit Employee Protective Arrangements requirements as issued by the U.S. Department of Labor.

For AGENCIES that receive federal and/or state funds from MDOT, MDOT may withhold funds, require reimbursement of funds previously disbursed, or require the return of project equipment for failure to comply with the requirements of the award and/or MDOT requirements.

SECTION 3. POST-AWARD

A. PROCUREMENT

Project-Related Procurement: If the AGENCY receives FTA or state funding through MDOT OPT for the procurement, the AGENCY will comply with current Procurement Guidelines for Grantees Receiving Federal Transit Administration Funds and/or State Funds via MDOT.

Vehicle-Related Procurement: The AGENCY will submit to MDOT all required procurement documents listed in the Guidelines for Local Vehicle Procurement on State Administered Grants for review and approval by MDOT.

If the AGENCY purchases vehicles through the State Vehicle Purchasing Program, the AGENCY is exempt from the contract approval process described in Section 3. 0. When purchasing vehicles from the State Vehicle Purchasing Program, the AGENCY must follow the procedures outlined in the current Guidelines for State Vehicle Purchasing Program.

B. THIRD-PARTY CONTRACT PROCEDURES

If the AGENCY receives federal or state funding through MDOT for a procurement, the AGENCY will submit to MDOT for approval all contracts, including amendments, between the AGENCY and a party other than MDOT that relate to this Agreement in accordance with the Procurement Guidelines for Grantees Receiving Federal Transit Administration Funds and/or State Funds via MDOT. All third-party contracts must contain language that incorporates by reference all terms and conditions contained in this Master Agreement. The AGENCY will not enter into multiple contracts of lesser amounts for the purpose of avoiding such approval process.

MDOT approval does not constitute an assumption of liability, a waiver, or an estoppel to enforce any of the requirements of this Agreement, nor will any such approvals by MDOT be construed as warranties of the third party's qualifications, professional standing, ability to perform the work being subcontracted, or financial integrity.

C. PROCUREMENT OF RECOVERED MATERIALS

Any agency of a political subdivision of the State of Michigan and its contractors must comply with Section 6002 of the Solid Waste Disposal Act, as amended by the Resource Conservation and Recovery Act. The requirements of Section 6002 include procuring only items designated in guidelines of the Environmental Protection Agency (EPA) at 40 CFR Part 247 that contain the highest percentage of recovered materials practicable, consistent with maintaining a satisfactory level of competition, where the purchase price of the item exceeds Ten Thousand Dollars ($10,000.00) or the value of the quantity acquired during the preceding fiscal year exceeded Ten Thousand Dollars ($10,000.00); procuring solid waste management services in a manner that maximizes energy and resource recovery; and establishing an affirmative procurement program for procurement of recovered materials identified in the EPA guidelines.

D. PROCUREMENT OF VEHICLES BY AGENCY

The AGENCY will purchase revenue vehicles as shown in each project authorization through its own local purchase process or through the State Vehicle Purchasing Program. If the AGENCY purchases vehicles through the State Vehicle Purchasing Program, the AGENCY is exempt from the contract approval process described in Section 3. 0. When purchasing vehicles through the State Vehicle Purchasing Program,

the AGENCY must follow the procedures outlined in the current Guidelines for State Vehicle Purchasing Program. When purchasing vehicles under the local purchase process, the AGENCY must follow the procedures outlined in the current Guidelines for Local Vehicle Purchase on State Administered Grants and is not exempt from the procedures set forth in Section 3. 0.

For procurement of demand-response vehicles, the AGENCY must have an approved vehicle accessibility plan in accordance with 1951 Public Act 51, Section 10e (18), as amended, in addition to meeting the equivalent level of service required by the Americans with Disabilities Act (ADA), United States Department of Transportation (US DOT) Final Rule, 49 CFR Parts 27, 37, and 38.

E. USE AND DISPOSITION OF CAPITAL

The AGENCY agrees that the facility/revenue vehicles/equipment will be used for the provision of public transportation service for the duration of its useful life and, if funded with federal and/or MDOT funds, will be used in accordance with federal procedures. If, during the period of its useful life, any facility/revenue vehicles/equipment is not used in said manner or is withdrawn from public transportation service, the AGENCY will immediately notify MDOT in writing. If FTA-funded real property is no longer needed for any transit purpose, the AGENCY is required to prepare or update an Excess Real Property Inventory and Utilization Plan. The plan should identify and explain the reason for the excess property and plans to use or dispose of the excess property. If land was donated by an agency for a facility project and the facility becomes excess property, the land is considered part of the excess property included in the utilization plan. Unless the FTA and the AGENCY agree otherwise, the updated Excess Real Property Inventory and Utilization Plan should be retained by the AGENCY and made available upon request and during an FTA review.

During the period of this Agreement, the AGENCY will maintain the facility/revenue vehicles/equipment for the period of the useful life of such equipment. Maintenance will conform to the manufacturer's recommendations as to service and service intervals for such equipment. In addition, the AGENCY is required to submit a vehicle maintenance plan or plan revision, as directed by MDOT, for review and approval by MDOT. The vehicle maintenance plan, at a minimum, will include all of the components listed in MDOT OPT's current Preventive Maintenance Manual. If the AGENCY revises its vehicle maintenance plan, said plan will be submitted for review and approval by MDOT. The AGENCY will maintain supporting records documenting such maintenance. Representatives of MDOT will have the right to conduct periodic inspection for the purpose of confirming proper maintenance pursuant to this section. Such inspection by MDOT does not relieve the AGENCY of its obligations hereunder, nor is such inspection by MDOT to be construed as a warranty as to the sufficiency of the maintenance but is undertaken for the sole use and information of MDOT. MDOT may withhold funds from the AGENCY for failure to maintain project equipment pursuant to this section until such time as the AGENCY meets the proper maintenance requirements as determined by MDOT.

Facility/revenue vehicles/equipment purchased under this Agreement may, at the discretion of MDOT, be incorporated into a new or consolidated public transportation service at the time such service is implemented.

At such time as the revenue vehicles/equipment have exceeded their useful lives, the AGENCY, with prior notification to MDOT, will dispose of said equipment in accordance

with MDOT and/or federal procedures. Per 2 CFR 200.313 and 200.314, if vehicles or equipment are sold for Ten Thousand Dollars ($10,000.00) or less, the recipient may retain the full proceeds from the disposition. However, per 49 USC 5334(h)(4)(B), if vehicles or equipment are sold for more than Ten Thousand Dollars ($10,000.00), the recipient may only retain Five Thousand Dollars ($5,000.00) plus any percentage of local share in the original award. The remaining federal share will be returned to the FTA and the remaining state share will be returned to MDOT. Any expenses incurred from the sale of the vehicle or equipment may not be deducted from the reimbursement for the federal or state share of sale proceeds. MDOT will bill rural agencies quarterly for both the federal and state shares. Urban agencies are responsible for returning the federal share to the FTA, and MDOT will bill urban agencies for the state share.

Agencies that receive federal funding through MDOT agree to give MDOT a security interest in non-revenue vehicles priced at Fifty Thousand Dollars ($50,000.00) or more and any revenue vehicles purchased pursuant to the terms of this Agreement. MDOT will retain a security interest in the revenue vehicles until the terms of this section have been met.

The AGENCY agrees and warrants that it will not allow any encumbrance, lien, security interest, mortgage, or any evidence of indebtedness to attach to or be perfected against any revenue vehicles/equipment until all of its duties, obligations, and responsibilities are satisfied as required herein.

The incidental use of federal/state-funded revenue vehicles/equipment or facilities for non-public transportation use will be declared with submission of MDOT's Incidental Use Form and cannot interfere with or detract from the provision of the public transportation service for which the revenue vehicles/equipment and/or facilities were intended or shorten the useful life of the equipment or facilities. The costs of any incidental use are ineligible for state or federal operating assistance and may require a state-approved cost allocation plan.

Michigan Department of Transportation

F. PROMPT PAYMENT

The AGENCY agrees to pay each subcontractor for the satisfactory completion of work associated with the subcontract no later than ten (10) calendar days from the receipt of each payment the AGENCY receives from MDOT. The AGENCY further agrees to return retainage payments to each subcontractor within ten (10) calendar days after the subcontractor's work is satisfactorily completed. Any delay or postponement from these time frames may occur only upon receipt of written approval from MDOT. This requirement is also applicable to all sub-tier subcontractors and will be made a part of all subcontract agreements.

This prompt payment provision is a requirement of 49 CFR Part 26, as amended, and does not confer third-party beneficiary rights or other direct rights to a subcontractor against MDOT. This provision applies to both DBE and non-DBE subcontractors.

G. CAPITAL PROGRAMS BILLINGS AND PAYMENTS

The AGENCY may make requests for payment of allowable project costs for capital programs. In order for the AGENCY to receive payments from MDOT, the following conditions must be met:

1. All requests for payment must be submitted in accordance with the procedures established by MDOT and outlined in the latest applicable program guidance and documentation. MDOT will provide access to current payment procedures, including required forms, formats, and submission methods. The AGENCY agrees to comply with all such procedures as a condition of reimbursement. MDOT reserves the right to modify payment processes, systems, and requirements, and such modifications will become effective upon notice without requiring an amendment to this Agreement.

   Payment forms must be complete and must include the agreement and project authorization numbers, the payment request number, identification of the payment as a partial payment or a final payment, the amount to be reimbursed, and, if applicable, the third-party contract number. If the request is for reimbursement for (a) replacement vehicle(s), the AGENCY will include the identification number(s) of the vehicle(s) to be replaced on the request form.

   The AGENCY will submit a budget summary showing project costs to date and current billings against individual budget items as shown in the project authorization.

   a. Agencies receiving federal funds administered by MDOT will submit required supporting documentation for each billing as set forth in the current MDOT Review of Payment/Compliance.

   b. Prior to requesting reimbursement, the AGENCY may be required to enter data into its vehicle, equipment, and/or facility inventories in the Public Transportation Information Management System (PTIMS) or subsequently designated formats. The AGENCY must enter the following information into PTIMS or subsequently designated programs:

      i. the required information for revenue vehicles into the vehicle inventory;
      ii. equipment procurements of Ten Thousand Dollars ($10,000.00) or more into the equipment inventory if MDOT-administered federal funds were used for the purchase;
      iii. new facilities into the facility inventory;
      iv. facility improvements of Ten Thousand Dollars ($10,000.00) or more into the facility inventory if MDOT-administered federal funds were used in the projects.

   c. When requesting reimbursements for vehicles purchased under the local purchasing process, the AGENCY must follow the procedures outlined in the current Guidelines for Local Vehicle Purchase on State Administered Grants.

   d. When requesting reimbursements for vehicles purchased under the State of Michigan's Vehicle Purchasing Program, the AGENCY must follow the procedures outlined in the current Guidelines for State Vehicle Purchasing Programs.

   e. MDOT reserves the right to verify progress of work and/or delivery of products to the AGENCY by visual inspection.

   f. When requesting reimbursements for vehicles under a lease/purchase agreement, the AGENCY will submit a copy of the lease/purchase agreement with the first payment request.

2. Within one hundred twenty (120) days after costs have been incurred or an invoice received, the AGENCY must submit to MDOT a complete billing to be charged against the project authorization. “Complete billing” consists of a payment request containing required documentation as described in MDOT External Procedure #70200: Invoice & Payment Voucher Processing Procedure for: Transit Agencies (TAs). If the AGENCY submits a written request to extend the one hundred twenty (120) day period, does so before it expires, and includes documentation of the circumstances that prevent timely submission of all billings, MDOT may, in writing, extend the one hundred twenty (120) day period to a date certain. If the AGENCY fails to provide billings and supporting documentation one hundred twenty (120) days after costs were incurred or an invoice received, or before or upon the extended date established by MDOT, MDOT reserves the right to adjust the reimbursement amount in accordance with Section 10b(3)(f) of Act 51, which requires that the state pay not less than two-thirds of the local match required for Federal Transit Administration capital grants to local transit agencies.

   As an exception, when an AGENCY has pre-award authority, the one hundred twenty (120) day clock on costs incurred or invoice received will start on the federal award date.

Funds administered by MDOT as specified in the project authorization(s) will be payable by MDOT to the AGENCY.

H. OPERATING PROGRAMS BILLINGS, PAYMENTS, AND QUARTERLY REPORTS

The AGENCY may make requests for payment of eligible project costs for operating programs. In order for the AGENCY to receive payments from MDOT, the following conditions must be met:

1. The AGENCY must generate a quarterly operating assistance report (OAR) in PTIMS or subsequently designated programs.

2. Funds to be provided by the State of Michigan and/or State of Michigan-administered federal funds may be advanced to the AGENCY when the following conditions are met:

   a. Award of this Agreement.

   b. Award of the federal revenue grant, if applicable.

   c. Award of the project authorization.

   d. MDOT approval and receipt of awarded third-party contracts, if applicable.

   e. MDOT receipt of reports due from the previous fiscal year.

3. Payments will be made according to deadlines and guidance in the MDOT OPT Specialized Services Manual, the State of Michigan Management Plan for Funding Under Sections 5310, 5311, 5339, Section 70, and Other Competitive Programs of the Federal Transit Administration, and applicable MDOT guidance for subsequent designated programs.

The AGENCY is responsible for the accuracy of the financial and non-financial data and reports submitted for reimbursement.

I. INSURANCE

The AGENCY will carry and maintain for the life of the project asset (equipment, vehicle, facility, or other capital purchased under an authorization), as a minimum, insurance or self-insurance as set forth in Exhibit A, attached hereto and made a part hereof. Insurance payment for loss or damage will be made to MDOT if an asset has not met its useful life. The AGENCY will also provide and maintain public liability and property damage insurance, insuring as they may appear the interests of all parties to this Agreement against any and all claims that may arise out of the AGENCY's operation hereunder, as set forth in Exhibit A.

Agencies receiving operating funds will provide Workers' Compensation Insurance as required by law.

SECTION 4. CHANGES

A. ADMINISTRATIVE MODIFICATIONS, REVISIONS, AND AMENDMENTS

Expenditures that are not consistent with project authorizations will not be considered eligible project costs unless approval has been requested in writing by the AGENCY and granted by MDOT in accordance with this section.

An administrative modification to a project authorization may be used for changes that do not revise the scope of work, authorization amount, or authorization purpose. Upon receipt of a written request to make an administrative modification, MDOT must respond to the AGENCY providing written approval or disapproval of the administrative modification or requesting further information.

A revision to a project authorization may be used for a proposed change that would add a new line item, change the project authorization amount, change the federal, state, or local amounts, change the quantity of items, significantly change the scope, or extend the term of the project authorization. The project authorization must be revised to make the change before the expenditure will be deemed an eligible project cost. Requests to make changes that require a revision to the project authorization will be processed in a timely manner, as circumstances permit. Revision requests must be received no later than sixty (60) days before an authorization expiration date and must be received by August 1 for changes to be effective by September 30. Upon receipt of a written request to make changes that require revision(s) and, if applicable, receipt of written approval from the local or regional allocation committee (group of metropolitan planning organizations, local road commissions, transit agencies, cities, and/or villages, as required, that allocates funds among eligible entities), MDOT must respond to the AGENCY, providing written approval or disapproval of the revision or requesting further information.

Authorizations will not go beyond their federal grant period of performance. Likewise, authorization changes will match their corresponding federal grant period of performance. MDOT will not reimburse expenses beyond authorization start and end dates, unless the AGENCY has approved pre-award authority.

Amendments to this Agreement are required for any change in the scope or terms of this Agreement and will be by award of a written amendment to this Agreement by the parties.

The AGENCY agrees to notify MDOT in writing of any significant event that may have significant potential impact on project progress, direction, control, or cost.

In extraordinary, unforeseen circumstances MDOT reserves the right to make exceptions to the deadlines herein.

B. TIMELY EXPENDITURE OF FUNDS

Sufficient progress toward the obligation of funds must be made within six (6) months of receiving an awarded project authorization or MDOT may cancel the project authorization and the AGENCY will no longer have access to the funds. Sufficient progress may be documented by placing an order, issuing a solicitation, having a third-party contract awarded, or taking other documentable action to utilize the funds.

The AGENCY may request a project authorization revision to extend the authorization term. Time extension revision requests must be received no later than sixty (60) days before an authorization expiration date and must be received by August 1 for changes to be effective by September 30. Time extension revision requests must include justification for the extension and a timeline for completion of the remaining projects. If MDOT agrees with the justification and timeline, a time extension revision will be granted that maintains the full state match. If the request is not timely or the justification is not acceptable to MDOT, MDOT may choose to offer a one-year extension of the authorization term replacing one-third of the state match with local funds or may choose to cancel the project authorization.

For agencies purchasing vehicle(s) through a vehicle contract procured by MDOT, if there is an increase in the contract price, the needed additional funds will not be provided by MDOT unless the vehicle was ordered within six (6) months of the project authorization being awarded or unless there was an increase in the contract amount within six (6) months of the project authorization being awarded.

C. TERMINATION OR SUSPENSION

The AGENCY agrees that any project authorization and/or this Agreement may be terminated for any reason articulated in Section 340 (“Termination”) of Part 200.

For any reason, MDOT or the AGENCY may, by thirty (30) days’ written notice or as otherwise specified in the project authorization, suspend any or all of the rights and obligations under this Agreement or any project authorization until such time as the event or condition resulting in such suspension has ceased or been corrected.

For any reason, MDOT may, by thirty (30) days’ written notice to the AGENCY, or as otherwise specified in the project authorization, terminate any or all of the rights and obligations under this Agreement or any project authorization.

Upon receipt of any notice of termination or suspension of a project under this section and in accordance with MDOT procedures, the AGENCY will proceed promptly to carry out the actions required therein, which may, without limitation, include any or all of the following:

1. Take all necessary action to keep to a minimum the further incurrence of eligible project costs.

2. Furnish to MDOT a statement of the status of the project, the inventory, and the project costs to date, as well as a proposed schedule, plan, and budget for terminating or suspending and closing out project activities and contracts, and other undertakings, the costs of which are otherwise eligible as project costs. The closing out will be carried out in conformity with the latest schedule, plan, and budget approved by MDOT or under the terms and conditions imposed by MDOT for failure of the AGENCY to furnish a schedule, plan, and budget within a reasonable time. The closing out of MDOT financial participation in the project will not constitute a waiver of any claim MDOT may otherwise have arising out of this Agreement.

SECTION 5. REPORTING REQUIREMENTS

A. Milestone Reports: The AGENCY will prepare and submit to MDOT progress milestone reports according to deadlines and guidance in the State of Michigan Management Plan for Funding Under Sections 5310, 5311, 5339, Section 70, and Other Competitive Programs of the Federal Transit Administration. Milestone reports will be submitted in PTIMS or subsequent designated programs.

B. Final Reports: Upon completion of the project deliverables, and before receiving the final project payment, the AGENCY must submit to MDOT a comprehensive summary close-out report on the results of the project, the conclusions reached, and the methods used. The final close-out report must be submitted in an Americans with Disabilities Act (ADA) compliant format, in accordance with the Web Content Accessibility Guidelines (WCAG) Version 2.1 AA, as required by 28 CFR Part 35.

C. Management Information System Reporting: Management Information System (MIS) Reports must be in the status of signed, pending grantee review by the date indicated on the letter from MDOT. If the report is not submitted by the requested date, all federal funding will be placed on hold. If the report is not completed by the FTA final deadline date (March 15), all current funding will be withheld, and future funding may be denied.

SECTION 6. FUND-SPECIFIC TERMS

A. SECTION 5311 RURAL AREA OPERATING PROGRAM

1. The AGENCY's initial award amount in a project authorization is based on a predetermined reimbursement percentage times total eligible expenses reported in the AGENCY's approved annual application.

2. Revenues, expenses, eligible expenses, and nonfinancial data are reported on a quarterly basis in accordance with the Local Public Transit Revenue and Expenses Manual.

3. Forty (40) days after the end of each quarter, the AGENCY will submit a quarterly OAR in PTIMS or subsequently designated programs.

4. Payments will be made in accordance with deadlines and guidance in the MDOT OPT Specialized Services Manual, the State of Michigan Management Plan for

Funding Under Sections 5310, 5311, 5339, Section 70, and Other Competitive Programs of the Federal Transit Administration, and applicable MDOT guidance for subsequent designated programs. MDOT will withhold a portion of the total authorization amount until the reconciled OAR receives final approval from MDOT. A general ledger for the fiscal year must be submitted with the Reconciled OAR for MDOT to review and sample selected invoices. MDOT may reduce a payment if a report indicates that the level of service is lower than originally budgeted. No payments will be made until MDOT is authorized to disburse the federal funds. For the Section 5311 Job Access and Reverse Commute (JARC) Program, the AGENCY will be reimbursed up to the amount earned based on eligible expenses and amounts reported on the OAR, not to exceed the amount of the awarded project authorization.

5. The Section 5311 Program is required to be audited annually in accordance with the Audit Guide for Transportation Authorities. If a federal or state law, regulation, or circular referenced in the Audit Guide should become obsolete through a new applicable federal or state law, regulation, or circular, the latest version will apply even if the update has not yet been incorporated into the Audit Guide. Failure to comply with the audit requirement will result in a determination that the AGENCY has Zero Dollars ($0.00) total eligible expenses.

6. The AGENCY must review its annual Certified Public Accountant (CPA) audit as required in Section 9.

7. MDOT reviews the audited eligible expenses for compliance with this Agreement, the Revenue and Expense Manual, and the Audit Guide. Upon completion of the MDOT review, the AGENCY will be notified of any adjustments made to eligible expenses as reported in the CPA audit, the final calculation of Section 5311 funds determination, and the amount MDOT owes the AGENCY or the amount the AGENCY owes MDOT. The AGENCY will have twenty-one (21) days to either concur or disagree with MDOT's final calculation.

   If the AGENCY disagrees with MDOT's final determination, the AGENCY will have an additional twenty-one (21) days to clearly explain the nature and basis for any disagreement and provide any supporting documentation necessary to resolve any disagreements. The AGENCY agrees that failure to submit a response within the forty-two (42) day period constitutes agreement with any disallowance of an item of expense and authorizes MDOT to finally disallow any items of questioned expense.

   If MDOT finds that the predetermined reimbursement percentage times the audited eligible expenses exceeds the amount of federal funds available, and sufficient federal operating funds are not available in the next fiscal year to offset the shortage, a new percentage will be calculated. This new percentage will be calculated by dividing the total federal funds available for that period and purpose by the total of the audited eligible expenses of all the participating agencies. Any agency that has already received payments in a total amount that exceeds the new percentage of its actual eligible costs calculated pursuant to this paragraph will repay the excess to MDOT. If, within forty-two (42) days after written notification of the overpayment is sent to the AGENCY, arrangements to refund said monies have not been made, MDOT may withhold monies from any present or future contracts and/or from distributions to be made to the AGENCY pursuant to statute and may pursue any other available remedy to recover the overpayment. The AGENCY will be responsible for all costs in excess of the federal and MDOT funding.

B. SECTION 5310 ENHANCED MOBILITY OF SENIORS AND INDIVIDUALS WITH DISABILITIES PROGRAM

1. **Use and Disposition of Facility/Revenue Vehicles/Equipment:** In addition to the requirements in Section 3. 0, the AGENCY agrees that the facility/revenue vehicles/equipment will be used for the provision of public transportation service primarily for the elderly and persons with disabilities for the duration of its useful life and in accordance with the provision approved in the annual application and this Agreement.

2. **Lease of Project Equipment:** The AGENCY may lease the revenue vehicles/equipment to any other agency with the prior written approval of MDOT. The AGENCY will maintain or require the lessee to maintain the insurance provisions of Section 3. I above. Any such lease will contain all applicable provisions of this Agreement.

3. **Performance Measure Reporting:** All agencies that have revenue vehicles funded by MDOT-administered Federal Section 5310 funding must complete and submit Section 5310 performance measure reports by the deadline until the AGENCY disposes of the vehicle. If the report is not submitted by the required date, all federal funding will be placed on hold. If the report is not completed by the FTA final deadline date (October 30), all current funding will be withheld, and future funding may be denied.

C. SPECIALIZED SERVICES PROGRAM

1. **Transferring Funds from One Recipient to Another:** In order to adjust funds from one recipient to another, the recipients must make the request in writing, and the AGENCY and the Coordinating Committee (group of local human services agencies representing Specialized Services interests) must agree to the request.

2. **Reimbursements:** Actual reimbursement will be based on a per-mile rate or the rate for a one-way passenger trip up to the maximum amount provided in the project authorization.

3. **Accounting Records and Documentation:** The AGENCY will ensure that records are established and maintained to support the number of hours incurred providing service, the number of passengers carried, and the number of miles traveled.

Agencies and subrecipients will use the current Specialized Services Manual.

SECTION 7. NONDISCRIMINATION AND DISADVANTAGED BUSINESS ENTERPRISE

A. In connection with the performance of this Agreement, the AGENCY (hereinafter in Appendix A referred to as the “contractor”) agrees to comply with the State of Michigan provisions for “Prohibition of Discrimination in State Contracts,” as set forth in Appendix A, attached hereto and made a part hereof. This provision will be included in all subcontracts relating to this Agreement.

B. During the performance of this Agreement, the AGENCY, for itself, its assignees, and its successors in interest (hereinafter in Appendix B referred to as the “contractor”) agrees

to comply with the Civil Rights Act of 1964, being P.L. 88-352, 78 Stat. 241, as amended, being Title 42 USC Sections 1971, 1975a-1975d, and 2000a-2000h-6, and the Regulations of the US DOT (49 CFR Part 21) issued pursuant to said Act, including Appendix B, dated June 2011, attached hereto and made a part hereof. This provision will be included in all subcontracts relating to this Agreement.

C. The AGENCY will carry out the applicable requirements of MDOT's Disadvantaged Business Enterprise (DBE) program and 49 CFR Part 26, including, but not limited to, those requirements set forth in Appendix C to Part 26 with regard to its contracting opportunities. The AGENCY's contracting opportunities include the purchase of any items and the undertaking of any construction projects except transit vehicles.

D. Recipients of Department of Transportation (DOT) funds are expected to keep accurate data regarding the contracting opportunities available to firms paid for with DOT dollars. Failure to submit contracting data relative to the DBE program will result in noncompliance with 49 CFR Part 26. All dollar values listed on the Uniform Report of DBE Awards or Commitment and Payments should represent the DOT share attributable to the Operating Administration.

E. The DBE Commercially Useful Function (CUF) requirements (Form 4109T) of MDOT's Office of Passenger Transportation are set up to ensure compliance with 49 CFR Part 26.37(b). The requirements are effective immediately and apply to all federally funded MDOT and local agency projects that include participation of a DBE certified company. It should be noted that this applies to all projects with work completed by DBE certified firms, not just projects with a DBE goal. This review should be conducted while the DBE certified firm is working on the project. Additional FHWA CUF guidance can be found at: www.fhwa.dot.gov/federal-aidessentials/commusefunction.pdf.

SECTION 8. INDEMNIFICATION

The AGENCY agrees to indemnify, defend, and save harmless the State of Michigan, the State Transportation Commission, MDOT, and/or the federal agency and all officers, agents, and employees thereof:

a. From any and all claims by persons, firms, or corporations for labor, services, materials, or supplies provided to the AGENCY in connection with this Agreement; and

b. From any and all claims for injuries to or death of any and all persons, for loss of or damage to property, for environmental damage, degradation, and response and cleanup costs, and for attorney fees and related costs arising out of, under, or by reason of this Agreement, except claims resulting from the sole negligence or willful acts or omissions of said indemnitee, its agents, or its employees.

MDOT will not be subject to any obligations or liabilities by contractors of the AGENCY or their subcontractors or any other person not a party to the Agreement without its specific consent and notwithstanding its concurrence in or approval of the award of any contract or subcontract or the solicitation thereof.

It is expressly understood and agreed that the AGENCY will take no action or conduct that arises either directly or indirectly out of its obligations, responsibilities, and duties under this Agreement that results in claims being asserted against or judgments being imposed against the State of Michigan, the State Transportation Commission, MDOT, and/or the federal agency.

In the event that the same occurs, it will be considered as a breach of this Agreement, thereby giving the State of Michigan, the State Transportation Commission, MDOT, and/or the federal agency a right to seek and obtain any necessary relief or remedy, including, but not limited to, a judgment for money damages.

SECTION 9. INSPECTIONS AND AUDITS

A. ACCESS

The AGENCY agrees to provide to MDOT copies of all reports and data specified in each project authorization. The AGENCY further agrees to provide MDOT access to all technical data, reports, other documents, lists of personnel, and work in process pertaining to any project. Copies of technical data, reports, lists of personnel, and other documents will be provided by the AGENCY upon request from MDOT and/or the federal agency.

B. INSPECTION OF PROJECT EQUIPMENT AND RECORDS

The AGENCY will permit MDOT, the Comptroller General of the United States, and the Secretary of the United States Department of Transportation (USDOT) or their authorized representatives, agents, or employees to audit, review, and inspect all equipment purchased as part of the project, all transportation services rendered by the AGENCY by the use of such equipment, and all relevant project records, in accordance with 2 CFR Part 200.332(b)(5). Any approvals, reviews, and/or inspections of any nature by MDOT will not be construed as warranties or assumptions of liability on the part of MDOT. It is expressly understood and agreed that any such approvals are for the sole and exclusive purposes of MDOT, which is acting in a governmental capacity under this Agreement, and that such approvals are a governmental function incidental to the project under this Agreement. Such inspection does not relieve the AGENCY of its obligations hereunder, nor is such inspection to be construed as a warranty of the propriety of the equipment, services, or records. The AGENCY will also permit the above referenced persons to audit the books, records, and accounts of the AGENCY pertaining to the project. Records must be kept for three (3) years after disposal of project equipment.

C. COMPLIANCE REVIEWS

If the AGENCY fails to respond to letters of finding within forty-five (45) days, twenty-five percent (25%) of local bus operating funds will be withheld, current project authorizations will be suspended, and/or future funding may be denied. These measures will remain in effect until a satisfactory corrective action plan or requested documentation has been received and approved by MDOT. Once approval has been given, notification will be sent that withholding measures have been stopped and withheld funds will be released to the AGENCY.

D. ACCOUNTING RECORDS, INTERNAL CONTROLS, AND RECORD RETENTION

With regard to audits and record-keeping:

1. The AGENCY will establish and maintain accurate records, in accordance with generally accepted accounting principles, of all expenses incurred for which payment is sought or made under this Agreement and/or any project authorization (Records).

Separate accounts will be established and maintained for all costs incurred for each project authorization under this Agreement.

2. The AGENCY will maintain the Records for at least three (3) years from the date of final payment made by MDOT under this Agreement and any project authorization. In the event of a dispute with regard to the allowable expenses or any other issue under this Agreement or any project authorization, the AGENCY will thereafter continue to maintain the Records at least until that dispute has been finally decided and the time for all available challenges or appeals of that decision has expired.

   Agencies that are formula recipients (recipients of funds pursuant to Section 10e(4) of Public Act 51 of 1951, as amended) will maintain the Records for at least three (3) years from the date of final payment made by MDOT under this Agreement and any project authorization and until notified that the Local Bus Operating Assistance Program for the year of the Records has been closed out.

3. Agencies that are formula recipients will implement internal controls to identify and keep separate expenses incurred under project authorizations from expenses incurred for 1951 Public Act 51, Section 10e(4) reimbursement.

4. MDOT or its representative may inspect, copy, scan, or audit the Records at any reasonable time after giving reasonable notice.

5. If any part of the work is subcontracted, the AGENCY will assure compliance with subsections 1, 2, 3, and 4 above for all subcontracted work.

E. FISCAL YEAR-END ACCOUNTING COMPLIANCE

Agencies must follow year-end accounting procedures in accordance with directions and guidance provided by MDOT for any award. This includes, but is not limited to, payment requests and the establishment of payables. Failure to comply could result in the loss of funds.

F. CONTRACTUAL PROVISION FOR FORMULA RECIPIENTS – CPA REPORT ON INTERNAL CONTROLS

If the AGENCY is a formula recipient (recipient of funds pursuant to Section 10e(4) of Public Act 51 of 1951, as amended), it will engage a CPA to test and report on the AGENCY's internal controls, as specified in Section 9. Section 7. d. The CPA engaged by the AGENCY may be the same CPA who performs the audit required pursuant to Section 9. g.1 and Section 9. g.2. The report on internal controls issued by the CPA should be emailed to MDOT's Auditing Specialist for the Office of Passenger Transportation.

G. ANNUAL CPA AUDIT REQUIREMENTS

If both a Federal Single Audit and a State Transit Audit are required, the AGENCY may have one audit performed that meets the requirements of both Subpart F of Part 200 and the Audit Guide. The audit must be submitted as follows:

1. **Federal Single Audit:** Agencies expending a total of One Million Dollars ($1,000,000.00) or more in federal funds from one or more funding sources in their fiscal year must have a single audit conducted for that year in accordance with

Subpart F of Part 200. Section 200.512 details submission requirements. The Single Audit and the Section 200.512 of Part 200 reporting requirements must be uploaded at: https://harvester.census.gov/facweb/default.aspx/. If the Single Audit contains Section 200.516(a) "Audit Findings" and/or a status of prior audit findings relating to a federal award, the AGENCY will notify Mr. Matthew Dietrich, Financial Analyst Federal Transit Administration, (matthew.dietrich@dot.gov) by email with a list of the findings. If during the time of this agreement responsibility for these audits transitions to a new point of contact, direct notification to the new applicable point of contact designated by the Federal Transit Administration.

2. **State Transit Audit:** Agencies expending less than One Million Dollars ($1,000,000.00) in federal funds that are also formula recipients must have an annual CPA audit performed in accordance with the Audit Guide and all other applicable state laws and regulations relative to audit requirements. The audit will be uploaded to the Michigan Department of Treasury's website.

3. **No CPA Audit Required:** Agencies expending less than One Million Dollars ($1,000,000.00) in federal funds that are not formula recipients are not required to have a CPA audit performed but must submit the following information to Kristen Freeman, Accounting Assistant (FreemanK4@michigan.gov), within nine (9) months after the end of the audit period:

   a. A statement advising that a single audit is not required.
   b. The applicable fiscal year.
   c. The amount of federal funds spent.
   d. The name(s) of the MDOT federal programs.
   e. The Assistance Listing (formerly known as the Code of Federal Domestic Assistance).

   If, during the time of this Agreement, responsibility for these submissions transitions to a new point of contact, the AGENCY will direct submissions to the new applicable point of contact designated by MDOT.

All agencies are subject to the federally-required monitoring activities, which may include limited scope reviews and other on-site monitoring.

H. RESPONSIBILITY TO REVIEW ANNUAL CPA AUDIT

The AGENCY is responsible for reviewing and ensuring the accuracy of the annual CPA audit. Within thirty (30) days of the audit being posted to the appropriate website, the AGENCY will:

1. Review all aspects of the audit relating to this Agreement and all applicable project authorizations, including the following:

   a. The Schedule of Expenditure of Federal and State Awards to verify that it is complete and accurate.

   b. If Section 9. f of this Agreement applies, the AGENCY will verify that the opinion issued by the CPA is an unqualified opinion.

2. Report all errors, omissions, deficiencies, and inconsistencies in writing to the Auditing Specialist for MDOT OPT. The notification must include but is not limited to the following:

a. Identification of any missing line items for each project authorization and any incorrect dollar amounts reported on the Schedule of Expenditure of Federal and State Awards. The notification must explain why the errors occurred and must identify the corrective action taken or being taken to prevent future misreporting.

b. If an audit finding, particularly one that identifies loss due to neglect, misuse, waste, or conflict of interest, is applicable to a project authorization, the notification must explain the impact the audit finding has on the amount MDOT would otherwise be obligated to pay on the project authorization. The explanation must identify the corrective action taken or being taken to help to ensure that the audit finding is not repeated in future audits.

c. If the CPA issued a qualified opinion on the internal controls report required under Section 9. d, the notification must explain the internal control failure(s) and must identify the corrective action taken or to be taken to help to ensure that an unqualified opinion will be issued in future audits.

The AGENCY must take the necessary corrective action to prevent the same errors, omissions, deficiencies, and/or inconsistencies from being repeated in subsequent years' audits. Repetition of errors resulting in the same audit findings may result in the loss of funds associated with the project authorizations that are the subjects of the audit findings.

3. If no errors, omissions, deficiencies, or inconsistencies are found in the audit, the AGENCY may either:

   a. Submit a written concurrence to MDOT's Auditing Specialist that will allow MDOT OPT to begin its review of the CPA audit; or

   b. Take no action and allow the thirty (30) day review period to expire. The AGENCY agrees that failure to submit a written concurrence means that the AGENCY has performed the required review, concurs with the audit, and agrees that MDOT can proceed with its review.

4. Upon expiration of the AGENCY's thirty (30) day review period, MDOT will review the CPA audits.

I. MDOT AUDIT AND ADJUSTMENTS

In the event that an audit performed by or on behalf of MDOT indicates an adjustment to the costs reported under this Agreement or any project authorization or questions the allowability of an item of expense, MDOT will promptly submit to the AGENCY a Notice of Audit Results and a copy of the audit report, which may supplement or modify any tentative findings verbally communicated to the AGENCY at the completion of an audit.

Within sixty (60) days after the date of the Notice of Audit Results, the AGENCY will (a) respond in writing to the responsible bureau or office of MDOT indicating whether or not it concurs with the audit report, (b) clearly explain the nature and basis for any disagreement as to a disallowed item of expense, and (c) submit to MDOT a written explanation as to any questioned or no opinion expressed item of expense (Response). The Response will be clearly stated and will provide any supporting documentation necessary to resolve any disagreement or questioned or no opinion expressed item of expense. Where the

documentation is voluminous, the AGENCY may supply appropriate excerpts and make alternate arrangements to conveniently and reasonably make that documentation available for review by MDOT. The Response will refer to and apply the language of the Agreement. The AGENCY agrees that failure to submit a Response within the sixty (60) day period constitutes agreement with any disallowance of an item of expense and authorizes MDOT to finally disallow any items of questioned or no opinion expressed cost.

MDOT will make its decision with regard to any Notice of Audit Results and Response within one hundred twenty (120) days after the date of the Notice of Audit Results. If MDOT determines that an overpayment has been made to the AGENCY, the AGENCY will repay that amount to MDOT or reach agreement with MDOT on a repayment schedule within thirty (30) days after the date of an invoice from MDOT. If the AGENCY fails to repay the overpayment or reach agreement with MDOT on a repayment schedule within the thirty (30) day period, the AGENCY agrees that MDOT will deduct all or a portion of the overpayment from any funds then or thereafter payable by MDOT to the AGENCY under this Agreement or any other agreement or payable to the AGENCY under the terms of 1951 Public Act 51, as applicable. Interest will be assessed on any partial payments or repayment schedules based on the unpaid balance at the end of each month until the balance is paid in full. The assessment of interest will begin thirty (30) days from the date of the invoice. The rate of interest will be based on the Michigan Department of Treasury common cash funds interest earnings. The rate of interest will be reviewed annually by MDOT and adjusted as necessary based on the Michigan Department of Treasury common cash funds interest earnings. The AGENCY expressly consents to this withholding or offsetting of funds under those circumstances, reserving the right to file a lawsuit in the Court of Claims to contest MDOT's decision only as to any item of expense the disallowance of which was disputed by the AGENCY in a timely filed Response.

SECTION 10. ETHICS

A. CONFLICT OF INTEREST

The AGENCY must disclose in writing to MDOT any potential conflict of interest in it receiving financial assistance through a project authorization. If the potential conflict of interest is with a federal award (grant money paid by the federal government to the AGENCY), the AGENCY must submit the written disclosure to the applicable federal agency.

B. CERTIFICATION

For any project authorization in excess of One Hundred Thousand Dollars ($100,000.00):

1. The AGENCY's signature on the authorization constitutes the AGENCY's certification that to the best of its knowledge and belief no federal appropriated funds have been paid or will be paid by or on behalf of the undersigned to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, or the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.

2. If any funds other than federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with this federal contract, grant, loan, or cooperative agreement the undersigned will complete and submit Standard Form LLL, "Disclosure Form to Report Lobbying," pursuant to Section 1352, Title 31 USC, in accordance with its instructions.

3. The AGENCY will require that the language of this certification be included in the award documents for all third-party agreements (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients will certify and disclose accordingly.

4. This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31 USC. Any person who fails to file the required certification will be subject to a civil penalty of not less than Ten Thousand Dollars ($10,000.00) and not more than One Hundred Thousand Dollars ($100,000.00) for each such failure.

C. UNFAIR LABOR PRACTICES

In accordance with 1980 PA 278, MCL 423.321 et seq., the AGENCY, in the performance of this Agreement, will not enter into a contract with a subcontractor, manufacturer, or supplier listed in the register maintained by the Michigan Department of Labor of employers who have been found in contempt of court by a federal court of appeals on not less than three (3) occasions involving different violations during the preceding seven (7) years for failure to correct an unfair labor practice, as prohibited by Section 8 of Chapter 372 of the National Labor Relations Act, 29 USC 158. MDOT may void this Agreement if the name of the AGENCY or the name of a subcontractor, manufacturer, or supplier utilized by the AGENCY in the performance of this Agreement subsequently appears in the register during the performance of this Agreement.

D. ASSIGNMENT OF ANTITRUST RIGHTS

With regard to claims based on goods or services that were used to meet the AGENCY's obligation to MDOT under this Agreement, the AGENCY hereby irrevocably assigns its right to pursue any claims for relief or causes of action for damages sustained by the State of Michigan or MDOT due to any violation of 15 USC, Sections 1 – 15, and/or 1984 PA 274, MCL 445.771 - 445.788, excluding Section 4a, to the State of Michigan or MDOT.

The AGENCY shall require any subcontractors to irrevocably assign their rights to pursue any claims for relief or causes of action for damages sustained by the State of Michigan or MDOT with regard to claims based on goods or services that were used to meet the AGENCY's obligation to MDOT under this Agreement due to any violation of 15 USC, Sections 1 – 15, and/or 1984 PA 274, MCL 445.771 - 445.788, excluding Section 4a, to the State of Michigan or MDOT as a third-party beneficiary.

The AGENCY shall notify MDOT if it becomes aware that an antitrust violation with regard to claims based on goods or services that were used to meet the AGENCY's obligation to MDOT under this Agreement may have occurred or is threatened to occur. The AGENCY shall also notify MDOT if it becomes aware of any person's intent to

commence, or of commencement of, an antitrust action with regard to claims based on goods or services that were used to meet the AGENCY's obligation to MDOT under this Agreement.

E. INTEREST OF CONGRESSIONAL MEMBERS OR DELEGATES

No member of or delegate to the Congress of the United States will be admitted to any share or part of this Agreement or to any benefit arising therefrom.

F. PROHIBITED INTEREST

No member, officer, or employee of the AGENCY, during his/her tenure or one (1) year thereafter, will have any interest, direct or indirect, in this Agreement or the proceeds thereof.

G. POLITICAL ACTIVITY

None of the funds, the facilities, or the project equipment provided in any project authorization under this Agreement will be used for any partisan political or millage activity or to further the election or defeat of any candidate for public office.

SECTION 11. AWARD

A. TERM OF AGREEMENT

The effective date of this Agreement is October 1, 2026, and the Agreement will continue in effect until the last obligation between the parties under this Agreement has been fulfilled. The Agreement will include project authorizations for program years 2027 through 2031.

When the funding of a project authorization is contingent upon the award of the matching federal grant for MDOT and federal funds, MDOT will allow costs to be incurred for projects in advance of federal and MDOT approval to be apportioned in fiscal years 2027 through 2031, including carryover amounts, subject to allowance by the federal agency and the following: (1) use of this pre-award spending authority must meet all of the conditions and requirements as may be set forth in the Federal Register, and (2) costs incurred for the project that are not approved by the federal agency or MDOT will not be eligible for reimbursement and will remain the responsibility of the AGENCY.

When a project authorization contains only state funds or only state and local funds, MDOT will allow costs to be incurred by the AGENCY for the project prior to award of the project authorization. If costs are incurred for a project that is not approved by MDOT, those costs will not be eligible for reimbursement and will remain the responsibility of the AGENCY. If for any reason the project authorization does not get awarded, MDOT will not be responsible for expenses that have been incurred.

MDOT will not pay or be responsible for any costs incurred by the AGENCY subsequent to the expiration of the project authorization.

Project authorizations may be issued under this Agreement beginning October 1, 2026. The term for a project authorization will be indicated in that project authorization.

B. DISCREPANCIES

In case of any discrepancy between the body of this Agreement and any attachment hereto, the body of this Agreement will govern. In case of any discrepancy between the body of this Agreement and any project authorization hereunder, the body of this Agreement will govern.

C. SIGNING

This Agreement will become binding on the parties upon signing by the duly authorized representatives of the AGENCY and MDOT and upon the adoption of a resolution approving this Agreement and authorizing the signature(s) hereto of the respective official(s) of the AGENCY. A certified copy of the Agreement resolution must be provided to MDOT.

Prior to the award of any project authorization, the AGENCY must provide to MDOT a certified copy of a resolution approving the project authorization and authorizing the signature(s) of the respective official(s) of the AGENCY. In lieu of individual resolutions for each project authorization, the AGENCY may elect to provide authority to sign the project authorization as a part of the Agreement resolution.

TRANSPORTATION AUTHORITY OF
CALHOUN COUNTY

By: _____
Authorized Signer

MICHIGAN DEPARTMENT OF TRANSPORTATION

By: _____
Title: Department Director



October 27, 2021

EXHIBIT A
INSURANCE REQUIREMENTS

All insurance coverage provided relative to this Contract is primary and non-contributing to any comparable insurance (including self-insurances) carried by the STATE.

The AGENCY will comply will the following insurance requirements as applicable:

1. Vehicle Insurance

    a. Motor vehicle insurance as required by P.A. 218 of 1956, as amended by P.A. 294 of 1972, the Michigan No-Fault Insurance Law.

        i. Personal Protection Insurance as required by MCL 500.3101(1).

        ii. Property Protection Insurance as required by MCL 500.3101(1).

        iii. Residual Liability Insurance as required by MCL 500.3101(1).

        iv. Self-insurance may be utilized provided the appropriate coverage, limits, and Secretary of State certification is provided. A One Million Dollar ($1,000,000) minimum per occurrence limit should be carried.

        v. The coverage specified above will be in the minimum combined single limit amount of One Million Dollars ($1,000,000) per occurrence.

    b. Collision coverage as provided in P.A. 218 of 1956, MCL 500.3037 and comprehensive coverage as provided in P.A. 218 of 1956, MCL 500.2102 shall be carried. Both collision coverage and comprehensive coverage will be for the actual cash value of the vehicle. The amount of deductible for collision coverage and comprehensive coverage will be determined by the AGENCY and will be payable by the AGENCY. The AGENCY with prior STATE approval may self-insure the collision and comprehensive coverage.

2. Facility and/or Equipment Insurance (Non-vehicle) and Bonds

    a. Insurance - During the term of this Agreement, the AGENCY will:

        i. Keep all buildings, improvements, and equipment in, on, or appurtenant to the transportation facility or premises at the commencement of construction and thereafter, including all alterations, building, rebuilding, replacements, changes, additions, and all improvements, insured against loss, and all perils, in an amount not less than ninety percent (90%) of the full replacement value. The AGENCY will be responsible for the payment of any deductible. The

AGENCY will maintain an annual inventory of all equipment purchased under this Agreement with current dollar values.

ii. Provide Commercial General Liability Insurance covering all operations by or on behalf of the AGENCY against claims for personal injury (including bodily injury and death) and property damage in the minimum amount of One Million Dollars ($1,000,000) per occurrence, and Two Million Dollars ($2,000,000) general aggregate.

b. Bonds

The AGENCY will require the successful bidder to procure and deliver to the AGENCY a Performance Bond and a Lien Bond each in an amount equal to the Agreement price, underwritten by a surety licensed to do business in Michigan, naming the AGENCY as the obligee. Such bonds will be delivered to the AGENCY prior to any construction work being performed.

APPENDIX A
PROHIBITION OF DISCRIMINATION IN STATE CONTRACTS

In connection with the performance of work under this contract; the contractor agrees as follows:

1. In accordance with Public Act 453 of 1976 (Elliott-Larsen Civil Rights Act), the contractor shall not discriminate against an employee or applicant for employment with respect to hire, tenure, treatment, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of race, color, religion, national origin, age, sex, height, weight, or marital status. A breach of this covenant will be regarded as a material breach of this contract. Further, in accordance with Public Act 220 of 1976 (Persons with Disabilities Civil Rights Act), as amended by Public Act 478 of 1980, the contractor shall not discriminate against any employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment or a matter directly or indirectly related to employment because of a disability that is unrelated to the individual's ability to perform the duties of a particular job or position. A breach of the above covenants will be regarded as a material breach of this contract.

2. The contractor hereby agrees that any and all subcontracts to this contract, whereby a portion of the work set forth in this contract is to be performed, shall contain a covenant the same as hereinabove set forth in Section 1 of this Appendix.

3. The contractor will take affirmative action to ensure that applicants for employment and employees are treated without regard to their race, color, religion, national origin, age, sex, height, weight, marital status, or any disability that is unrelated to the individual's ability to perform the duties of a particular job or position. Such action shall include, but not be limited to, the following: employment; treatment; upgrading; demotion or transfer; recruitment; advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

4. The contractor shall, in all solicitations or advertisements for employees placed by or on behalf of the contractor, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, national origin, age, sex, height, weight, marital status, or disability that is unrelated to the individual's ability to perform the duties of a particular job or position.

5. The contractor or its collective bargaining representative shall send to each labor union or representative of workers with which the contractor has a collective bargaining agreement or other contract or understanding a notice advising such labor union or workers' representative of the contractor's commitments under this Appendix.

6. The contractor shall comply with all relevant published rules, regulations, directives, and orders of the Michigan Civil Rights Commission that may be in effect prior to the taking of bids for any individual state project.

7. The contractor shall furnish and file compliance reports within such time and upon such forms as provided by the Michigan Civil Rights Commission; said forms may also elicit information as to the practices, policies, program, and employment statistics of each subcontractor, as well as the contractor itself, and said contractor shall permit access to the contractor's books, records, and accounts by the Michigan Civil Rights Commission and/or its agent for the purposes of investigation to ascertain compliance under this contract and relevant rules, regulations, and orders of the Michigan Civil Rights Commission.

8. In the event that the Michigan Civil Rights Commission finds, after a hearing held pursuant to its rules, that a contractor has not complied with the contractual obligations under this contract, the Michigan Civil Rights Commission may, as a part of its order based upon such findings, certify said findings to the State Administrative Board of the State of Michigan, which State Administrative Board may order the cancellation of the contract found to have been violated and/or declare the contractor ineligible for future contracts with the state and its political and civil subdivisions, departments, and officers, including the governing boards of institutions of higher education, until the contractor complies with said order of the Michigan Civil Rights Commission. Notice of said declaration of future ineligibility may be given to any or all of the persons with whom the contractor is declared ineligible to contract as a contracting party in future contracts. In any case before the Michigan Civil Rights Commission in which cancellation of an existing contract is a possibility, the contracting agency shall be notified of such possible remedy and shall be given the option by the Michigan Civil Rights Commission to participate in such proceedings.

9. The contractor shall include or incorporate by reference, the provisions of the foregoing paragraphs (1) through (8) in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Michigan Civil Rights Commission; all subcontracts and purchase orders will also state that said provisions will be binding upon each subcontractor or supplier.

APPENDIX B
TITLE VI ASSURANCE

During the performance of this contract, the contractor, for itself, its assignees, and its successors in interest (hereinafter referred to as the "contractor"), agrees as follows:

1. **Compliance with Regulations**: For all federally assisted programs, the contractor shall comply with the nondiscrimination regulations set forth in 49 CFR Part 21, as may be amended from time to time (hereinafter referred to as the Regulations). Such Regulations are incorporated herein by reference and made a part of this contract.

2. **Nondiscrimination**: The contractor, with regard to the work performed under the contract, shall not discriminate on the grounds of race, color, sex, or national origin in the selection, retention, and treatment of subcontractors, including procurements of materials and leases of equipment. The contractor shall not participate either directly or indirectly in the discrimination prohibited by Section 21.5 of the Regulations, including employment practices, when the contractor covers a program set forth in Appendix B of the Regulations.

3. **Solicitation for Subcontracts, Including Procurements of Materials and Equipment**: All solicitations made by the contractor, either by competitive bidding or by negotiation for subcontract work, including procurement of materials or leases of equipment, must include a notification to each potential subcontractor or supplier of the contractor's obligations under the contract and the Regulations relative to nondiscrimination on the grounds of race, color, or national origin.

4. **Information and Reports**: The contractor shall provide all information and reports required by the Regulations or directives issued pursuant thereto and shall permit access to its books, records, accounts, other sources of information, and facilities as may be determined to be pertinent by the Department or the United States Department of Transportation (USDOT) in order to ascertain compliance with such Regulations or directives. If required information concerning the contractor is in the exclusive possession of another who fails or refuses to furnish the required information, the contractor shall certify to the Department or the USDOT, as appropriate, and shall set forth the efforts that it made to obtain the information.

5. **Sanctions for Noncompliance**: In the event of the contractor's noncompliance with the nondiscrimination provisions of this contract, the Department shall impose such contract sanctions as it or the USDOT may determine to be appropriate, including, but not limited to, the following:

    a. Withholding payments to the contractor until the contractor complies; and/or

    b. Canceling, terminating, or suspending the contract, in whole or in part.

6. **Incorporation of Provisions**: The contractor shall include the provisions of Sections (1) through (6) in every subcontract, including procurement of material and leases of equipment, unless exempt by the Regulations or directives issued pursuant thereto. The contractor shall take such action with respect to any subcontract or procurement as the Department or the USDOT may direct as a means of enforcing such provisions, including sanctions for non-compliance, provided, however, that in the event a contractor becomes involved in or is threatened with litigation from a subcontractor or supplier as a result of such direction, the contractor may request the Department to enter into such litigation to protect the interests of the state. In addition, the contractor may request the United States to enter into such litigation to protect the interests of the United States.

Revised June 2011

(Revised October 2, 2014)

APPENDIX C
Assurances that Recipients and Contractors Must Make
(Excerpts from US DOT Regulation 49 CFR § 26.13)

A. Each financial assistance agreement signed with a DOT operating administration (or a primary recipient) must include the following assurance:

The recipient shall not discriminate on the basis of race, color, national origin, or sex in the award and performance of any US DOT-assisted contract or in the administration of its DBE program or the requirements of 49 CFR Part 26. The recipient shall take all necessary and reasonable steps under 49 CFR Part 26 to ensure nondiscrimination in the award and administration of US DOT-assisted contracts. The recipient's DBE program, as required by 49 CFR Part 26 and as approved by US DOT, is incorporated by reference in this agreement. Implementation of this program is a legal obligation and failure to carry out its terms shall be treated as a violation of this agreement. Upon notification to the recipient of its failure to carry out its approved program, the department may impose sanctions as provided for under Part 26 and may, in appropriate cases, refer the matter for enforcement under 18 U.S.C. 1001 and/or the Program Fraud Civil Remedies Act of 1986 (31 U.S.C. 3801 et seq.).

B. Each contract MDOT signs with a contractor (and each subcontract the prime contractor signs with a subcontractor) must include the following assurance:

The contractor, subrecipient or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of US DOT-assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy as the recipient deems appropriate, which may include, but is not limited to:

(1) Withholding monthly progress payments;

(2) Assessing sanction;

(3) Liquidated damages; and/or

(4) Disqualifying the contractor from future bidding as non-responsible.

TRANSPORTATION AUTHORITY OF CALHOUN COUNTY
BOARD OF DIRECTORS

Resolution 39-2026

At the regular Board of Directors meeting of the Transportation Authority of Calhoun County (TACC), held at Ride Calhoun Administrative Offices, located at 49 South Cass St., Battle Creek, MI 49037, on Wednesday, September 23, 2026, with Board Chair Erick Stewart presiding, the following action was taken:

Whereas, the Transportation Authority of Calhoun County has the authority to contract with the Michigan Department of Transportation for State and/or Federal funds for passenger transportation related services; and

Whereas, the Transportation Authority of Calhoun County has approved Master Agreement 2027-0153; and

Whereas, this resolution shall approve execution of Project Authorizations for any programs designated by the Transportation Authority of Calhoun County and/or Project Authorizations for any amount determined by the Transportation Authority of Calhoun County with the Michigan Department of Transportation which are issued under Master Agreement Number 2027-0153;

Now, Therefore, be it resolved, that the Executive Director, and/or the Director of Administration and Planning of the Transportation Authority of Calhoun County are authorized to enter into and execute on behalf of the Transportation Authority of Calhoun County all such Project Authorizations with the Michigan Department of Transportation for passenger transportation related services for the Agreement period.

CERTIFICATE

I, Vivian Davis, Secretary of the Transportation Authority of Calhoun County, having custody of the records and proceedings of the Transportation Authority of Calhoun County at the meeting of September 23, 2026, with the original minutes now on file and of record in the office that this resolution is true and correct.

_____ _____

Signature Printed Name

_____ _____

Title Date

TRANSPORTATION AUTHORITY OF CALHOUN COUNTY
BOARD OF DIRECTORS

Resolution 40-2026

At the regular Board of Directors meeting of the Transportation Authority of Calhoun County (TACC), held at Ride Calhoun Administrative Offices, located at 49 South Cass St., Battle Creek, MI 49037, on Wednesday, September 23, 2026, with Board Chair Erick Stewart presiding, the following action was taken:

Whereas, the Transportation Authority of Calhoun County desires to establish and maintain employee welfare benefit arrangements for the benefit of eligible employees and their dependents; and

Whereas, the Board of Directors has reviewed the proposed plan documents and deems their adoption to be in the best interests of the Authority and its employees; and

Now, Therefore, be it resolved, that the Authority hereby approves, authorizes, and adopts the Employer-Sponsored Welfare Benefit Plan, effective as of July 1, 2026, substantially in the form presented to the Board, together with such non-material revisions, clarifications, or administrative changes as may be deemed necessary, desirable, or appropriate by the Board, in consultation with counsel or other authorized advisors;

Be if further resolved, that the Authority hereby approves, authorizes and adopts the related plan documents, including, as applicable, the Premium Conversion (Section 125) Plan Document, the Wrap Summary Plan Description, and any related amendments, appendices, or administrative forms necessary to implement and maintain the Plan in accordance with applicable laws and regulations.

Be it further resolved, that the Executive Director is hereby authorized and directed to execute the foregoing plan documents and any related instruments on behalf of the TACC.

Be it further resolved, that the officers of the Authority, and each of them acting singly, are hereby authorized and directed to take any and all actions, and to execute and deliver any and all notices, certificates, documents, agreements, and other instruments, as may be necessary or appropriate to adopt, administer, implement, and carry out the purposes and intent of these resolutions.

CERTIFICATE

I, Vivian Davis, Secretary of the Transportation Authority of Calhoun County, having custody of the records and proceedings of the Transportation Authority of Calhoun County at the meeting of September 23, 2026, with the original minutes now on file and of record in the office that this resolution is true and correct.

_____ _____

Signature Printed Name

_____ _____

Title Date

TRANSPORTATION AUTHORITY OF CALHOUN COUNTY

PREMIUM CONVERSION AND HEALTH SAVINGS ACCOUNT CONTRIBUTION PLAN

Effective July 01, 2026

RIDE CALHOUN

339 W. Michigan Avenue
Battle Creek, Michigan

Prepared by

WALTON INSURANCE GROUP

V01072026LS

TRANSPORTATION AUTHORITY OF CALHOUN COUNTY
PREMIUM CONVERSION AND HEALTH SAVINGS ACCOUNT CONTRIBUTION PLAN

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TRANSPORTATION AUTHORITY OF CALHOUN COUNTY
PREMIUM CONVERSION AND
HEALTH SAVINGS ACCOUNT CONTRIBUTION PLAN

Transportation Authority of Calhoun County (the "Employer") hereby sets forth the Transportation Authority of Calhoun County Premium Conversion and Health Savings Account Contribution Plan, as in effect July 01, 2026.

ARTICLE I

Purpose

The purpose of this Plan is to enable Eligible Employees to elect to receive part of their compensation in the form of pre-tax benefits and health savings account contributions. The Plan is intended to be a "cafeteria plan" as described in Section 125 of the Code, as amended, as well as any rulings and regulations promulgated thereunder.

This Plan is a "Welfare Program" offered under Ride Calhoun Benefit Plan (the "Welfare Plan"), and is incorporated therein by reference.

ARTICLE II

Definitions

2.1 "Beneficiary" means a beneficiary as defined under a Benefit Option.

2.2 "Benefit Contributions" means credits to the Benefits Account on behalf of a Participant pursuant to the Participant's Participation Agreement.

2.3 "Benefit Option" means any benefit listed in Exhibit A, including those for which an Eligible Employee may elect to make pre-tax contributions pursuant to Article VI and Article XII of the Plan.

2.4 "Benefits Account" means an account maintained on the books of the Employer for each Participant in accordance with Article VII for the purpose of recording the Participant's Benefit Contributions. A subaccount shall be established hereunder with respect to each Benefit Option elected by a Participant.

2.5 "Code" means the Internal Revenue Code of 1986, as amended from time to time.

2.6 "Dependent" means a dependent as defined under a Benefit Option. However, for purposes of any Benefit Option that provides medical benefits, Dependent shall also include a Participant's children who have not attained age 26 (or such later age as determined by the Plan Administrator).

2.7 "Eligible Employee" means an Employee described in Section 3.1.

2.8 "Employee" means any person providing services to the Employer or Participating Employer as a common-law employee. Non-resident aliens, independent contractors and individuals designated by the Employer as temporary employees shall not be Employees for purposes of this Plan. Leased employees within the meaning of Sections 414(n)(2) and 414(o)(2) of the Code, and employees subject to collective bargaining agreements may be included in the definition of Employee only at the discretion of the Employer.

2.9 "Employer" means Transportation Authority of Calhoun County, and any entity which succeeds to the business and assumes the obligations of the Employer hereunder.

2.10 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

2.11 "Health Savings Account" or "HSA" means a tax-exempt trust or custodial account under Section 223 of the Code that is established with a qualified HSA trustee or custodian.

2.12 "High Deductible Health Plan" means a health plan that meets the statutory limits for annual deductibles and out-of-pocket expenses for individual coverage or for family coverage, as defined in Section 223(c)(2) of the Code.

2.13 "HSA-Eligible Individual" means a Participant who is eligible to contribute to an HSA under Code Section 223 and who has elected qualifying High Deductible Health Plan coverage.

2.14 "Participant" means an Eligible Employee who has satisfied the requirements of Article III, entered into a Participation Agreement in accordance with Article IV, and whose participation has not terminated in accordance with Section 4.5.

2.15 "Participating Employer" means any member of the following group including the Employer, if such member adopts this Premium Conversion Plan with the Employer's authorization as provided in Article XV, Section 15.1 and meets the definition of Employer as described in Section 2.9: (i) a controlled group of corporations, within the meaning of Section 414(b) of the Code; (ii) a group of trades or businesses under common control, within the meaning of Section 414(c) of the Code; (iii) an affiliated service group, within the meaning of Section 414(m) of the Code; or (iv) a trade or business required to be aggregated pursuant to Section 414(o) of the Code. Each Participating Employer is identified in Appendix B. The Employer shall amend Appendix B as needed, to reflect a Participating Employer's adoption of or withdrawal from this Plan, without any need to otherwise amend this Plan. Amendment of Appendix B may be made by any authorized officer or representative of the Employer and shall not require approval of the Board of Directors.

2.16 "Participation Agreement" means an electronic or written agreement entered into pursuant to Article IV, whereby an Eligible Employee agrees to reduce their cash compensation for the applicable Period of Coverage in consideration for the provision of a Benefit Option selected by the Eligible Employee.

2.17 "Period of Coverage" means the Plan Year; provided, however, that with respect to a Participant who commences participation after the beginning of the Plan Year, the initial Period of

Coverage shall run from the effective date of the Participant's properly completed and executed Participation Agreement to the end of that Plan Year, and all subsequent Periods of Coverage shall be on the Plan Year basis; provided, further, that if a Participant modifies or revokes their Participation Agreement as permitted in Article VIII, a new Period of Coverage begins as of the effective date of such modification or revocation and shall run until the end of the Plan Year.

2.18 "Plan" means the Transportation Authority of Calhoun County Premium Conversion and Health Savings Account Contribution Plan as set forth herein and as amended from time to time.

2.19 "Plan Administrator" means the Employer or such other individual, committee or firm as the Employer shall designate from time to time.

2.20 "Plan Year" means the twelve consecutive month period ending on June 30.

2.21 "Spouse" means the individual who is legally married to an Eligible Employee under applicable law.

ARTICLE III

Eligibility

3.1 Service Required to Become an Eligible Employee. Subject to Section 3.2, an Employee is eligible to participate in the Plan if they are eligible for coverage under a Benefit Option and meet any additional requirements under the provisions of Section 3.2.

3.2 Eligible Classification. Notwithstanding Section 3.1, an Employee shall not be an Eligible Employee while they are a member of a classification of Employees which the Plan Administrator has designated as not currently eligible to participate in the Plan. The Plan Administrator may at any time and from time to time remove any one or more Employees or group(s) or class(es) of Employees from eligibility for participation in this Plan, provided that in no event shall any such removal reduce the amount theretofore credited to the Benefits Account of any Participant.

3.3 Determination of Eligibility by Plan Administrator. The determination of an Employee's eligibility to become and continue as a Participant in the Plan shall be made by the Plan Administrator from the Employer's or Participating Employer's records, and the Plan Administrator's determination shall be binding and conclusive upon all persons.

ARTICLE IV

Participation

4.1 Election to Participate. If an initial Participation Agreement is required by the Plan Administrator, an Eligible Employee who files a properly completed and executed Participation Agreement with the Plan Administrator shall have elected to participate in the Plan and to reduce their compensation by the amount necessary to provide the elected Benefit Option(s) and to make HSA contributions. An Eligible Employee entitled to participate in the Plan pursuant to Section 3.1

must file a properly completed and executed Participation Agreement with the Plan Administrator within 30 days of their date of hire, within 30 days of their otherwise becoming an Eligible Employee or within such other time period as determined by the Plan Administrator. Such Participation Agreement shall be binding for the Period of Coverage to which it applies and may not be modified or revoked by the Participant or by the Employer or Participating Employer, except as provided in Article VIII, Article X, or Article XII.

If an initial Participation Agreement is required by the Plan Administrator and an Eligible Employee does not enroll in the Plan when initially eligible, then they may enroll in the Plan as of the first day of a succeeding Plan Year by filing a properly completed and executed Participation Agreement with the Plan Administrator during an open enrollment period preceding such Plan Year. After initially eligible, an Eligible Employee may timely file a new properly completed and executed Participation Agreement with the Plan Administrator to enter the Plan during a Plan Year only in accordance with Article VIII or Article XII.

4.2 Elections for Subsequent Plan Years. If an initial Participation Agreement is required by the Plan Administrator, with the exception of HSA contribution elections under Article XII, if a Participant fails to file a new properly completed and executed Participation Agreement for a subsequent Plan Year, the existing Participation Agreement shall remain in effect for such subsequent Plan Year. The Plan Administrator may, at its discretion, require Eligible Employees to file new properly completed and executed Participation Agreements during an open enrollment period in order to continue benefits under the Plan.

4.3 Elections For Rehires. If a terminated Eligible Employee is rehired by the Employer or Participating Employer as an Eligible Employee within 30 days of their termination date, the Eligible Employee's Participation Agreement (if required) that was in effect on the day they terminated shall be reinstated. An Eligible Employee who is rehired as an Eligible Employee more than 30 days following termination of employment may file a new Participation Agreement (if required) with the Plan Administrator in accordance with Section 4.1.

4.4 Effective Date for Participation Agreements. If an initial Participation Agreement is required by the Plan Administrator, a Participation Agreement shall be effective as of the first day of the payroll period after the Eligible Employee files such properly completed and executed Participation Agreement with the Plan Administrator, or such later date as the Plan Administrator may prescribe, provided, however, that the effective date complies with applicable law.

4.5 Termination of a Participation Agreement. A Participation Agreement terminates on the earlier of:

(a) the end of the Plan Year, unless automatically reinstated in accordance with Section 4.2,

(b) the date the Participant revokes their Participation Agreement in accordance with Article VIII or Article XII,

(c) the date the Participant terminates employment with the Employer or Participating Employer,

(d) the date the Participant ceases to be an Eligible Employee, or

(e) the date the Plan terminates in accordance with Article X.

ARTICLE V

Funding

The Employer shall contribute to the cost of the Benefit Option(s) provided under the Plan to the extent of, and pursuant to, each Participant's Participation Agreement.

ARTICLE VI

Benefit Options

6.1 Benefit Options. The Benefit Option(s) available under the Plan for which an Eligible Employee may choose pre-tax contributions in lieu of cash compensation may include any or all of the plans or programs listed in Exhibit A which are Welfare Programs under the Welfare Plan which the Employer, in its sole discretion, may make available from time to time.

6.2 Controlling Documents. While the Participant's election to make pre-tax contributions to pay for one or more Benefit Options may be made pursuant to this Plan, the Benefit Options will be provided not by this Plan but instead by the respective benefit plans or programs constituting the Benefit Option. Such benefit plans or programs, if and as implemented and in effect from time to time, shall be set forth in written instruments or in insurance policies or contracts which shall be filed with or attached as appendices or schedules to the Welfare Plan. The types and amounts of benefits available under each available Benefit Option, the requirements for coverage and receiving benefits under the Benefit Option, and the other terms and conditions pertaining thereto, shall be as set forth in the written instruments or in the insurance policies or contracts comprising the respective plans or programs.

ARTICLE VII

Contributions Towards Benefit Options

7.1 Benefit Contributions for Benefit Options. If a Participant elects a Benefit Option as identified in Exhibit A, the Participant's cash compensation will be reduced by the amount the Participant specifies (subject to any applicable limits imposed by the Plan Administrator or otherwise), or by the amount the Plan Administrator specifies as the Participant's cost of the Benefit Option, and an amount equal to the reduction will be credited to the appropriate subaccount established under the Participant's Benefits Account. Amounts allocated to each such subaccount shall remain segregated in such subaccount and may not be commingled with or transferred to any other subaccount under any circumstances. Amounts credited to each subaccount shall be applied to the next premium, payment, or expense, or shall be reimbursed to the Participant, as specified under the relevant Benefit Option. The subaccount shall thereupon be debited and reduced to its new balance.

7.2 Payment for Benefits With After-Tax Contributions. Notwithstanding any other provision of this Plan, the Employer may maintain and offer to its Eligible Employees the opportunity to obtain coverage under any employee benefit plan, including, without limitation, Benefit Options, pursuant to the Eligible Employee's agreement to pay for such coverage with after-tax employee contributions. If any Benefit Option covers domestic partners, the Participant shall pay for the cost of such Benefit Option elected on behalf of a domestic partner with after-tax contributions, unless permitted to use pre-tax dollars in accordance with applicable federal or state law.

7.3 Health Plan Continuation Coverage. Nothing contained in this Plan is intended to limit or affect the rights, if any, of a Participant or their covered Spouse or Dependents to continuation of coverage under any group health plan sponsored by the Employer. Such rights to continuation of coverage shall be governed by the terms of such Benefit Option(s) and by applicable law.

ARTICLE VIII

Modification or Revocation of Participation Agreement

8.1 Limitations. A Participation Agreement shall remain in effect unless modified or revoked by a Participant as provided in this Article. With the exception of an HSA contribution election, an Eligible Employee may modify or revoke a Participation Agreement with respect to the current Period of Coverage only in accordance with Section 8.2 or, if applicable, Sections 8.3 to 8.5. For purposes of this Article, Spouse does not include domestic partners, unless recognized as such under federal law.

8.2 Modification or Revocation of Participation Agreement. If permitted under a particular Benefit Option, an Eligible Employee may modify or revoke a Participation Agreement during a Plan Year within 30 days after the occurrence of one of the events described in this Section or, if longer, within the period required by applicable law, as follows:

(a) An Eligible Employee may modify or revoke a Participation Agreement during a Plan Year with respect to the Benefit Option(s) under the Plan if one of the following "change in status events" occurs and the modification or revocation satisfies the consistency requirement of paragraph (b) below:

(i) a change in the Eligible Employee's legal marital status, including marriage, death of a Spouse, divorce, legal separation or annulment;

(ii) a change in the number of the Eligible Employee's Dependents, including due to the birth, adoption, placement for adoption, or death of a Dependent;

(iii) a change in employment status of the Eligible Employee, their Spouse, or a Dependent, including a termination or commencement of employment; a strike or lockout; a commencement of or return from an unpaid leave of absence; and a change in worksite;

(iv) a Dependent satisfies or ceases to satisfy the requirements for coverage due to attainment of a specified age, student status, or any similar circumstance as provided in the applicable Benefit Option;

(v) the Eligible Employee, their Spouse or a Dependent changes their place of residence, but only if such change affects the person's eligibility for coverage under a Benefit Option; or

(vi) Any other event that the Plan Administrator may determine will permit a change or revocation of an election in accordance with the rulings and regulations under Code Section 125.

(b) With respect to the Benefit Options under the Plan, an Eligible Employee's modification or revocation of their Participation Agreement during the Plan Year is consistent with the change in status event, and thus permissible, only if the election change is on account of and corresponds with a change in status event that affects eligibility for coverage under one of the Benefit Options or under a plan maintained by the Spouse's or Dependent's employer. A change in status event that affects eligibility under a Benefit Option or a plan maintained by the Spouse's or Dependent's employer shall include a change in status event that results in an increase or decrease in the number of an Eligible Employee's family members or Dependents who may benefit from coverage under the Benefit Option(s). With respect to any group term life insurance or group disability insurance identified in Exhibit A, an election by an Eligible Employee to either increase or decrease coverage in response to a change in status event is deemed to correspond with that change in status.

(c) An Eligible Employee may modify or revoke their Participation Agreement with respect to the group health plans identified in Exhibit A if the modification or revocation results from and is consistent with a judgment, decree or order resulting from a divorce, legal separation, annulment or change in legal custody (including a qualified medical child support order, as defined in Section 609(a) of ERISA) that requires group health plan coverage for the Eligible Employee's child or foster child who is a dependent of the Eligible Employee. The Eligible Employee may modify or revoke their Participation Agreement during the Plan Year in order to:

(i) provide group health coverage for the child if the order requires coverage for the child under the Eligible Employee's plan; or

(ii) cancel group health plan coverage for the child if the order requires the Spouse, former Spouse, or other individual to provide coverage for the child, and the coverage is, in fact, provided.

(d) If the Participant, their Spouse or Dependent becomes enrolled under Part A or Part B of Title XVIII of the Social Security Act ("Medicare") or Title XIX of the Social Security Act ("Medicaid") (other than coverage only for pediatric vaccines), the Participant may modify or revoke their Participation Agreement with respect to group health plan coverage to cancel coverage of the individual who becomes enrolled under Medicare or Medicaid. If an Eligible Employee, their Spouse or Dependent loses coverage described in the preceding sentence, the Eligible Employee

may file a new Participation Agreement with respect to group health plan coverage in order to begin or increase coverage of that individual who lost coverage under Medicare or Medicaid.

(e) The Participant may modify or revoke their Participation Agreement with respect to a Benefit Option listed in Exhibit A if there are significant cost increases or decreases charged to the Participant for such Benefit Option. Permitted changes include: commencing participation in the Plan for a Benefit Option that decreases in cost, or, in the case of a Benefit Option that increases in cost, revoking an election for coverage and instead receiving, on a prospective basis, coverage under another Benefit Option providing similar coverage or dropping coverage if no such other Benefit Option providing similar coverage is available.

(f) If a Participant or a Participant's Spouse or Dependent has a significant curtailment of coverage under a Benefit Option during a Period of Coverage that is not a loss in coverage (*e.g.*, a significant increase in the deductible, the required co-payments, or the out-of-pocket cost sharing limit under a group health plan), any Participant who had elected that Benefit Option may modify or revoke their election for that coverage and instead elect to receive, on a prospective basis, coverage under another Benefit Option providing similar coverage. Coverage under a Benefit Option is significantly curtailed only if there is an overall reduction in coverage provided under the Benefit Option so as to constitute reduced coverage generally. The loss of one particular physician in a health network is not a significant curtailment.

(g) If a Participant or a Participant's Spouse or Dependent has a significant curtailment of coverage under a Benefit Option during a Period of Coverage that is a loss in coverage, the Participant may modify or revoke their Participation Agreement under the Plan and instead elect either to receive on a prospective basis coverage under another Benefit Option providing similar coverage or to drop coverage if no similar Benefit Option is available. A loss of coverage means a complete loss of coverage under a Benefit Option, including the elimination of the Benefit Option or an HMO ceasing to be available in the area where the individual resides. For purposes of this paragraph, a loss of coverage also includes:

(i) a substantial decrease in medical care providers available under the Benefit Option;

(ii) a reduction in the benefits for a specific type of medical condition or treatment with respect to which the Participant, Spouse or Dependent is currently undergoing a course of treatment; or

(iii) any other similar fundamental loss of coverage.

(h) If the Plan adds a new Benefit Option or if coverage under an existing Benefit Option is significantly improved during a Period of Coverage, an Eligible Employee may modify or revoke their Participation Agreement with respect to that Benefit Option and, on a prospective basis, elect coverage under the new or improved Benefit Option.

(i) If an Eligible Employee's Spouse or Dependent makes an election change under an applicable welfare plan or Section 125 plan maintained by such individual's employer, the Eligible Employee may modify or revoke their Participation Agreement if the change is on account of and corresponds with the election change made by the Eligible Employee's Spouse or

Dependent, provided that the Spouse or Dependent's election change satisfies the regulations and rulings under Section 125 of the Code or the period of coverage under the other employer's applicable welfare plan or Section 125 plan does not correspond to the Period of Coverage under this Plan.

(j) In the event that an Eligible Employee, their Spouse or Dependent loses group health coverage sponsored by a governmental or educational institution, the Eligible Employee may elect health coverage identified in Exhibit A for the balance of the Plan Year for the Eligible Employee, his or her Spouse or Dependent.

(k) An Eligible Employee may elect group health plan coverage listed in Exhibit A for the balance of the Plan Year for the Eligible Employee, their Spouse and/or Dependent if:

(i) The Employee's, Spouse's or Dependent's Medicaid or Children's Health Insurance Program ("CHIP") coverage is terminated as a result of loss of eligibility and the Eligible Employee requests coverage under the group health plan listed in Exhibit A within 60 days after the termination, or

(ii) The Employee, Spouse or Dependent becomes eligible for a premium assistance subsidy under Medicaid or CHIP and the Eligible Employee requests coverage under the group health plan listed in Exhibit A within 60 days after eligibility is determined.

(l) The Participant may revoke their Participation Agreement, with respect to a group health plan identified in Exhibit A that provides minimum essential coverage as defined under the Patient Protection and Affordable Care Act of 2010, if the Participant has been in an employment status under which they were reasonably expected to average at least 30 hours of service per week and there is a change in that Participant's status so that they will reasonably be expected to average less than 30 hours of service per week after the change (regardless of whether this results in the loss of eligibility for the current group health plan), provided that the revocation of the election of coverage corresponds to the intended enrollment of the Participant, and any related individuals who cease coverage due to the revocation, in another plan that provides minimum essential coverage with the new coverage effective no later than the first day of the second month following the month that includes the date the original coverage is revoked.

(m) The Participant may revoke their Participation Agreement, with respect to a group health plan identified in Exhibit A that provides minimum essential coverage, if the Participant (or one or more related individuals), is eligible for a special enrollment period to enroll in a qualified health plan through a Health Insurance Marketplace pursuant to guidance issued by the U.S. Department of Health and Human Services and any other applicable guidance, or the Participant (or one or more already-covered related individuals) seeks to enroll in a qualified health plan through a Health Insurance Marketplace during the Marketplace's annual open enrollment period, provided that the revocation of the election of coverage corresponds to the intended enrollment of the Participant (or related individuals), in a qualified health plan through a Health Insurance Marketplace for new coverage that is effective beginning no later than the day immediately following the last day of the original coverage that is revoked.

(n) An Eligible Employee who otherwise is entitled to modify or revoke their Participation Agreement under (e) through (h) must do so within 30 days of receipt of written

notice, from the Plan Administrator, of the significant change in cost or composition of the benefit originally elected. Accordingly, the Plan Administrator shall have the affirmative duty of providing Eligible Employees with written notification of such changes as soon as administratively feasible.

(o) Any modification or revocation of a Participation Agreement under this Section shall be effective at such time as the Plan Administrator shall prescribe, unless otherwise required by law.

8.3 Continuation Health Coverage. If the Employer so permits and the Participant, Spouse or Dependent becomes eligible for continuation coverage under a Benefit Option that is a group health plan in accordance with the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA") or any similar state law, the Participant may elect to increase payments under such group health plan(s) to pay for continuation coverage.

8.4 Family and Medical Leave Act of 1993 ("FMLA"). A Participant who takes an unpaid leave of absence under FMLA may revoke their Participation Agreement at the beginning of or during the leave. Such a revocation is binding on the Participant for the balance of the Plan Year and may not be changed until the next Period of Coverage, except for a revoked election under a group health plan which the Participant shall have the right to reinstate at the end of the FMLA leave period.

If a Participant chooses to continue coverage under the Employer's group health plan during an unpaid leave of absence under FMLA, the Plan Administrator shall select among the following options for required payments during the leave of absence:

(a) Pre-payment by the Participant before the commencement of the leave through pre-tax or after-tax payments under a Participation Agreement, from any taxable compensation, including cashing out of unused sick or vacation days, provided all other Plan requirements are met; provided, however, that pre-payment shall not be the sole option offered to a Participant on FMLA leave;

(b) Payment by the Participant of required payments during the leave on the same schedule as payments would be made if the Participant were not on leave, or under another schedule permitted under Department of Labor regulations. The Employer shall not be required to continue group health plan coverage of a Participant who fails to make required payments while on FMLA leave. However, if the Employer chooses to continue such coverage of a Participant who fails to make required payments while on FMLA leave, the Employer is entitled to recover those payments after the Participant returns from FMLA leave by payroll deduction; or

(c) Advancement by the Employer of the Participant's required payments while the Participant is on FMLA leave. The Employer shall be entitled to recover such advanced amounts when the Participant returns from FMLA leave by payroll deduction.

8.5 Military Leave. (a) If a Participant's absence for military duty is less than 31 days, the Participant will be required to pay the regular employee share of the cost for group health plan coverage in accordance with Section 8.4.

(b) Participants returning from military leave shall be reinstated upon re-employment.

(c) In no event shall benefits available under this Plan during a period of qualified military leave be less generous than those benefits available during other comparable employer-approved leave periods (*e.g.*, family and medical leave).

ARTICLE IX

Claims Procedure

9.1 Written Claim for Benefits. If a Participant asserts a right to any benefit under the Plan which they have not received, the Participant must file a written claim for such benefit with the Plan Administrator (as defined in Section 2.19 of this plan document). If the Plan Administrator wholly or partially denies such claim, it shall provide written notice to the claimant within 90 days (or longer if the situation so requires but not longer than 180 days) of the receipt by the Plan Administrator of the application. The Plan Administrator shall set forth in the notice:

(a) the specific reason(s) for the denial of the claim,

(b) the specific reference to pertinent provisions of the Plan on which the denial is based,

(c) a description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary, and

(d) an explanation of the Plan's claims review procedure.

9.2 Review of Denied Claim. A Participant whose application for benefits is denied, in whole or in part, may request a full and fair review of the decision denying the claim within 60 days after receipt of the notice of the denial from the Plan Administrator. The Participant may:

(a) request a hearing by the Plan Administrator upon written application to the Plan Administrator,

(b) review pertinent documents in the possession of the Plan Administrator, or

(c) submit issues and comments in writing to the Plan Administrator for review.

A decision on review by the Plan Administrator shall be made promptly but not later than 60 days after the receipt by the Plan Administrator of a request for review, unless special circumstances (such as the need to hold a hearing) require an extension of time for processing, in which case the claimant will be so notified of the extension, and a decision shall be rendered as soon as possible but not later than 120 days after the receipt of the request for review. The decision shall be in writing and shall include specific reasons for the decision written in a manner calculated to be understood by the Participant and specific reference to the pertinent provisions of the Plan on which the decision is based. The Plan Administrator's decision shall be final and binding upon all parties.

9.3 Claims Under Benefit Options. The foregoing provisions of this Article describe the procedures for claiming the entitlements offered under this Plan, that is, salary reduction to enable Participants to pay their cost of Benefit Options with pre-tax income. A Participant or any Spouse, Dependent or Beneficiary shall make claims for actual benefits under the specific terms and claims review procedures of the Employer's benefit plans or programs which form the Benefit Option.

ARTICLE X

Amendment and Termination

10.1 Amendment. The Employer has the right to amend the Plan at any time to the extent that it may deem advisable, including the right to amend any of the Benefit Options or to transfer any Benefit Option(s) from the Plan into a separate, related plan. Any amendment shall be at the direction of an authorized officer of the Employer or an authorized designee.

10.2 Termination. The Employer has established the Plan with the bona fide intention and expectation that it will be continued indefinitely, but the Employer is not and shall not be under any obligation or liability whatsoever to maintain the Plan for any given length of time and may, in its sole and absolute discretion, discontinue or terminate the Plan, in whole or in part, at any time, including termination of any one or more of the Benefits Options, at the direction of an authorized officer of the Employer or an authorized designee.

ARTICLE XI

Spendthrift Provision

A Participant's rights to pay for Benefit Options under the Plan with pre-tax compensation shall not be assignable or subject to attachment or receivership, nor shall they pass to any trustee in bankruptcy or be reached or applied by any legal process for the payment of any obligations of the Participant.

ARTICLE XII

Health Savings Account Contributions

12.1 HSA Contributions. A Participant who is an HSA-Eligible Individual, as defined in Code Section 223, may participate in the HSA portion of the Plan by electing to make contributions on a pre-tax basis to an HSA established and maintained outside of the Plan by a trustee/custodian to which the Employer can forward contributions to be deposited. An Eligible Individual may not have any disqualifying coverage and must be covered by a High Deductible Health Plan. Disqualifying coverage may include coverage under a Spouse's group health plan or a general purpose health care flexible spending account offered under the Employer's, or Spouse's, Code Section 125 cafeteria plan.

Additionally, the Employer may elect, in its sole discretion, to make contributions to Participants' HSA accounts as permitted by applicable law, in any amount and manner and at any time, as limited by Section 12.3.

12.2 Relationship to Health Care Flexible Spending Account Benefits. HSA contributions may not be elected by Participants who are also covered by a health care flexible spending account unless the health care flexible spending account is designed to be compatible with an HSA (e.g., a "Limited Purpose Health FSA"), as defined in IRS Revenue Ruling 2004-45 and subsequent law or IRS guidance.

12.3 Maximum Contributions for HSAs and Election Modifications. The annual total contribution to a Participant's HSA may not exceed the statutory maximum amount as set forth in IRS guidance and Code Section 223(b). An additional catch-up contribution may be available for Participants who are age 55 or older. In addition, the maximum annual contribution shall be reduced by matching (or other) Employer contributions, if any, made on the Participant's behalf to the HSA. An election to initiate or change an HSA contribution election can be made at any time, and will be effective on the first day of the calendar month following the election.

12.4 Recording Contributions for HSAs. The HSA trustee/custodian will be chosen by the Participant, not by the Employer. The Employer may, however, limit the number of HSA providers to whom it will forward Participants' contributions. Such a list is not an endorsement of any particular HSA provider. The Plan Administrator will maintain records to keep track of HSA contributions a Participant makes, but it will not create a separate fund or otherwise segregate assets for this purpose.

12.5 Tax Treatment of HSA Contributions and Distributions. The tax treatment of the HSA (including contributions and distributions) is governed by Code Section 223.

12.6 Trust/Custodial Agreement; HSA Not Intended to Be an ERISA Plan. An HSA is not an Employer-sponsored benefit plan. It is an individual trust or custodial account separately established and maintained by a trustee/custodian outside the Plan for the electing Participant. Consequently, the HSA trustee/custodian, not the Employer, will establish and maintain the HSA. Terms and conditions of coverage and benefits (*e.g.*, eligible medical expenses, claims procedures, etc.) will be provided by and are set forth in the HSA trust or custodial agreement provided by the applicable trustee/custodian to each electing Participant and are not a part of this Plan. The Employer has no authority or control over the funds deposited into an HSA.

ARTICLE XIII

Responsibilities of Participants

Each Participant shall be responsible for accurately reporting for tax purposes all taxable compensation received by them during each Plan Year. The Participant shall also be responsible for their portion of any additional income or Social Security taxes and for interest and penalties for the late payment of any taxes that may be owing in connection with any benefits paid under the Plan, and shall reimburse the Employer or Participating Employer for their portion of Social Security taxes and withholding taxes and for such interest and penalties, upon demand. Each Participant is responsible for the accuracy of all information and representations contained in any claim for benefits.

ARTICLE XIV

Administration and Fiduciary Provisions

14.1 Named Fiduciary. The Plan Administrator shall be the "named fiduciary" of the Plan, unless the Employer appoints a replacement.

14.2 Plan Administration.

(a) The Plan Administrator shall have sole discretion and authority to control and manage the operation and administration of the Plan.

(b) The Plan Administrator shall have complete discretion to interpret the provisions of the Plan, make findings of fact, correct errors, and supply omissions. All decisions and interpretations of the Plan Administrator made in good faith pursuant to the Plan shall be final, conclusive and binding on all persons, subject only to the claims procedure, and may not be overturned unless found by a court to be arbitrary and capricious.

(c) The Plan Administrator shall have all other powers necessary to administer the Plan, including, but not limited to, the following:

(i) To prescribe procedures to be followed by Participants in making elections under the Plan and in filing claims under the Plan;

(ii) To prepare and distribute information explaining the Plan to Participants;

(iii) To receive from the Employer (or Participating Employer) and Participants, Spouses, Dependents and Beneficiaries such information as shall be necessary or desirable for the proper administration of the Plan;

(iv) To keep records of elections, claims and disbursements for claims under the Plan, and such other information as may be required by the Code;

(v) To appoint individuals or committees to assist in the administration of the Plan and to engage any other agents it deems advisable;

(vi) To purchase any insurance deemed necessary for providing benefits under the Plan;

(vii) To accept, modify or reject Participant elections under the Plan;

(viii) To promulgate election forms and claims forms to be used by Participants;

(ix) To prepare and file any reports or returns with respect to the Plan required by the Code or any other laws;

(x) To determine and announce any Benefit Contributions required hereunder;

(xi) To determine and enforce any limits on benefits elected hereunder;

(xii) To take such action as may be necessary to affect any required payroll deduction of any Benefit Contributions required hereunder; and

(xiii) To correct errors and make equitable adjustments for mistakes made in the administration of the Plan; specifically, and without limitation, to recover erroneous overpayments made from the Plan to a Participant, Spouse, Dependent or Beneficiary, in whatever manner the Plan Administrator determines is appropriate, including suspensions or recoupment of, or offsets against, future payments due that Participant, Spouse, Dependent or Beneficiary.

14.3 Delegation of Duties. The Plan Administrator may delegate responsibilities for the operation and administration of the Plan, may designate fiduciaries other than those named in the Plan, and may allocate or reallocate fiduciary responsibilities under the Plan.

14.4 Indemnification. The Plan Administrator and any delegate who is an employee of the Employer or Participating Employer shall be fully indemnified by the Employer or Participating Employer against all liabilities, costs and expenses (including defense costs, but excluding any amount representing a settlement unless such settlement is approved by the Employer or Participating Employer) imposed upon it in connection with any action, suit, or proceeding to which it may be a party by reason of being the Plan Administrator or having been assigned or delegated any of the powers or duties of the Plan Administrator, and arising out of any act, or failure to act, that constitutes or is alleged to constitute a breach of such person's responsibilities in connection with the Plan, unless such act or failure to act is determined to be due to gross negligence or willful misconduct.

14.5 Fiduciary Duties and Responsibilities. Each Plan fiduciary shall discharge their duties with respect to the Plan solely in the interest of the Participants; for the exclusive purpose of providing benefits to such individuals and defraying reasonable expenses of administering the Plan; and in accordance with the terms of the Plan. Each fiduciary, in carrying out such duties, shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in exercising such authority. A fiduciary may serve in more than one fiduciary capacity. Unless liability is otherwise provided under Section 405 of ERISA, a named fiduciary shall not be liable for any act or omission of any other party to the extent that (a) such responsibility was properly allocated to such other party as a named fiduciary, or (b) such other party has been properly designated to carry out such responsibility pursuant to the procedures set forth above.

14.6 Nondiscrimination Rules. If the Plan Administrator determines that there is non-compliance with any nondiscrimination rules required by the Internal Revenue Service, or non-compliance with the comparable contribution rules under Internal Revenue Code Section 4980G, the Plan Administrator may take action to ensure compliance. These actions may include

modification of elections by highly compensated employees, key employees, or other participants, or modifications of Employer contribution amounts.

ARTICLE XV

Miscellaneous

15.1 Limitation of Rights. Neither the establishment nor the existence of the Plan, nor any modification thereof, shall operate or be construed as to:

(a) give any person any legal or equitable right against the Employer or Participating Employer except as expressly provided herein or required by law, or

(b) create a contract of employment with any Employee, obligate the Employer or Participating Employer to continue the service of any Employee, or affect or modify the terms of an Employee's employment in any way.

15.2 Communication to Employees. The Employer or Participating Employer will from time to time notify all Employees of the availability and terms of the Plan.

15.3 Benefits Solely from General Assets. The benefits provided hereunder will be paid solely from the general assets of the Employer or Participating Employer. Nothing herein will be construed to require the Employer, Participating Employer or the Plan Administrator to maintain any fund or segregate any amount for the benefit of any Participant, and no Participant or other person shall have any claim against, right to, or security or other interest in any fund, account or asset of the Employer or Participating Employer from which any payment under the Plan may be made.

15.4 Governing Laws and Jurisdiction and Venue. The Plan shall be construed and enforced according to the laws of the state of Michigan, to the extent not preempted by federal law which shall otherwise control. Exclusive jurisdiction and venue of all disputes arising out of or relating to this Plan shall be in any court of appropriate jurisdiction in the state of Michigan.

15.5 Severability. If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provision of the Plan, and the Plan shall be construed and enforced as if such invalid or unenforceable provision had not been included herein.

15.6 Construction. The captions contained herein are inserted only as a matter of convenience and reference, and in no way define, limit, enlarge or describe the scope or intent of the Plan, nor in any way shall affect the Plan or the construction of any provision thereof. Any terms expressed in the singular form shall be construed as though they also include the plural, where applicable.

15.7 Titles. The titles of the Articles and Sections hereof are included for convenience only and shall not be construed as part of this Plan or in any respect affecting or modifying its

provisions. Such words in this Plan as "herein," "hereinafter," "hereof" and "hereunder" refer to this instrument as a whole and not merely to the subdivision in which said words appear.

15.8 Expenses. All expenses incurred in establishing and operating the Plan, including, without limiting the generality of the foregoing, legal fees, accounting fees, administrative expenses and the like, shall be paid by the Employer or Participating Employer.

ARTICLE XVI

Participating Employers

16.1 Adoption of the Plan. This Plan may be adopted by a Participating Employer, provided that such adoption is with the approval of the Employer. Such adoption shall be by resolution of the Participating Employer's governing body.

16.2 Administration. As a condition to adopting the Plan, and except as otherwise provided herein, each Participating Employer shall be deemed to have authorized the Plan Administrator to act for it in all matters arising under or with respect to the Plan and shall comply with such other terms arising under or with respect to the Plan and shall comply with such other terms and conditions as may be imposed by the Plan Administrator.

16.3 Termination of Participation. Each Participating Employer may cease to participate in the Plan or in any Benefit Option with respect to its Employees or former employees by resolution of its governing body.

ARTICLE XVII

Effective Date

This plan document sets forth the terms of the Plan as in effect July 01, 2026.

IN WITNESS WHEREOF, the Employer has caused this document to be duly executed in its name and on its behalf as of the date set forth below.

Transportation Authority of Calhoun County

By: _____

Date: 7/10/2026

ATTEST:

Kristy Grestini 7/10/2026

APPENDIX A

TRANSPORTATION AUTHORITY OF CALHOUN COUNTY
PREMIUM CONVERSION AND HEALTH SAVINGS ACCOUNT
CONTRIBUTION PLAN BENEFIT OPTIONS

The following Benefit Options are Welfare Programs which shall be treated as part of the Plan pursuant to Section 6.1 and as defined in Section 2.3:

Welfare Programs

Medical Plan A

Carrier's or Benefit Option Administrator's Name:	Blue Care Network
Contract Number:	00630329-0001-0001
Address:	P.O. Box 68710 Grand Rapids, Michigan 49516 800-662-6667 http://www.bcbsm.com

- Such other contracts as may, from time to time, replace any or all of the contracts listed above

Medical Plan B

Carrier's or Benefit Option Administrator's Name:	Blue Care Network
Contract Number:	00630329-0001-0003
Address:	P.O. Box 68710 Grand Rapids, Michigan 49516 800-662-6667 http://www.bcbsm.com

- Such other contracts as may, from time to time, replace any or all of the contracts listed above

Dental

Carrier's or Benefit Option Administrator's Name:	Delta Dental of Michigan
Contract Number:	12523
Address:	PO Box 30416 Lansing, Michigan 48909 800-524-0149

- Such other contracts as may, from time to time, replace any or all of the contracts listed above

Vision

Carrier's or Benefit Option Administrator's Name:	Guardian Life Insurance Company
Contract Number:	00099482 RG2
Address:	555 S Old Woodward Ave, Ste501 Birmingham, Michigan 48009 248-712-2700 www.guardianlife.com

- Such other contracts as may, from time to time, replace any or all of the contracts listed above

Voluntary Benefits (Accident, Critical Illness, Hospital Indemnity)

Carrier's or Benefit Option Administrator's Name:	Guardian Life Insurance Company
Contract Number:	00099482 RG2
Address:	555 S Old Woodward Ave, Ste501 Birmingham, Michigan 48009 248-712-2700 www.guardianlife.com

- Such other contracts as may, from time to time, replace any or all of the contracts listed above

Health Savings Account

Carrier's or Benefit Option Administrator's Name:	Transportation Authority of Calhoun County
Address:	339 W. Michigan Avenue Battle Creek, MI 49037 (269) 966-3474

- Such other contracts as may, from time to time, replace any or all of the contracts listed above

Other Benefit Options

In addition to the Welfare Programs listed above, the Employer may make available other Benefit Options under this Plan, in accordance with Section 125(f) of the Code and official IRS guidance (including any additional benefits that may be described in Article VI, which shall be treated as part of the Plan).

APPENDIX B
RIDE CALHOUN BENEFIT PLAN

PARTICIPATING EMPLOYERS

In addition to Transportation Authority of Calhoun County, the following Participating Employers have adopted the Premium Conversion and Health Savings Account Contribution Plan pursuant to Article XV, Section 15.1:

There are no other employers participating in the Plan.

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RIDE CALHOUN

WE'RE HERE.

2929 Spring Arbor Road • PO Box 3029 • Jackson, MI 49204-3029
Phone: 517-787-2600 • Toll Free: 800-837-2601
Fax: 517-787-3857
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RIDE CALHOUN BENEFIT PLAN

WRAP PLAN DOCUMENT

Effective July 01, 2026

RIDE CALHOUN

339 W. Michigan Avenue
Battle Creek, Michigan

Prepared by

WALTON INSURANCE GROUP

V01072026

RIDE CALHOUN BENEFIT PLAN

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RIDE CALHOUN BENEFIT PLAN

WRAP PLAN DOCUMENT

Transportation Authority of Calhoun County (the "Employer") hereby adopts the Ride Calhoun Benefit Plan (the 'Plan'), effective as of July 01, 2026.

ARTICLE I

Purpose

The purpose of the Plan is to provide to Participants, and their Spouses, Dependents, and Beneficiaries certain welfare benefits described herein. Notwithstanding the number and types of benefits incorporated hereunder, the Plan is, and shall be treated as, a single welfare benefit plan to the extent permitted under ERISA. The Plan is intended to meet all applicable requirements of ERISA and the Code as amended, together with rulings and regulations promulgated thereunder.

ARTICLE II

Definitions

2.1 "ACA" means the Patient Protection and Affordable Care Act of 2010, as amended.

2.2 "Beneficiary" means a beneficiary as defined under a Welfare Program.

2.3 "Code" means the Internal Revenue Code of 1986, as amended from time to time.

2.4 "Dependent" means dependent as defined under a Welfare Program. However, for purposes of any group health plan listed in Appendix A that provides medical benefits (other than a retiree medical plan) and other Welfare Programs that provide medical benefits, a Dependent shall include a Participant's eligible children who have not attained age 26 (or such later age as determined by the Plan Administrator).

2.5 "Effective Date" means July 01, 2026.

2.6 "Employee" means any person providing services to the Employer or a Participating Employer as a common-law employee. To the extent permitted by law, independent contractors (even if re-characterized by the Internal Revenue Service as employees), leased employees within the meaning of Section 414(n) of the Code, and individuals designated by the Employer or Participating Employer as temporary employees shall not be Employees for purposes of this Plan. For purposes of any group health plan incorporated herein, the term Employee shall include any variable hour, temporary or seasonal employees defined as a full-time employee under the ACA.

2.7 "Employer" means Transportation Authority of Calhoun County, and any entity which succeeds to the business and assumes the obligations of the Employer hereunder.

2.8 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended.

2.9 "Former Employee" means any person formerly employed as an Employee.

2.10 "Grandfathered Plan" means the term as it is defined in the Department of Labor Regulations, 29 C.F.R. Section 2590.715-1251.

2.11 "Leave of Absence" means a personal leave, medical leave or military leave, as approved by the Employer.

2.12 "Participant" means any Employee or Former Employee who satisfies the requirements of Article III of the Plan, has chosen to participate in the Plan and whose participation has not terminated in accordance with Section 3.3.

2.13 "Participant Contribution" means the pre-tax or after-tax contribution required to be paid by a Participant, if any, as determined under each Welfare Program. The term "Participant Contribution" includes contributions used for the provision of benefits under a self-insured arrangement of the Employer as well as contributions used to purchase insurance contracts or policies.

2.14 "Participating Employer" means any member of the following group including the Employer, if such member adopts the Plan with the Employer's authorization as provided in Section 10.1: (i) a controlled group of corporations, within the meaning of Section 414(b) of the Code; (ii) a group of trades or businesses under common control, within the meaning of Section 414(c) of the Code; (iii) an affiliated service group, within the meaning of Section 414(m) of the Code; or (iv) a trade or business required to be aggregated pursuant to Section 414(o) of the Code. Each Participating Employer is identified in Appendix B. The Employer shall amend Appendix B as needed, to reflect a Participating Employer's adoption of the Plan or withdrawal from the Plan, without any need to otherwise amend the Plan. Amendment of Appendix B may be made by any authorized officer or representative of the Employer and shall not require approval of the Board of Directors.

2.15 "Plan" means the Ride Calhoun Benefit Plan, as set forth herein and each Welfare Program incorporated hereunder by reference, as amended from time to time.

2.16 "Plan Administrator" means the Employer or such other individual, committee or firm as the Employer shall designate from time to time.

2.17 "Plan Year" means the twelve consecutive month period ending on June 30.

2.18 "Spouse" means a spouse as defined under a Welfare Program.

2.19 "Welfare Program" means a written arrangement incorporated into this Plan that is offered by the Employer which provides an employee benefit, including those that would be treated as an "employee welfare benefit plan" under Section 3(l) of ERISA if offered separately. Welfare Program also means any plan established pursuant to Section 125 or Section 132(f) of the Code. Each Welfare Program under the Plan is identified in Appendix A which is incorporated into and a part of the Plan. The documents for each Welfare Program are incorporated into this document. The Employer may add or delete a Welfare Program from the Plan by amending Appendix A,

without any need to otherwise amend the Plan. Amendment of Appendix A may be made by any authorized officer or representative of the Employer and shall not require approval by the Employer's Board of Directors.

In the event that the provisions of any Welfare Program conflict with or contradict the provisions of this document or any other Welfare Program, the Plan Administrator shall use its discretion to interpret the terms and purpose of the Plan, including the written terms and provisions of any Welfare Program document, so as to resolve any conflict or contradiction. However, the terms of this document may not enlarge the rights of a Participant, Spouse, Dependent or Beneficiary to benefits available under any Welfare Program.

ARTICLE III

Eligibility and Participation

3.1 Eligibility. (a) An Employee shall be eligible to participate in the Plan only as specified in a particular Welfare Program listed in Appendix A. An eligible Employee does not include any individual who is in a division, department, unit, or job classification designated by the Employer as not benefit-eligible, regardless of the Employee's work schedule or number of hours worked, unless the Employee is included in the employer shared responsibility penalty calculations, as defined under the ACA, and the Plan Administrator elects to include such Employees as Eligible Employees. The Welfare Program may also designate those Spouses, Dependents, or Beneficiaries, if any, eligible to receive benefits from the Plan and set forth the criteria for their becoming covered hereunder.

(b) If the Employer has the equivalent of 50 or more full-time Employees, to the extent required by the ACA and other applicable federal law, an Employee shall be eligible to participate in the Employer's group health plan if, in addition to meeting other applicable criteria, the Employee is a full-time Employee who is employed an average of at least 30 hours of service per week with the Employer.

Full-time Employee status for group health plan coverage purposes will be determined in accordance with the measurement rules as specified by the federal government and as adopted by the Employer for all Employees (including variable hour, temporary and seasonal employees, if such classes exist within the Employer). Full-time Employee status does not include any temporary employee who is eligible for group health plan coverage through a leasing organization, unless otherwise required by the ACA and the Employer. Determination of full-time Employee status will be made by the Plan Administrator, in its sole and absolute discretion, in accordance with the Plan and the Employer Shared Responsibility provisions of the ACA.

3.2 Enrollment. The Plan Administrator shall establish procedures in accordance with the Welfare Programs for the enrollment of eligible Employees, their Spouses and Dependents, if any, under the Plan. The Plan Administrator shall prescribe enrollment forms that must be completed by a prescribed deadline prior to commencement of coverage under the Plan.

3.3 Termination of Participation. A Participant shall cease being a Participant in the Plan and coverage under this Plan for the Participant, their Spouse, Dependents and Beneficiaries, if any, shall terminate in accordance with the provisions of the Welfare Programs and the ACA.

ARTICLE IV

Funding and Benefits

4.1 Funding. (a) Notwithstanding anything to the contrary contained herein, participation in the Plan and the payment of Plan benefits attributable to Employer or Participating Employer contributions shall be conditioned on a Participant contributing to the Plan at such time and in such amounts as the Plan Administrator shall establish from time to time ("Participant Contribution"). The Plan Administrator may require that any Participant Contributions be made by payroll deduction. Nothing herein requires the Employer, Participating Employer or the Plan Administrator to contribute to or under any Welfare Program, or to maintain any fund or segregate any amount for the benefit of any Participant, Spouse, Dependent, or Beneficiary, except to the extent specifically required under the terms of a Welfare Program. No Participant, Spouse, Dependent, or Beneficiary shall have any right to, or interest in, the assets of the Employer or Participating Employer.

(b) The Employer shall have no obligation, but shall have the right, to insure or reinsure, or to purchase stop loss coverage with respect to any Welfare Program under this Plan. To the extent the Employer elects to purchase insurance with respect to any Welfare Program, any benefits to be provided under such Welfare Program shall be the sole responsibility of the insurer, and the Employer or Participating Employer shall have no responsibility for the payment of such benefits (except for refunding any Participant Contributions that were not remitted to the insurer). Except as otherwise permitted by rulings or regulations under ERISA, any Participant Contributions shall be remitted to the appropriate insurer, as soon as practicable but not later than 90 days after such contributions are made and would otherwise have been paid to Participants in cash.

4.2 Benefits. Benefits will be paid solely in the form and amount specified in the relevant Welfare Program and pursuant to the terms of such Welfare Program.

ARTICLE V

Plan Administration and Fiduciary Duties

5.1 Named Fiduciary. The Plan Administrator shall be the "named fiduciary" of the Plan, as defined in Section 402(a)(2) of ERISA, unless the Employer appoints a replacement.

5.2 Plan Administration. Except as otherwise provided in a Welfare Program:

(a) The Plan Administrator shall have sole discretion and authority to control and manage the operation and administration of the Plan.

(b) The Plan Administrator shall have complete discretion to interpret the provisions of the Plan, make findings of fact, correct errors, and supply omissions. All decisions and interpretations of the Plan Administrator made in good faith pursuant to the Plan shall be final, conclusive and binding on all persons, subject only to the applicable claims procedure, and may not be overturned unless found by a court to be arbitrary and capricious.

(c) The Plan Administrator shall have all other powers necessary or desirable to administer the Plan, including, but not limited to, the following:

(i) To prescribe procedures to be followed by Participants in making elections under the Plan and in filing claims under the Plan;

(ii) To prepare and distribute information explaining the Plan to Participants;

(iii) To receive from the Employer (or Participating Employer) and Participants, Spouses, Dependents and Beneficiaries such information as shall be necessary for the proper administration of the Plan;

(iv) To keep records of elections, claims, disbursements for claims under the Plan, and any other information required by ERISA or the Code;

(v) To appoint individuals or committees to assist in the administration of the Plan and to engage any other agents it deems advisable;

(vi) To purchase any insurance deemed necessary for providing benefits under the Plan;

(vii) To accept, modify or reject Participant elections under the Plan;

(viii) To promulgate election forms and claims forms to be used by Participants;

(ix) To prepare and file any reports or returns with respect to the Plan required by the Code, ERISA or any other laws;

(x) To determine and announce any Participant Contributions required hereunder;

(xi) To determine and enforce any limits on benefits elected hereunder;

(xii) To take such action as may be necessary to cause any required payroll deduction of any Participant Contributions required hereunder; and

(xiii) To correct errors and make equitable adjustments for mistakes made in the administration of the Plan; specifically, and without limitation, to recover erroneous overpayments made from the Plan to a Participant, Spouse, Dependent or Beneficiary, in whatever manner the Plan Administrator determines is appropriate, including recoupment of past payments, or offsets against, future payments due that Participant, Spouse, Dependent or Beneficiary.

(d) The Plan Administrator shall have sole discretion and authority regarding the distribution, or other use, of dividends, demutualization and/or the Medical Loss Ratio rebates, if any, from group health insurers.

5.3 Delegation of Duties. The Plan Administrator may delegate responsibilities for the operation and administration of the Plan, may designate fiduciaries other than those named in the Plan, and may allocate or reallocate fiduciary responsibilities under the Plan.

5.4 Indemnification. The Plan Administrator and any delegate who is an employee of the Employer or Participating Employer shall be fully indemnified by the Employer and each Participating Employer against all liabilities, costs, and expenses (including defense costs, but excluding any amount representing a settlement unless such settlement is approved by the Employer) imposed upon it in connection with any action, suit, or proceeding to which it may be a party by reason of being the Plan Administrator or having been assigned or delegated any of the powers or duties of the Plan Administrator, and arising out of any act, or failure to act, that constitutes or is alleged to constitute a breach of such person's responsibilities in connection with the Plan, unless such act or failure to act is determined to be due to gross negligence or willful misconduct.

5.5 Fiduciary Duties and Responsibilities. Each Plan fiduciary shall discharge their duties with respect to the Plan solely in the interest of each Participant, Spouse, Dependent and Beneficiary; for the exclusive purpose of providing benefits to such individuals and defraying reasonable expenses of administering the Plan; and in accordance with the terms of the Plan. Each fiduciary, in carrying out such duties, shall act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in exercising such authority. A fiduciary may serve in more than one fiduciary capacity. Unless liability is otherwise provided under Section 405 of ERISA, a named fiduciary shall not be liable for any act or omission of any other party to the extent that (a) such responsibility was properly allocated to such other party as a named fiduciary, or (b) such other party has been properly designated to carry out such responsibility pursuant to the procedures set forth above.

ARTICLE VI

Claims and Subrogation

6.1 Claims Procedure. Except as provided in Sections 6.2, 6.3 and 6.4, a claim for benefits under a Welfare Program shall be submitted in accordance with and to the party designated under the terms of such Welfare Program.

6.2 Claims Procedures for Group Health Plans. (a) This Section is intended to comply with Department of Labor Regulations, 29 C.F.R. Sections 2560.503-1 and 2590.715-2719, and shall apply specifically to claims under a group health plan as defined in Department of Labor Regulation 29 C.F.R. Section 2560.503-1. To the extent that this procedure is inconsistent with the claims procedure contained in the policies, contracts, summary plan descriptions or other written materials for the Welfare Program, the claims procedure in such other policies, contracts, summary plan descriptions, or other written materials shall supersede this procedure, provided such other claims procedure complies with Department of Labor Regulations 29 C.F.R. Sections 2560.503-1 and

2590.715-2719. In accordance with those regulations, all claims and appeals for group health plan benefits will be adjudicated in a manner designed to ensure the independence and impartiality of the persons involved in making the decision. Notwithstanding any provision of this Article VI, a group health plan that is a Grandfathered Plan is not subject to the claims and appeals procedures under Department of Labor Regulation Section 2590.715-2719.

(b) Written Claim for Benefits. If a claimant asserts a right to any benefit under the Plan, the claimant must file a written claim for such benefit with the Plan Administrator. For purposes of this Section, claimant shall mean any Participant, Spouse, Dependent, or Beneficiary or authorized representative who files a claim for group health plan benefits under the Plan.

(c) Benefit Determinations. All adverse benefit determinations referenced below shall be written in a culturally and linguistically appropriate manner and shall include the information required by Department of Labor Regulations 29 C.F.R. Sections 2560.503-1 and 2590.715-2719.

(i) Post-Service Claims. A post-service claim is any claim that is filed for payment of benefits after health care has been received.

(A) Upon the denial of a post-service claim, the Plan Administrator shall notify the claimant in writing of such denial within 30 days of receipt of the claim. The Plan Administrator shall be permitted one 15-day extension to the 30-day claim determination period, provided that the Plan Administrator determines that such extension is necessary due to matters beyond the Plan's control and notifies the claimant before the end of the initial 30-day period of the circumstances necessitating the extension of time and the date by which the Plan intends to render a decision. If such extension is required due to the claimant's failure to submit all information necessary to decide the claim, the extension notification must specifically describe the required information and the claimant shall have 45 days from receipt of the notice to provide the requested information. Failure by the claimant to provide requested information shall result in the denial of the claim.

(B) A denial notice shall explain the reason(s) for denial, refer to the Section(s) of the Plan on which the denial is based, and provide the claim appeal procedures. The denial notice must also comply with any additional requirements described in Department of Labor Regulations 29 C.F.R. Sections 2560.503-1 and 2590.715-2719.

(C) The time period to consider a post-service claim shall be suspended from the date any notification of extension is sent to the claimant until the claimant fulfills any request for additional information.

(ii) Pre-Service Claims. A pre-service claim is any claim for benefits that requires certification or approval prior to the performance of the requested health care service.

(A) Upon receiving a pre-service claim, the Plan Administrator shall notify the claimant in writing of the Plan's benefit determination within a reasonable period but no later than 15 days after receipt of the claim. The Plan Administrator shall be permitted one 15-day extension provided that the Plan Administrator determines that such extension is necessary due to matters beyond the Plan Administrator's control and notifies the claimant before the end of the initial 15-day period of the circumstances necessitating the extension of time and the date by which the Plan intends to render a decision. The Plan Administrator shall, within 5 days of receiving any deficient claim, notify the claimant of such deficiency and the steps necessary to correct the claim. Notification may be oral unless the claimant requests written notification. The claimant shall have 45 days from receipt of the notice to provide the requested information. Failure by the claimant to provide requested information shall result in the denial of the claim.

(B) A denial notice shall explain the reason(s) for the denial, refer to the Section(s) of the Plan on which the denial is based, and provide the claim appeal procedures. The denial notice must also comply with any additional requirements described in Department of Labor Regulations 29 C.F.R. Sections 2560.503-1 and 2590.715-2719.

(C) The time period to consider a pre-service claim shall be suspended from the date any notification of extension is sent to the claimant until the claimant fulfills any request for additional information.

(iii) Urgent Care Claims. An urgent care claim is a claim that requires notification or approval prior to receiving medical care, where a delay in treatment could seriously jeopardize the claimant's life or health or the ability to regain maximum function or, in the opinion of a doctor with knowledge of the claimant's health condition, could cause severe pain.

(A) An urgent care claimant shall receive notice of the benefit determination in writing or electronically as soon as possible, but no later than 72 hours (or such other time as prescribed in Department of Labor Regulations) after the Plan Administrator receives all necessary information, taking into account the severity of the claimant's condition. Notice of denial may be oral with a written or electronic confirmation to follow within 3 days. If the claimant files an urgent care claim improperly, the Plan Administrator, within 24 hours after the claim is received, shall notify the claimant of the improper filing and how to correct it. The claimant shall have 48 hours (or such other time as prescribed in Department of Labor Regulations) to provide the requested information and shall be notified of a determination no later than 48 hours after receipt of the corrected claim or the end of the 48-hour period afforded to the claimant to provide the requested additional information.

(B) A denial notice shall explain the reason(s) for the denial, refer to the Section(s) of the Plan on which the denial is based, and provide the

claim appeal procedures. The denial notice must also comply with any additional requirements described in Department of Labor Regulations 29 C.F.R. Sections 2560.503-1 and 2590.715-2719.

(iv) Concurrent Care Claims.

(A) Any request by a claimant to extend an on-going course of treatment beyond a previously approved specified period of time or number of treatments, that is an urgent care claim as defined in paragraph (iii), shall be decided as soon as possible, and the Plan Administrator shall notify the claimant of the determination within 24 hours of receipt of the claim, provided the claim is made at least 24 hours prior to the end of the approved period of time or number of treatments. If the claimant's request for extended urgent care treatment is not made at least 24 hours prior to the end of the approved treatment, the request shall be treated as an urgent care claim in accordance with paragraph (iii).

(B) If an on-going course of treatment was previously approved for a specified period of time or number of treatments, and the claimant's request to extend treatment is non-urgent, the claimant's request shall be considered a new claim and decided in accordance with post-service or pre-service timeframes, as applicable.

(d) Appeal of Claim Denial.

(i) Any claimant shall have the right to appeal an "adverse benefit determination" as defined in Department of Labor Regulation 29 C.F.R. Section 2590.715-2719 within 180 days of receipt of such adverse benefit determination. Any appeal shall be submitted to the Plan Administrator in writing. If the appeal relates to a claim for payment, the claimant's request should include: the patient's name and plan identification number; the date(s) of health care service(s); the provider's name; the reason(s) the claimant believes the claim should be paid; and any documentation or other written information to support the claimant's request for claim payment.

(ii) An appeal shall be determined by an individual who is neither the individual who made the adverse benefit determination that is the subject of the appeal, nor a subordinate of that individual. If the appeal is related to medical matters, the appeal shall be reviewed in consultation with an independent and impartial health care professional who has appropriate training and experience in the particular field of medicine in order to make the health care judgment and who was not involved in the prior determination. The Plan Administrator may consult with, or seek the participation of, independent and impartial medical experts as part of the appeal resolution process. The claimant consents to this referral and the sharing of pertinent health claim information. The claimant shall have the right to review and respond to any new or additional evidence or rationales considered, relied upon, or generated by the Plan or other person making the benefit determination before the Plan issues an adverse benefit determination on appeal. Upon request and free of charge the claimant has the right to reasonable access to and copies of, all documents, records, and other information relevant to the claimant's claim for benefits.

(iii) The claimant shall be notified of the Plan Administrator's decision upon review as appropriate, in accordance with the content and timing requirements of Department of Labor Regulations, 29 C.F.R. Sections 2560.503-1 and 2590.715-2719.

(iv) Upon being notified of an adverse determination under an appeal, the claimant shall be permitted, within 60 days of receiving notice of such determination, to submit notice of a "second-level appeal" to the Plan Administrator. A second-level appeal shall be decided in accordance with the rules in paragraph (ii).

(e) Timeframes for Appeals Determinations.

(i) Pre-Service Claim Appeal. The Plan Administrator shall have 15 days, upon receiving notice of appeal (or second-level appeal) of the denial of benefits under a pre-service claim, to notify the claimant electronically or in writing of the appeal determination.

(ii) Post-Service Claim Appeal. The Plan Administrator shall have 30 days, upon receiving notice of appeal (or second-level appeal) of the denial of benefits under a post-service claim, to notify the claimant electronically or in writing of the appeal determination.

(iii) Urgent Care Claim Appeal. Upon receiving a notice to appeal (or second-level appeal) the determination of a claim involving urgent care, the Plan Administrator shall notify the claimant of the appeal determination as soon as possible, taking into account medical exigencies surrounding the claim, but no later than 72 hours (or such other time as prescribed in Department of Labor Regulations). Notice shall be given to the claimant by telephone, facsimile, or other similarly expeditious manner. Oral communications shall be followed up in writing.

(iv) The Plan Administrator has the exclusive right to interpret and administer the provisions of the Plan and its decisions with respect to claims are conclusive and binding.

(f) External Appeals. Except as otherwise required by applicable law, if a Participant exhausts all internal appeals procedures, the Participant may commence an external review. The external review process will comply with applicable state or federal law and other rules and procedures for non-Grandfathered Plans as prescribed in Department of Labor Regulation 29 C.F.R. Section 2590.715-2719.

6.3 Claims Procedure for Benefits Based on Determination of Disability. (a) This Section shall apply to any claim made under a Welfare Program that bases benefits on a determination of disability. To the extent that this procedure is inconsistent with the claims procedure contained in the policies, contracts, summary plan descriptions or other written materials for the Welfare Program, the claims procedure in such other policies, contracts, summary plan descriptions, or other written materials shall supersede this procedure as long as such other claims procedure complies with Department of Labor Regulation 29 C.F.R. Section 2560.503-1. In accordance with that regulation, all claims and appeals for disability benefits will be adjudicated in a manner designed to ensure the independence and impartiality of the persons involved in making the decision.

(b) If a claim for benefits based on a determination of disability is denied in whole or in part, the claimant or the claimant's Beneficiary shall receive written notification of the "adverse benefit determination" as defined in 29 C.F.R. Section 2560.503-1 in a culturally and linguistically appropriate manner. A denial notice shall explain the reason(s) for the denial, refer to the Section(s) of the Plan on which the denial is based, and provide the claim appeal procedures. The denial notice must also comply with any additional requirements described in Department of Labor Regulation 29 C.F.R. Section 2560.503-1. Among other requirements, that regulation requires denial notices for disability claims to include:

(i) a discussion of the decision, including, if applicable, the basis for disagreeing with or not following the views of health care and vocational professionals who evaluated the claimant, the views of medical or vocational experts whose advice was obtained on behalf of the Plan in connection with the claimant's adverse benefit determination, or with a disability benefit determination regarding the claimant made by the Social Security Administration;

(ii) the internal rules, guidelines, protocols, standards, or other similar criteria of the Plan that were relied upon in denying the claim or, alternatively, a statement that such rules, guidelines, protocols, standards or other similar criteria of the Plan do not exist;

(iii) if applicable, an explanation of the scientific or clinical judgment for the determination, applying the terms of the Plan to the claimant's medical circumstances, or a statement that such explanation will be provided free of charge upon request; and

(iv) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records, and other information relevant to the claimant's claim for benefits.

Claimants will receive adverse benefit determinations within a reasonable period of time, but no later than 45 days after the Plan Administrator's receipt of the claim. The Plan Administrator may extend this period for up to 30 additional days provided the Plan Administrator determines that the extension is necessary due to matters beyond the Plan Administrator's control and the claimant is notified of the extension before the end of the initial 45-day period and is also notified of the date by which the Plan Administrator expects to render a decision. The 30-day extension can be extended by an additional 30 days if the Plan Administrator determines that, due to matters beyond its control, it cannot make the decision within the original extended period. Any notice of extension must be sent to the claimant before the end of the initial 30-day period, and shall explain the circumstances requiring the extension, the date by which the Plan Administrator expects to render a decision, the standards on which the claimant's entitlement to a benefit is based, the unresolved issues that prevent a decision on the claim, and the additional information, if any, the claimant must submit. The claimant shall be provided with at least 45 days to provide the additional information. The period from which the claimant is notified of the additional required information to the date the claimant responds is not counted as part of the determination period.

(c) The claimant shall have 180 days to appeal an adverse benefit determination. The claimant shall have the right to review and respond to any new or additional evidence or rationales considered, relied upon, or generated by the Plan or other person making the benefit determination before the Plan issues an adverse benefit determination on appeal. The claimant shall

be notified of the Plan Administrator's decision upon review within a reasonable period of time, but no later than 45 days after the Plan Administrator receives the claimant's appeal request. The Plan's adverse benefit determination on review shall include the information required by Department of Labor Regulation 29 C.F.R. Section 2560.503-1. Among other requirements, this adverse benefit determination must include a statement of the claimant's right to bring a lawsuit in federal court and a description of any applicable contractual limitations period that applies to the claimant's right to bring a lawsuit and its expiration date.

The 45-day period may be extended for an additional 45-day period if the Plan Administrator determines that special circumstances (such as the need to hold a hearing) require an extension of time and provided that the claimant is notified of the extension prior to the expiration of the initial 45-day period. Such notice shall state the special circumstances requiring the extension and the date by which the Plan Administrator expects to render a decision.

(d) The time period to consider a claim for benefits based on a determination of disability or to consider an appeal of an adverse benefit determination shall be suspended from the date any notification of extension is sent to the claimant or appellant until such individual fulfills such request for additional information.

6.4 Claims Procedure for Benefits Other Than Health Benefits or Those Based on Determination of Disability.

(a) If the Welfare Program does not describe a claims procedure for benefits that satisfies the requirements of Section 503 of ERISA, or the Plan Administrator determines that the procedures described in Sections 6.2 or 6.3 with respect to a particular Welfare Program shall not apply, the claims procedure described in this Section shall apply with respect to such Welfare Program if the Welfare Program is subject to ERISA. If the Welfare Program is not subject to ERISA as determined by the Plan Administrator, then the claims procedure contained in the policies, contracts, summary plan descriptions or other written materials for the Welfare Program shall supersede this procedure.

(b) If a Participant or former Participant asserts a right to any benefit under the Plan that the Participant has not received, the Participant or their authorized representative shall file a written claim for such benefit with the Plan Administrator. If the Plan Administrator wholly or partially denies such claim, it shall provide written or electronic notice to the claimant within a reasonable period of time, but not later than 90 days after receipt by the Plan Administrator of the claim, unless the Plan Administrator determines that special circumstances require an extension of time, not to exceed 90 days, for processing the claim. If the Plan Administrator determines that an extension of time is required, it shall provide the claimant with written notice of the extension before the end of the initial 90-day period. Such notice shall describe the special circumstances requiring the extension of time and specify the date by which the Plan Administrator expects to render a benefit determination. If the Plan Administrator wholly or partially denies a claim, it shall set forth in its benefit determination, which shall be written in a manner calculated to be understood by the claimant:

(i) the specific reasons for the denial of the claim;

(ii) specific reference(s) to pertinent provisions of the Plan on which the adverse benefit determination is based;

(iii) a description of any additional material or information necessary to perfect the claim and an explanation of why such material or information is necessary;

(iv) an explanation of the Plan's claims review procedure, including the time limits applicable under such procedure; and

(v) a statement that the claimant has the right to bring a civil action under Section 502(a) of ERISA following an adverse benefit determination on review.

(c) A Participant or former Participant whose claim for benefits is denied may request a full and fair review of the adverse benefit determination within 60 days after notification of the adverse benefit determination by the Plan Administrator. The Participant or former Participant:

(i) shall be provided a review that takes into account all comments, documents, records and other information submitted by the claimant relating to the claim, without regard to whether such information was submitted or considered in the initial determination;

(ii) shall be provided, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim; and

(iii) may submit written comments, documents, records and other information relating to the claim to the Plan Administrator for review.

(d) Subject to Department of Labor Regulation 29 C.F.R. Section 2560.503-1(i)(1)(ii), a decision on review by the Plan Administrator shall be made within a reasonable period of time, but not later than 60 days after receipt by the Plan Administrator of a request for review, unless special circumstances (such as the need to hold a hearing) require an extension of time for processing, in which case the claimant shall be provided with written notice of the extension before the end of the initial 60-day period. Such notice shall describe the special circumstances requiring the extension and specify the date by which the Plan Administrator expects to render its decision. In no event shall the decision be rendered later than 120 days after receipt of the request for review.

(e) The Plan Administrator shall provide written or electronic notice of its decision with respect to the claimant's appeal, which shall be written in a manner calculated to be understood by the claimant. If there is an adverse benefit determination on review, the Plan Administrator's decision shall include:

(i) the specific reasons for the adverse benefit determination;

(ii) specific reference(s) to pertinent provisions of the Plan on which the adverse benefit determination is based;

(iii) a statement that the claimant is entitled to receive, upon request and free of charge, reasonable access to, and copies of, all documents, records and other information relevant to the claim;

(iv) a statement describing any voluntary appeal procedures offered by the Plan and the claimant's right to receive information about any such procedures; and

(v) a statement that the claimant has the right to bring a civil action under Section 502(a) of ERISA following the adverse benefit determination on review.

6.5 Unclaimed Benefits. If, within one year after any amount becomes payable hereunder to a Participant, Spouse, Dependent or Beneficiary and the same shall not have been claimed or any check issued under the Plan remains uncashed, provided reasonable care shall have been exercised by the Plan Administrator in attempting to make such payments, the amount thereof shall be forfeited and shall cease to be a liability of the Plan.

6.6 Right of Subrogation.

(a) Definitions. For purposes of this Section, the following definitions shall apply:

(i) Award. "Award" means any amount paid to or on behalf of a Covered Individual, from a Third Party with respect to a Covered Individual's Illness, Injury or other loss regardless of whether such amount is received as a result of a judgment of a court of competent jurisdiction, settlement, compromise or otherwise and regardless of whether such amount is categorized as punitive, compensatory, reimbursement for medical expenses, or otherwise.

(ii) Covered Individual. "Covered Individual" includes the individual for whom benefits are paid by the Plan and their heirs, guardians, executors or other representatives.

(iii) Injury or Illness. "Injury" or "Illness" means such term as defined in each Welfare Program.

(iv) Reimbursement. "Reimbursement" means the Plan's right to recover any and all amounts paid for medical expenses from a Covered Individual who receives any award related to the Illness, Injury or other loss that resulted in the payment of such benefits by the Plan.

(v) Subrogation. "Subrogation" means the right of the Plan to be substituted in place of any Covered Individual with respect to that Covered Individual's lawful claim, demand, or right of action against a Third Party who may have wrongfully caused the Covered Individual's Injury, Illness or other loss that resulted in a payment of benefits by the Plan.

(vi) Third Party. "Third Party" includes, but is not limited to, any person or entity that caused, contributed to, or may be responsible for the Injury, Illness or other loss to the Covered Individual. Third Party shall include any party, such as an insurance company, that acquires or may acquire responsibility through the actions of such person or entity, and shall also include uninsured motorist coverage.

(b) Subrogation, Reimbursement and Benefit Offsets. For any and all benefits paid by the Plan to or on behalf of a Covered Individual by reason of Illness, Injury or other loss, the Plan shall have the following rights:

(i) Subrogation to any and all rights of recovery the Covered Individual may have arising from such Injury, Illness or other loss;

(ii) Reimbursement for the amount of any and all benefits paid to or on behalf of the Covered Individual by reason of Injury, Illness or other loss with respect to which the Plan has a right to Subrogation pursuant to paragraph (i) above from any Award arising out of such Injury, Illness or other loss; and

(iii) Benefit offsets of future claims payable by the Plan on behalf of the Covered Individual or members of such Covered Individual's immediate family to recover any and all amounts paid to or on behalf of the Covered Individual by reason of such Illness, Injury or other loss with respect to which the Plan has a right to Subrogation pursuant to paragraph (i) and a right to Reimbursement pursuant to paragraph (ii) but which have not, for any reason whatsoever, been reimbursed to or recovered by the Plan.

The Plan's subrogation/reimbursement/benefit offset rights (herein referred to collectively as "Recovery Rights") shall include the right to recover the amount due and owing to the Plan pursuant to its Recovery Rights from any Award paid to or for the benefit of the Covered Individual. The Plan does not recognize the "make whole" rule and a Covered Individual may not be whole after the Plan's Recovery Rights are satisfied.

(c) Payment Prior to Determination of Responsibility of a Third Party. The Plan does not cover nor is it liable for any expenses for services or supplies incurred by a Covered Individual for any Illness, Injury or other loss which a Third Party caused, contributed to or may be responsible for to the extent that the Covered Individual receives any Award from any Third Party. However, subject to the terms and conditions of this Section, the Plan will, after receipt of an executed reimbursement/subrogation/assignment agreement on such form as the Plan Administrator may require, make advance payment of benefits in accordance with the terms of the Plan, until an Award is paid to or for the benefit of the Covered Individual by a Third Party with respect to such Illness, Injury or loss. The terms and provisions of such reimbursement/subrogation/assignment agreement are incorporated herein by reference and any such agreement shall constitute a part of the Plan.

By accepting an advance payment of benefits from the Plan, the Covered Individual(s) jointly and severally agree that:

(i) the Plan has a priority lien against any Award paid to or on behalf of the Covered Individual to assure that Reimbursement is promptly made; and

(ii) the Plan will be subrogated to such Covered Individual's right of recovery from any Third Party to the extent of the Plan's advance payment of benefits; and

(iii) such Covered Individual(s) will, jointly and severally, reimburse the Plan out of any and all Awards paid or payable to such Covered Individual(s) by any Third Party to the extent of the Plan's advance payment of benefits for claims related to the Illness, Injury or other loss; and

(iv) such Covered Individual(s) will assign to the Plan all of their right, title and interest in and to any Award paid to or on their behalf by any Third Party to the extent of any advance payment of benefits made or to be made in accordance with the terms of the Plan.

The Plan's Recovery Rights include but are not limited to all claims, demands, actions and rights of recovery of all Covered Individuals against any Third Party, including any workers' compensation insurer or governmental agency, and will apply to the extent of any and all advance payment of benefits made or to be made by the Plan.

(d) Recovery Actions. The Plan may, at its discretion, start any legal action or administrative proceeding it deems necessary to protect its Recovery Rights, and may try or settle any such action or proceeding in the name of and with the full cooperation of the Covered Individual. However, in doing so, the Plan will not represent, or provide legal representation for, any Covered Individual with respect to such Covered Individual's damages to the extent those damages exceed any advance payment of benefits made or to be made in accordance with the terms of this Plan.

The Plan may, at its discretion, intervene in any claim, legal action, or administrative proceeding started by any Covered Individual against any Third Party on account of any alleged negligent, intentional or otherwise wrongful action that may have caused or contributed to the Covered Individual's Illness, Injury or other loss that resulted in any advance payment of benefits by the Plan.

(e) Reimbursement/Subrogation/Assignment Agreement. Prior to the advance payment of benefits for which a Third Party may be responsible, the Covered Individual on whose behalf an advance payment of benefits may be payable must execute and deliver any and all agreements, instruments and papers requested by or on behalf of the Plan including an executed reimbursement/subrogation/assignment agreement or such other form as the Plan Administrator may require. The failure of a Covered Individual to execute any such reimbursement/subrogation/assignment agreement or such other form as the Plan Administrator may require, for any reason, shall not waive, compromise, diminish, release, or otherwise prejudice any of the Plan's Recovery Rights if the Plan, at its discretion, makes an advance payment of benefits for any reason in the absence of a reimbursement/subrogation/assignment agreement.

(f) Administrative Procedure. The Plan's standard administrative procedure will be to determine whether a Third Party could be held liable for a claim. Claims will not be paid until this determination is made. If it is determined that the claim may be the responsibility of a Third Party for any reason, the Plan will not process any claims without a properly signed reimbursement/subrogation/assignment agreement as described in this Section.

(g) Cooperation with the Plan by All Covered Individuals. By accepting an advance payment of benefits, the Covered Individual agrees not to do anything that will waive, compromise, diminish, release or otherwise prejudice the Plan's Recovery Rights and to do whatever is necessary to protect the Plan's Recovery Rights.

By accepting an advance payment for benefits, the Covered Individual agrees to notify and consult with the Plan Administrator or its designee before:

(i) starting any legal action or administrative proceeding against a Third Party based on any alleged negligent, intentional or otherwise wrongful action that may have caused or contributed to the Covered Individual's Illness, Injury or other loss that resulted in the Plan's advance payment for benefits; or

(ii) entering into any settlement agreement with a Third Party that may be related to any actions by the Third Party that may have caused or contributed to the Covered Individual's Illness, Injury or other loss that resulted in the Plan's advance payment for benefits related to such Illness, Injury or other loss.

Furthermore, by accepting an advance payment of benefits, the Covered Individual agrees to keep the Plan Administrator or its designee informed of all material developments with respect to all such claims, actions or proceedings.

The Plan's Recovery Rights are Plan assets. The Plan or its designee may institute a lawsuit against a Covered Individual if such Covered Individual does not adequately protect the Plan's Recovery Rights.

(h) All Recovered Proceeds Are to be Applied to Reimburse the Plan. By accepting an advance payment of benefits for an Illness, Injury or other loss, the Covered Individual agrees to reimburse the Plan for all such advances from any Award paid or payable to or on behalf of such Covered Individual by any Third Party. In such event, the Plan must be fully reimbursed within 31 days or the Covered Individual will be liable for interest and all costs of collection, including reasonable attorney's fees.

If a Covered Individual fails to reimburse the Plan as required by this Section, the Plan may apply any future claims for benefits that may become payable on behalf of such Covered Individual or any member of such Covered Individual's immediate family to the amount not reimbursed.

Notwithstanding anything contained in the Plan to the contrary, the Plan will not pay future benefits for claims related to an Illness, Injury or other loss with respect to which an Award was paid to or on behalf of a Covered Individual unless the Plan Administrator determines that the Award was reasonable and the subsequent claims were not recognized in the Award.

(i) Pre-Emption of State Law. To the extent that this Plan is a self-insured employee welfare benefit plan, ERISA preempts any state law purporting to limit, restrict or otherwise alter the Plan's Recovery Rights.

(j) No-Fault Insurance Coverage. Notwithstanding anything contained in the Plan to the contrary, if a Covered Individual is required to have no-fault automobile insurance coverage, the automobile no-fault insurance carrier will initially be liable for any and all expenses paid by this Plan up to the greater of:

(i) the maximum amount of basic reparation benefit required by applicable law, or

(ii) the maximum amount of the applicable no-fault insurance coverage in effect.

The Plan will, thereafter, consider any excess charges and expenses under the applicable provisions of this Plan in which the Covered Individual is provided coverage. Before related claims will be paid through the Plan, the Covered Individual will be required to sign a reimbursement/subrogation/assignment agreement or such other form as the Plan Administrator may require.

If the Covered Individual fails to secure no-fault insurance as required by state law, the Covered Individual is considered as being self-insured and must pay the amount of any and all expenses paid by the Plan for any and all Covered Individuals arising out of the accident.

(k) Refund of Overpayment of Benefits – Right of Recovery. If the Plan pays benefits for expenses incurred on account of a Covered Individual, the Covered Individual or any other person or organization that was paid must make a refund to the Plan if:

(i) all or some of the expenses were not paid, or did not legally have to be paid, by the Covered Individual;

(ii) all or some of the payment made by the Plan exceeds the benefits under the Plan; or

(iii) all or some of the expenses were recovered from or paid by a source other than this Plan, including another plan to which this Plan has secondary liability under the Coordination of Benefits provisions.

This may include payments made as a result of claims against a Third Party for negligence, intentional or otherwise wrongful acts or omissions. The refund shall equal the amount the Plan paid in excess of the amount it should have paid under the Plan. In the case of recovery from or payment by a source other than this Plan, the refund equals the amount of the recovery or payment up to the amount the Plan paid.

If a Covered Individual or any person or organization that was paid does not promptly refund the full amount, the Plan may reduce the amount of any future benefits that are payable under the Plan. The reductions will equal the amount of the required refund. The Plan may have other rights in addition to the right to reduce future benefits.

ARTICLE VII

Special Compliance Provisions

7.1 Use and Disclosure of Protected Health Information. (a) Any health plan under the Plan shall use protected health information ("PHI") to the extent of and in accordance with the uses and disclosures permitted by the Health Insurance Portability and Accountability Act of 1996 ("HIPAA"). For purposes of this Section, health plan shall have the meaning as defined in HIPAA.

Specifically, any health plan shall use and disclose PHI for purposes related to health care treatment, payment for health care and health care operations.

(b) Health Care Treatment. Health care treatment means the provision, coordination or management of health care and related services by one or more health care providers. It also includes coordination or management of health care by a health provider and a third party and consultation or referrals between one health care provider and another.

(c) Payment. Payment includes activities undertaken by any health plan to obtain premiums or determine or fulfill its responsibility for coverage and provision of plan benefits, or to obtain or provide reimbursement for the provision of health care, that relate to an individual to whom health care is provided. These activities include, but are not limited to, the following:

(i) determination of eligibility, coverage and cost sharing amounts (for example, cost of a benefit, plan maximums and copayments as determined for an individual's claim);

(ii) coordination of benefits;

(iii) adjudication of health claims (including appeals and other payment disputes);

(iv) subrogation of health claims;

(v) establishing employee contributions;

(vi) risk adjusting amounts due based on enrollee health status and demographic characteristics;

(vii) billing, collection activities and related health care data processing;

(viii) claims management and related health care data processing, including auditing payments, investigating and resolving payment disputes and responding to participant inquiries about payments;

(ix) obtaining payment under a contract for reinsurance (including stop-loss and excess of loss insurance);

(x) medical necessity reviews or reviews of appropriateness of care or justification of charges;

(xi) utilization review, including precertification, preauthorization, concurrent review and retrospective review;

(xii) disclosure to consumer reporting agencies related to the collection of premiums or reimbursement (the following PHI may be disclosed for payment purposes: name and address, date of birth, Social Security number, payment history, account number and name and address of the provider and/or health plan); and

(xiii) reimbursement to a health plan.

(d) Health Care Operations. Health care operations include, but are not limited to, the following activities:

(i) quality assessment;

(ii) population-based activities relating to improving health or reducing health care costs, protocol development, case management and care coordination, contacting health care providers and patients with information about treatment alternatives and related functions that do not include treatment;

(iii) rating provider and health plan performance, including accreditation, certification, licensing or credentialing activities;

(iv) underwriting, premium rating and other activities relating to the creation, renewal or replacement of a contract of health insurance or health benefits, and ceding, securing or placing a contract for reinsurance of risk relating to health care claims (including stop-loss insurance and excess of loss insurance);

(v) conducting or arranging for medical review, legal services and auditing functions, including fraud and abuse detection and compliance programs;

(vi) business planning and development, such as conducting cost-management and planning-related analyses related to managing and operating the health plan, including formulary development or improvement of payment methods or coverage policies; and

(vii) business management and general administrative activities of the health plan, including, but not limited to:

(A) management activities relating to the implementation of and compliance with HIPAA's administrative simplification requirements;

(B) customer service, including the provision of data analyses for policyholders, plan sponsors or other customers, provided that protected health information is not disclosed to such policyholder, plan sponsor, or customer;

(C) resolution of internal grievances; and

(D) due diligence in connection with the sale or transfer of assets to a potential successor in interest, if the potential successor in interest is a "covered entity" under HIPAA or, following completion of the sale or transfer, will become a covered entity.

(e) A health plan will use and disclose PHI as required by law and as permitted by authorization of the Participant or other covered individual. With an authorization, a health plan

shall disclose PHI to pension plans, disability plans, reciprocal benefit plans, and workers' compensation insurers, for purposes related to administration of the health plan.

(f) A health plan shall disclose PHI to the Employer only upon receipt of a certification from the Employer that the health plan documents have been amended to incorporate the following provisions and that the Employer agrees to:

(i) not use or further disclose PHI other than as permitted or required by the health plan document or as required by law;

(ii) ensure that any agents, including subcontractors, to whom the Employer provides PHI received from a health plan agree to the same restrictions and conditions that apply to the Employer with respect to such PHI;

(iii) not use or disclose PHI for employment-related actions and decisions unless authorized by an individual;

(iv) not use or disclose PHI in connection with any other benefit or employee benefit plan of the Employer unless authorized by an individual;

(v) report to the health plan's designee any PHI use or disclosure that it becomes aware of which is inconsistent with the uses or disclosures provided for;

(vi) make PHI available to an individual in accordance with HIPAA's access requirements;

(vii) make PHI available for amendment and incorporate any amendments to PHI in accordance with HIPAA;

(viii) make available the information required to provide an accounting of disclosures;

(ix) make the Employer's internal practices, books and records relating to the use and disclosure of PHI received from the Plan available to the U.S. Department of Health and Human Services for the purposes of determining the health plan's compliance with HIPAA;

(x) ensure that adequate separation between the health plan and the Employer is established as required by HIPAA; and

(xi) if feasible, return or destroy all PHI received from the health plan that the Employer maintains in any form, and retain no copies of such PHI when no longer needed for the purpose for which disclosure was made (or if return or destruction is not feasible, limit further uses and disclosures to those purposes that make the return or destruction not feasible).

(g) Only those employees or classes of employees identified in the Plan's privacy policies and procedures may have access to and use and disclose PHI for plan administration functions that the Employer performs for the health plan. If such individuals do not comply with

this health plan document, the Employer shall provide a mechanism for resolving issues of noncompliance, including disciplinary sanctions.

(h) Security. The Employer shall implement security measures with respect to PHI to the extent of and in accordance with the security rules implemented by HIPAA. Specifically, the Employer shall:

(i) implement administrative, physical and technical safeguards that will reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information that it creates, receives, maintains, or transmits on behalf of the plan;

(ii) ensure the adequate separation between the Plan and the Employer is supported by reasonable and appropriate security measures;

(iii) ensure that any agent, including a subcontractor, to whom it provides information agrees to implement reasonable and appropriate security measures to protect the information (e.g., in the event the Employer provides information to the broker for renewal bids); and

(iv) report to the Plan any security incident of which it becomes aware.

7.2 Special Enrollment Rights. (a) In accordance with the HIPAA special enrollment rules, if an eligible Employee declines coverage in a group health plan for themselves and/or the Employee's Spouse and Dependents because of other health insurance coverage, they may be able to enroll in the Plan's group health coverage upon loss of eligibility for the other coverage, provided that the Participant requests enrollment within 30 days after the other coverage ends.

If a Participant gains a new Spouse or Dependent as a result of marriage, birth, adoption, or placement for adoption, they may be able to enroll themselves and the Participant's Spouse and Dependents in the Plan's group health plan provided that enrollment is requested within 30 days after the marriage, birth, adoption, or placement for adoption.

(b) Employees, Spouses and Dependents who are eligible but not enrolled in a group health plan listed in Appendix A may enroll when:

(i) The Employee's, Spouse's or Dependent's Medicaid or Children's Health Insurance Program ("CHIP") coverage is terminated as a result of loss of eligibility and the eligible Employee requests coverage under a group health plan listed in Appendix A within 60 days after the termination, or

(ii) The Employee, Spouse or Dependent becomes eligible for a premium assistance subsidy under Medicaid or CHIP and the eligible Employee requests coverage under a group health plan listed in Appendix A within 60 days after eligibility is determined.

The special enrollment rules of this Section 7.2 do not apply to limited scope dental or vision benefits or certain health care flexible spending accounts.

7.3 Qualified Medical Child Support Orders. A qualified medical child support order ("QMCSO") is an order made pursuant to state domestic relations law by a court or a state agency authorized under state law to issue child support orders which requires a group health plan to provide a child or children of an Employee with health insurance coverage. The Plan Administrator shall comply with the terms of any QMCSO it receives, and shall:

(a) Establish reasonable procedures to determine whether a medical child support order is a QMCSO as defined under Section 609 of ERISA (these procedures are available, free of charge, to Participants and Beneficiaries upon request to the Plan Administrator);

(b) Promptly notify the Participant and any alternate recipient of the receipt of a medical child support order, and the group health plan's procedures for determining whether the medical child support order is a QMCSO; and

(c) Within a reasonable period of time after receipt of such order, determine whether such order is a QMCSO and notify the Participant and each alternate recipient of such determination.

7.4 State Medicaid Programs. Eligibility for coverage or enrollment in a state Medicaid Program shall not impact an Employee's, Spouse's or Dependent's eligibility for health coverage or health benefits under the Plan.

7.5 Coverage During FMLA Leave. A Participant on a leave of absence that qualifies as leave under the Family and Medical Leave Act of 1993 ("FMLA") may continue to receive group health plan coverage under this Plan during such leave as if such Participant did not experience an interruption in active employment until the end of such FMLA leave period, or, if earlier, the date the Participant gives notice that they do not intend to return to work at the end of the FMLA period. The Participant must make any required contributions for group health plan coverage during such period in such time and manner as the Plan Administrator may require under applicable federal regulations and in accordance with the terms of any applicable Code Section 125 cafeteria plan sponsored by the Employer.

If a Participant does not continue group health coverage or other types of coverage but returns to work before the expiration of FMLA leave, they must be reinstated in their benefit coverage, including group health care coverage, at the same level and under the same conditions as if the leave had not occurred.

7.6 Special Rules for Maternity and Infant Coverage. Any health plan available under the Plan shall not restrict benefits for any hospital length of stay in connection with childbirth for the mother or newborn child to less than 48 hours following a vaginal delivery, or less than 96 hours following a cesarean section. The attending provider or physician, after consulting with the mother, may discharge the mother or her newborn earlier than 48 hours (or 96 hours as applicable). Notwithstanding the foregoing, the health plan and issuers may not require that a provider obtain authorization from the health plan or the issuer for prescribing the length of stay not in excess of 48 hours or 96 hours, as the case may be.

7.7 Special Rule for Women's Health. If a health benefit plan available under the Plan provides medical and surgical benefits for mastectomy procedures, it shall provide coverage for reconstructive surgery following mastectomies. This expanded coverage includes reconstruction of the breast on which the mastectomy has been performed, surgery and reconstruction of the other breast to produce a symmetrical appearance, and prostheses and treatment of physical complications at all stages of mastectomy, including lymphedema. These procedures may be subject to annual deductibles and coinsurance provisions that are similar to those applying to other benefits under the health benefit plan or coverage.

7.8 Military Leave.

A Participant's right to elect continued participation in a group health plan available under this Plan for themselves and their Spouse and Dependents during a leave of absence for active military duty is protected by the Uniformed Services Employment and Reemployment Rights Act ("USERRA").

(a) Participants may elect to continue group health plan coverage under the Plan for a period of time that is the lesser of:

(i) the 24-month period beginning on the Participant's first day of military leave, or

(ii) the period beginning on the Participant's first day of military leave and ending on the date the Participant fails to return from military leave or apply for re-employment as required under USERRA.

(b) If a Participant's absence for military duty is less than 31 days, the Participant will be required to pay the regular employee share of the cost for group health plan coverage. If the Participant's absence is for 31 or more days, the Participant will be required to pay not more than 102% of the full cost of the group health plan coverage (and the Participant's Spouse and Dependents) under the Plan.

(c) USERRA continuation group health plan coverage is considered alternative group health plan coverage for purposes of COBRA. Therefore, if a Participant elects USERRA continuation coverage, COBRA continuation group health plan coverage shall not be available.

(d) Participants returning from military leave shall be reinstated upon re-employment, and any exclusion or waiting period shall not be imposed if such exclusion or waiting period would not have been imposed had the Participant's coverage not been terminated due to military leave. This paragraph shall not apply to illnesses or injuries determined by the Secretary of Veteran's Affairs or their representative to have been incurred in, or aggravated during, the performance of military service.

(e) In no event shall benefits available under this Plan during a period of USERRA qualified military leave be less generous than those benefits available during other comparable employer-approved leave periods (e.g., family and medical leave).

7.9 COBRA.

(a) Legal Rights to Continuation Coverage Under the Consolidated Omnibus Budget Reconciliation Act ("COBRA"). The Employer, to the extent required by law, shall offer a Participant and/or a Spouse or Dependent who, as a result of a "qualifying event," becomes otherwise ineligible to participate in a group health plan, as defined in Section 607(l) of ERISA, under the Plan the opportunity to temporarily extend coverage under such group health plan at group rates. A domestic partner shall not be considered a Spouse for COBRA purposes and therefore shall not be entitled to COBRA continuation coverage unless otherwise required under applicable law. However, the Employer may, solely in its own discretion, and solely in the manner it determines, provide continuation coverage to domestic partners who are Plan beneficiaries.

(b) Qualifying Events.

(i) A Participant who loses group health plan coverage or for whom premium payments or contributions for coverage increase as a result of one of the following qualifying events, shall be eligible for COBRA continuation coverage.

(A) A reduction of the Participant's hours of employment;

(B) The Participant's voluntary or involuntary termination of employment for reasons other than gross misconduct; or

(C) Upon the Employer's bankruptcy petition under Title XI of the Bankruptcy Act, if the Participant is a retired employee.

(ii) A Spouse who loses group health plan coverage or for whom premium payments or contributions for coverage increase as a result of one of the following qualifying events shall be eligible for COBRA continuation coverage.

(A) The Participant's voluntary or involuntary termination of employment for reasons other than gross misconduct, or reduction of hours of employment;

(B) The death of the Participant;

(C) The divorce or legal separation of the Participant and Spouse;

(D) Enrollment in Medicare (Part A or B) by the Participant; or

(E) The Employer's bankruptcy petition under Title XI of the Bankruptcy Act, if the Participant is retired.

(iii) A Participant's dependent child who loses group health plan coverage or for whom premium payments or contributions for coverage increase as a result of one of the following events, shall be entitled to COBRA continuation coverage.

(A) The loss of Dependent status under the group health plan;

(B) The Participant's voluntary or involuntary termination for reasons other than gross misconduct, or the Participant's reduction of hours of employment;

(C) The death of the Participant;

(D) The divorce or legal separation of the Participant and Spouse;

(E) Enrollment in Medicare (Part A or B) by the Participant; or

(F) The Employer's bankruptcy petition under Title XI of the Bankruptcy Act, if the Participant is retired.

(c) Qualified Beneficiary. A Qualified Beneficiary is a Participant, Spouse, or Dependent who, on the day before a qualifying event, is covered under a group health plan available under the Plan. Qualified Beneficiary includes children born to, adopted by, or placed for adoption with the Participant during their COBRA continuation coverage period. Such child's coverage period shall be determined according to the date that the Participant's COBRA continuation coverage period began. A domestic partner is not a Qualified Beneficiary for COBRA purposes and therefore shall not be entitled to COBRA continuation coverage as described in this Article VII unless otherwise required under applicable law.

(d) Notices. A Qualified Beneficiary who wishes to receive COBRA continuation coverage as a result of divorce or legal separation must notify the Plan Administrator within 60 days after such divorce or legal separation. A Qualified Beneficiary who wishes to receive COBRA continuation coverage as a result of the loss of Dependent status under the group health plan available under the Plan must notify the Plan Administrator within 60 days of such loss of Dependent status.

The Qualified Beneficiary shall be notified of their right to elect continuation coverage and the cost to do so. Continuation coverage must be elected within 60 days after the later of the date coverage under the group health plan available under the Plan ceases or the date the Qualified Beneficiary is notified of the right to elect continuation coverage.

If the Qualified Beneficiary does not elect continuation coverage, coverage under the group health plan available under the Plan shall cease. If the Qualified Beneficiary chooses continuation coverage, such group health plan shall provide coverage identical to that available to similarly situated active employees, including the opportunity to choose among options available during an open enrollment period.

(e) Cost. The Qualified Beneficiary must pay the full cost of such coverage to the Plan for a similarly situated active employee. The Plan may charge a 2% administrative fee. The COBRA premium may increase to 150% of the total premium during a disability extension as described in paragraph (f)(iv).

(f) Maximum Continuation Period.

(i) A Qualified Beneficiary who loses group health plan coverage available under the Plan as a result of the death of the Participant, the Participant's eligibility for Medicare, divorce, legal separation or loss of Dependent status under such group health plan and elects COBRA continuation coverage shall be entitled to receive up to 36 months of COBRA continuation coverage beginning on the date on which the qualifying event occurred.

(ii) A Qualified Beneficiary who loses group health plan coverage as a result of the Participant's termination of employment or reduction of hours and elects COBRA continuation coverage shall be entitled to receive up to 18 months of COBRA continuation coverage beginning on the date on which the qualifying event occurred. If a second qualifying event occurs during such 18-month period, the COBRA continuation coverage period may be extended by an additional 18 months for each Qualified Beneficiary (other than a covered Employee). The Qualified Beneficiary must notify the Plan Administrator within 60 days of a second qualifying event to receive the additional 18 months of continuation coverage. A second qualifying event is an event that occurs during the initial 18-month period that would have resulted in a loss of group health plan coverage for the Qualified Beneficiary in the absence of the first qualifying event. In no event, however, shall any Qualified Beneficiary's COBRA continuation coverage period exceed 36 months.

(iii) A Qualified Beneficiary (other than the Participant) who loses group health plan coverage as a result of the Participant's termination of employment or reduction of hours and such event occurs within 18 months following the Participant's enrollment in Medicare, shall be entitled to receive up to 36 months of COBRA continuation coverage beginning on the date the Participant enrolled in Medicare.

(iv) If a qualifying event occurs that is the Participant's termination of employment or reduction of hours, any Qualified Beneficiary who is deemed to have been disabled, as determined by the Social Security Administration, at any time during the first 60 days of COBRA continuation coverage shall be eligible to extend the COBRA continuation coverage period to 29 months. In the case of a child born to or adopted by a Participant during the Participant's COBRA continuation coverage period, such 60-day period will begin from the date of birth or placement of adoption. Such extension shall apply to the Qualified Beneficiary's covered family members. Such Qualified Beneficiary must notify the Plan Administrator of the disability in writing within 60 days of the date of the Social Security Administration determination and before the end of the 18-month continuation coverage period. A Qualified Beneficiary receiving extended COBRA continuation coverage due to disability must inform the Plan Administrator within 30 days of receiving a final determination that they are no longer disabled.

(v) In the case of a qualifying event that is the bankruptcy of the Employer, the maximum coverage period for a Qualified Beneficiary who is the retired covered employee ends on the date of the retired covered employee's death. The maximum coverage period for a Qualified Beneficiary who is the spouse, surviving spouse, or dependent child of the retired covered employee ends on the earlier of—(A) The date of the Qualified Beneficiary's death; or (B) The date that is 36 months after the death of the retired covered employee.

(g) Termination of COBRA Continuation Coverage. COBRA continuation coverage shall cease upon the occurrence of any of the following events:

(i) The Employer ceases to provide group health plan coverage to any of its employees;

(ii) The Qualified Beneficiary fails to pay the premium or required contribution within 30 days after its due date;

(iii) The Qualified Beneficiary becomes covered, after the date of the COBRA continuation coverage election, under another group health plan, consistent with federal law.

(iv) The Qualified Beneficiary becomes enrolled in Medicare after the date of the COBRA continuation coverage election;

(v) The Qualified Beneficiary has extended COBRA continuation coverage due to a disability and is subsequently determined by the Social Security Administration to be no longer disabled;

(vi) The maximum required COBRA continuation coverage period expires; or

(vii) For cause, such as fraudulent claim submission, that would result in termination of coverage for a similarly situated active employee.

7.10 Genetic Information Nondiscrimination Act of 2008 ("GINA"). (a) Unless otherwise permitted, the Employer may not request or require any genetic information from an Employee or family member of the Employee.

(b) "Genetic information" as defined by GINA includes an individual's family medical history, the results of an individual's or family member's genetic tests, the fact that an individual or an individual's family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual's family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services.

(c) The Employer shall not request any genetic information when requesting health-related information. However, with respect to any wellness program available under the Plan, the Employer may request, but may not require, an Employee to provide genetic information in accordance with Equal Employment Opportunity Commission regulations.

(d) The Employer will not request, require or purchase genetic information in violation of GINA. If the Employer intentionally or unintentionally obtains genetic information pertaining to an Employee or a family member of the Employee, the Employer will not use such genetic information in violation of GINA. Any genetic information received by the Employer that pertains to an Employee or a family member of the Employee, shall be maintained on forms and in medical files that are separate from personnel files, and shall be treated as confidential medical records.

7.11 Health-Related Factors. The Plan will not discriminate against any Employee, Spouse or Dependent in terms of eligibility to participate in a group health plan based on a health-

related factor. In addition, benefits provided under the group health plan will be available to all similarly situated individuals. Any restriction on benefits will be applied uniformly to all similarly situated individuals and may not be directed at an individual based on a health-related factor. The group health plan may (i) limit or exclude benefits that are experimental or are not medically necessary and (ii) require an individual to satisfy a deductible, copay, coinsurance, or other cost-sharing requirement in order to obtain a benefit, provided that all limits, exclusions, or cost-sharing requirements apply uniformly to all similarly situated individuals, and are not just directed at an individual based on a health-related factor.

7.12 Mental Health Parity Act. The group health plan must generally comply with the provisions of the Mental Health Parity and Addiction Equity Act of 2008, including that the group health plan's financial requirements (such as co-pays and deductibles) and treatment limitations (such as annual visit limits) that are applicable to mental health or substance use disorder benefits are no more restrictive than the predominant requirements or limitations applied to substantially all medical/surgical benefits.

ARTICLE VIII

Amendment and Termination

8.1 Amendment. The Employer has the right to amend the Plan at any time, including the right to amend any of the Welfare Programs or to transfer any Welfare Program from the Plan into a separate, related plan, at the direction of an authorized officer of the Employer or an authorized designee.

8.2 Termination. The Employer has established the Plan with the bona fide intention and expectation that it will be continued indefinitely, but the Employer is not and shall not be under any obligation or liability whatsoever to maintain the Plan (or any Welfare Program) for any given length of time and may, in its sole and absolute discretion, discontinue or terminate the Plan, in whole or in part, at any time, including termination of any one or more of the Welfare Programs, at the direction of an authorized officer of the Employer or an authorized designee.

ARTICLE IX

Miscellaneous

9.1 Exclusive Benefit. This Plan has been established for the exclusive benefit of Participants, Spouses, Dependents or Beneficiaries, and except as otherwise provided herein, all contributions under the Plan may be used only for such purpose.

9.2 Non-Alienation of Benefits. No benefit, right or interest of any Participant, Spouse, Dependent or Beneficiary under the Plan shall be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, seizure, attachment or legal, equitable or other process, or be liable for, or subject to, the debts, liabilities or other obligations of such person, except as otherwise required by law or, in the case of assignments, as permitted under the terms of a Welfare Program.

9.3 Limitation of Rights. Neither the establishment nor the existence of the Plan, nor any modification thereof, shall operate or be construed as to:

(a) give any person any legal or equitable right against the Employer (or Participating Employer) except as expressly provided herein or required by law, or

(b) create a contract of employment with any Employee, obligate the Employer (or Participating Employer) to continue the service of any Employee, or affect or modify the terms of an Employee's employment in any way.

9.4 Governing Laws and Jurisdiction and Venue. The Plan shall be construed and enforced according to the laws of the state of Michigan to the extent not preempted by federal law which shall otherwise control. Exclusive jurisdiction and venue of all disputes arising out of or relating to this Plan or any of the Welfare Programs shall be in any court of appropriate jurisdiction in the state of Michigan.

9.5 Severability. If any provision of the Plan is held invalid or unenforceable, its invalidity or unenforceability shall not affect any other provision of the Plan, and the Plan shall be construed and enforced as if such invalid or unenforceable provision had not been included herein.

9.6 Construction. The captions contained herein are inserted only as a matter of convenience and reference, and in no way define, limit, enlarge or describe the scope or intent of the Plan, nor in any way shall affect the Plan or the construction of any provision thereof. Any terms expressed in the singular form shall be construed as though they also include the plural, where applicable.

9.7 Titles. The titles of the Articles and Sections hereof are included for convenience only and shall not be construed as part of the Plan or in any respect affecting or modifying its provisions. Such words in this Plan as "herein," "hereinafter," "hereof" and "hereunder" refer to this instrument as a whole and not merely to the subdivision in which said words appear.

9.8 Expenses. Subject to the terms of the Welfare Programs, any expenses incurred in the administration of the Plan shall be paid by the Plan and/or by the Employer, according to the Employer's determination.

ARTICLE X

Participating Employers

10.1 Adoption of the Plan. This Plan may be adopted by a Participating Employer, provided that such adoption is with the approval of the Employer. Such adoption shall be by resolution of the Participating Employer's governing body.

10.2 Administration. As a condition to adopting the Plan, and except as otherwise provided herein, each Participating Employer shall be deemed to have authorized the Plan Administrator to act for it in all matters arising under or with respect to the Plan and shall comply with such other terms and conditions as may be imposed by the Plan Administrator.

10.3 Termination of Participation. Each Participating Employer may cease to participate in the Plan or in any Welfare Program with respect to its Employees or former Employees by resolution of its governing body.

ARTICLE XI

Effective Date

The effective date of this Plan is July 01, 2026.

* * * * *

IN WITNESS WHEREOF, the Employer has caused this instrument to be duly executed in its name and on its behalf as of the date set forth below.

Transportation Authority of Calhoun County

By: _____

Date: 7/10/2026

ATTEST:

Kristy Grestini 7/10/2026

APPENDIX A
RIDE CALHOUN BENEFIT PLAN

WELFARE PROGRAMS

The following Welfare Programs shall be treated as part of the Plan pursuant to Section 2.15 and as defined in Section 2.19:

Welfare Programs
Medical Plan A

Carrier's or Program Administrator's Name:	Blue Care Network
Contract Number:	00630329-0001-0001
Address:	P.O. Box 68710 Grand Rapids, Michigan 49516 800-662-6667 http://www.bcbsm.com

- Such other contracts as may, from time to time, replace any or all of the contracts listed above

Medical Plan B

Carrier's or Program Administrator's Name:	Blue Care Network
Contract Number:	00630329-0001-0003
Address:	P.O. Box 68710 Grand Rapids, Michigan 49516 800-662-6667 http://www.bcbsm.com

- Such other contracts as may, from time to time, replace any or all of the contracts listed above

Dental

Carrier's or Program Administrator's Name:	Delta Dental of Michigan
Contract Number:	12523
Address:	PO Box 30416 Lansing, Michigan 48909 800-524-0149

- Such other contracts as may, from time to time, replace any or all of the contracts listed above

Vision

Carrier's or Program Administrator's Name:	Guardian Life Insurance Company
Contract Number:	00099482 RG2
Address:	555 S Old Woodward Ave, Ste501 Birmingham, Michigan 48009 248-712-2700 www.guardianlife.com

- Such other contracts as may, from time to time, replace any or all of the contracts listed above

Group Life Insurance

Carrier's or Program Administrator's Name:	Guardian Life Insurance Company
Contract Number:	00099482 RG2
Address:	555 S Old Woodward Ave, Ste501 Birmingham, Michigan 48009 248-712-2700 www.guardianlife.com

- Such other contracts as may, from time to time, replace any or all of the contracts listed above

Voluntary Life Insurance

Carrier's or Program Administrator's Name:	Guardian Life Insurance Company
Contract Number:	00099482 RG2
Address:	555 S Old Woodward Ave, Ste501 Birmingham, Michigan 48009 248-712-2700 www.guardianlife.com

- Such other contracts as may, from time to time, replace any or all of the contracts listed above

Group Short-Term Disability

Carrier's or Program Administrator's Name:	Guardian Life Insurance Company
Contract Number:	00099482 RG2
Address:	555 S Old Woodward Ave, Ste501 Birmingham, Michigan 48009 248-712-2700 www.guardianlife.com

- Such other contracts as may, from time to time, replace any or all of the contracts listed above

Group Long-Term Disability

Carrier's or Program Administrator's Name:	Guardian Life Insurance Company
Contract Number:	00099482 RG2
Address:	555 S Old Woodward Ave, Ste501 Birmingham, Michigan 48009 248-712-2700 www.guardianlife.com

- Such other contracts as may, from time to time, replace any or all of the contracts listed above

Voluntary Benefits (Accident, Critical Illness, Hospital Indemnity)

Carrier's or Program Administrator's Name:	Guardian Life Insurance Company
Contract Number:	00099482 RG2
Address:	555 S Old Woodward Ave, Ste501 Birmingham, Michigan 48009 248-712-2700 www.guardianlife.com

- Such other contracts as may, from time to time, replace any or all of the contracts listed above

Health Savings Account

Carrier's or Program Administrator's Name:	Transportation Authority of Calhoun County
Address:	339 W. Michigan Avenue Battle Creek, MI 49037 (269) 966-3474

- Such other contracts as may, from time to time, replace any or all of the contracts listed above

Employee Assistance Program

Carrier's or Program Administrator's Name:	Guardian Life Insurance Company
Contract Number:	00099482 RG2
Address:	555 S Old Woodward Ave, Ste501 Birmingham, Michigan 48009 248-712-2700 www.guardianlife.com

- Such other contracts as may, from time to time, replace any or all of the contracts listed above

APPENDIX B
RIDE CALHOUN BENEFIT PLAN

PARTICIPATING EMPLOYERS

In addition to Transportation Authority of Calhoun County, the following Participating Employers have adopted the Plan pursuant to Section 10.1:

There are no other employers participating in the Plan.

RIDE CALHOUN

WE'RE HERE.

2929 Spring Arbor Road • PO Box 3029 • Jackson, MI 49204-3029
Phone: 517-787-2600 • Toll Free: 800-837-2601
Fax: 517-787-3857
www.WaltonInsuranceGroup.com

TRANSPORTATION AUTHORITY OF CALHOUN COUNTY
BOARD OF DIRECTORS

Resolution 41-2026

At the regular Board of Directors meeting of the Transportation Authority of Calhoun County (TACC), held at Ride Calhoun Administrative Offices, located at 49 South Cass St., Battle Creek, MI 49037, on Wednesday, September 23, 2026, with Board Chair Erick Stewart presiding, the following action was taken:

Whereas, the Transportation Authority of Calhoun County has prepared a budget for Fiscal Year 2026-2027, setting forth anticipated revenues and expenditures; and

Whereas, the proposed budget includes total revenues of $12,194,349 and total expenses of $11,775,679 as detailed in the attached budget; and

Whereas, the Board approves the levy of 2.6408 mills for the 2026 tax year, consistent with applicable law and Board-approved policies.

Now, therefore, be it resolved that the Board of Directors of the Transportation Authority of Calhoun County hereby adopts the FY 2026-2027 Budget, as attached and incorporated by reference.

Be it further resolved, that the Executive Director is authorized to administer the budget and make expenditures consistent with the adopted budget, applicable policies, and Board-approved financial controls.

CERTIFICATE

I, Vivian Davis, Secretary of the Transportation Authority of Calhoun County, having custody of the records and proceedings of the Transportation Authority of Calhoun County at the meeting of September 23, 2026, with the original minutes now on file and of record in the office that this resolution is true and correct.

_____ _____

Signature Printed Name

_____ _____

Title Date

Transportation Authority of Calhoun County
LBO 33.1804

Expense Schedule

Code	Description	Urban	Rural	Total	
50101	Operators Salaries & Wages	$ 1,394,380	$ 902,408	$ 2,296,788	$ 2,296,788
50102	Other Salaries & Wages	$ 1,133,165	$ 733,356	$ 1,866,521	$ 1,866,521
50103	Dispatchers' Salaries & Wages	$ 188,321	$ 121,877	$ 310,198	$ 310,198
50200	Fringe Benefits	$ 1,334,217.44	$ 863,472	$ 2,197,690	$ 2,197,690
50210	DC Pensions	$ 184,811	$ 119,605	$ 304,416	$ 304,416
50220	DB Pensions	$ 243,735.26	$ 157,739	$ 401,475	$ 401,475
50302	Advertising Fees	$ 3,642.60	$ 2,357	$ 6,000	$ 6,000
50305	Audit Costs	$ 30,355	$ 19,645	$ 50,000	$ 50,000
50399	Other Services	$ 330,870	$ 214,131	$ 545,000	$ 545,000
50401	Fuel & Lubricants	$ 303,550	$ 196,450	$ 500,000	$ 500,000
50402	Tires & Tubes	$ 60,710	$ 39,290	$ 100,000	$ 100,000
50404	Major Purchases	$ 151,775	$ 98,225	$ 250,000	$ 250,000
50499	Other Materials & Supplies	$ 390,062	$ 252,438	$ 642,500	$ 642,500
50500	Utilities	$ 39,462	$ 25,539	$ 65,000	$ 65,000
50603	Liability Insurance	$ 789,230	$ 510,770	$ 1,300,000	$ 1,300,000
50699	Other Insurance	$ 303,550	$ 196,450	$ 500,000	$ 500,000
50700	Taxes & Fees (Employment Tax)	$ 607	$ 393	$ 1,000	$ 1,000
50902	Travel, Meetings & Training	$ 39,462	$ 25,539	$ 65,000	$ 65,000
50903	Association Dues & Subscript.	$ 27,320	$ 17,681	$ 45,000	$ 45,000
51200	Operating Leases & Rentals	$ 46,443	$ 30,057	$ 76,500	$ 76,500
51300	Depreciation	$ 224,627	$ 145,373	$ 370,000	$ 370,000
55007	Ineligible Depreciation	$ (224,627)	$ (145,373)	$ (370,000)	$ (370,000)
55009	IneligibleAssociation Dues	$ 1,574	$ 1,018	$ 2,592	$ 2,592
55010	Other Ineligible Expense	$ 151,775	$ 98,225	$ 250,000	$ 250,000
	Total Expenses	**$ 7,149,015**	**$ 4,626,664**	**$ 11,775,679**	**$ 11,775,679**
	Total Eligible Expenses	$ 6,995,666	$ 4,527,421	$ 11,523,087	$ 11,523,087

Revenue Schedule

Code	Description	Urban	Rural	Total	
40100	Passenger Fares	$ 419,740	$ 271,645	$ 691,385	$ 691,385
41101	State Operating Assistance	$ 2,321,190	$ 1,502,216	$ 3,823,406	$ 3,823,406
41399	5311	$ -	$ 814,936	$ 814,936	$ 814,936
40615	Advertising	$ 27,927	$ 18,073	$ 46,000	$ 46,000
40799	Other NonTrans Revenue	$ 6,071	$ 3,929	$ 10,000	$ 10,000
40910	Local Operating Assistance	$ 2,801,947	$ 1,813,351	$ 4,615,298	$ 4,615,298
41302	Federal Section 5307	$ 2,081,323	$ -	$ 2,081,323	$ 2,081,323
41400	Interest Income	$ 67,995	$ 44,005	$ 112,000	$ 112,000
	Mobility Management	$ 53,121	$ 34,379	$ 87,500	$ 87,500
	New Freedom	$ 139,630	$ 90,365	$ 229,995	$ 229,995
	Total Revenue	**$ 7,726,193**	**$ 4,468,155**	**$ 12,194,349**	**$ 12,194,349**

Total Expenses:	**$**	**11,775,679**
Total Revenue:	**$**	**12,194,349**
OVER/(UNDER)	$	(418,669)