

TRANSIT SERVICE AGREEMENT
BETWEEN THE CITY OF MADISON and
CITY/TOWN/VILLAGE OF _____*

This AGREEMENT, executed by the City of Madison, Wisconsin, a municipal corporation, referred to as "MADISON," or "METRO TRANSIT," or "METRO" and the City/Town/Village of _____ referred to as "_____" or "PARTNER," acting by and through their respective authorized agents, shall become effective upon signature of the Mayor on behalf of the City of Madison:

WITNESSETH:

WHEREAS, Sec. 66.0301, Wis. Stats., authorized towns, villages, cities and other governmental units and regional planning commission as municipalities to contract for the joint exercise of any power or duty required or authorized by statute; and

WHEREAS, the governmental units which are PARTIES hereto are authorized by statute to exercise the powers implicit herein; and

WHEREAS, MADISON and _____ agree it would be to the mutual benefit of the PARTIES for MADISON to continue to provide transit service to _____;

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements hereinafter set forth, MADISON and _____ do, pursuant to the provisions of Wisconsin Statutes, agree as follows:

I. TERM

- A. Term and Renewals. It is agreed and understood by and between the PARTIES hereto that transit service to PARTNER as described in this Agreement will be provided by MADISON during the period from and including January 1, 2014 through December 31, 2014. If neither PARTY gives written notice of non-renewal to the other PARTY on or before August 1, 2014 or August 1 of each succeeding year, this AGREEMENT shall be automatically renewed for an additional one year period under the same terms and conditions, modified only as to PARTNER's Estimated Net Deficit (based on the updated hourly cost of service for continued transit service at the same level) as determined by MADISON and communicated in writing to PARTNER by August 31 of each year. If timely notice of non-renewal is given according to this paragraph, PARTNER will incur no costs. Neither shall MADISON incur any costs, if timely notice of non-renewal is provided.

* Note: Name of Contracting Partner will be inserted in blanks throughout.

- B. Administrative modifications. This AGREEMENT may be administratively modified during the original term or any subsequent renewal period through Memorandums of Understanding, solely as to service levels and cost adjustments related thereto, pursuant to Article III, Section C below. Any other change in the provisions of this AGREEMENT may only be made by written amendment, signed by the duly authorized agent or agents who executed this AGREEMENT.

II. DEFINITIONS

- A. "CFR" or "Code of Federal Regulations" means Code of Federal Regulations currently in effect and as may be renumbered and/or amended from time to time.
- B. "Complementary Paratransit Service" means Americans with Disabilities Act (ADA) required comparable transportation service for persons with disabilities who are unable to access and/or navigate the fixed route transit service provided by a fixed route transit system operator.
- C. "Commuter Bus Service" has the meaning given that term in 49 CFR Part 37.3. Under 49 CFR Part 37 "commuter bus service" as defined under the Act does not carry any ADA Complementary Paratransit Service obligations. Accordingly, ADA paratransit services shall not be provided by MADISON and are not included in the cost of transit service to PARTNER under an AGREEMENT that includes Commuter Bus Service only.
- D. "Contingency Reserve Fund" is a reserve fund supported proportionately with contributions by the service partners, i.e., the "Contingency Reserve Charge," in order to fund unanticipated increases in transit service expenses such as fuel costs. The Contingency Reserve Fund will be segregated by PARTNER with a separate Contingency Reserve Account for each contracted service PARTNER.
- E. Contracted Paratransit Services means paratransit service that is separately contracted for rather than contracted for and provided as a required complement to contracted for fixed route service. Contracted Paratransit Service shall otherwise be provided by MADISON in accordance with the ADA and the standards set forth in 49 CFR Part 37.
- F. "Fixed Route Service" is described in the definition of fixed route system under § 49 CFR Part 37.3 and has meaning given therein.
- G. "Hourly cost of service" is a Partner's Annual Net Deficit divided by PARTNER's annual revenue service hours.
- H. "Madison Metro Transit Service Area" is defined as follows: the City of Madison, the Town of Madison, the City of Fitchburg, and the City of Middleton and such other non-Madison jurisdictions with purchase of service agreements with the City of Madison for regular fixed

route and complementary paratransit service. Metro Transit Service Area does not include municipalities which purchase commuter bus service only from the City of Madison.

- I. "Required Paratransit Service" or "ADA Required Paratransit Service" means ADA required paratransit service applicable to a particular given type of transit service.

III. TRANSIT AND PARATRANSIT SERVICE OPERATIONS

- A. Service levels for the transit service provided pursuant to this AGREEMENT are set forth in Attachment B. Any modifications shall be jointly planned by MADISON and _____ with the understanding that any changes in service levels must be first approved by _____ and MADISON or their respective duly authorized representative. Such changes shall be made by MOU as provided in Section C to this Article III.
- B. _____ shall identify and communicate to MADISON in writing its preliminary proposals for service level changes for the subsequent calendar year or school year by June 1, 2014 and June 1st of each succeeding year. Unless otherwise mutually agreed to by the PARTIES in the MOU on service level changes, calendar year changes shall be implemented not later than September of the next calendar year; and school year changes shall be implemented at the beginning of the school year in the next calendar year.
- C. Memorandum of Understanding. By July 1, 2014 and July 1st of each subsequent year, MADISON shall send _____ a preliminary proposed Memorandum of Understanding (MOU) stating _____ requested and METRO TRANSIT approved service levels, and _____'s Estimated Net Deficit for _____'s transit service for the next calendar year. By August 1st _____ will tentatively accept or decline service changes and Estimated Net Deficit subject to _____'s budget approval process. By December 15th, MADISON shall send _____ the final MOU stating service levels approved by METRO TRANSIT (subject to MADISON's budget approval process) and _____'s Estimated Net Deficit related thereto, including costs of service level changes. The METRO TRANSIT General Manager on behalf of MADISON and an individual authorized by _____ on behalf of _____ shall execute the MOU no later than December 31, 2014 and by December 31st of each subsequent year.
- D. In the event that the PARTIES fail to execute the MOU by December 31st, this Agreement shall continue at the same service levels modified only as to _____'s Estimated Net Deficit as provided in Article I. Term.
- E. If there are subsequent mutually agreed to changes to _____'s transit service levels and the Estimated Net Deficit related thereto after MADISON's budget applicable thereto has been adopted by MADISON's Common Council, an interim MOU will be executed at that time; provided that _____'s Estimated Net Deficit for such increased service or supplemental service hours will be based on the fully-burdened costs

(minus passenger revenues) thereof, until such time as the increased service level can be incorporated and approved as part of METRO TRANSIT's next regular budget cycle. At that time, a new MOU will be executed as provided in Section C of this Article III above.

- F. Contingency Reserve Fund. MADISON will continue to administer a segregated "Contingency Reserve Fund" in order to minimize the impact of unexpected cost increases on service partners. The Contingency Reserve Fund will be segregated by service partner with a separate Contingency Reserve Account for each contracted service partner. Each service partner's Contingency Reserve Account will be funded through the imposition of a Contingency Reserve Charge as calculated in Attachment A, Section II.

IV. _____'S PAYMENT FOR SERVICE

- A. MADISON shall collect authorized fares from passengers using _____'s contractually provided transit service described in Article V and Attachment B. Fares shall be established and paid according to the Fare Tariff in effect for METRO TRANSIT service, as approved and from time-to-time amended by the Madison Transit and Parking Commission. _____ will be notified of any proposed Fare Tariff changes during the term of this AGREEMENT and may provide its input either informally or through MADISON'S Public Hearing Process or before the Contracted Services Oversight Committee. It is understood, however, that the final determination regarding fares remains MADISON'S.

Fares collected shall be credited against _____'s PARTNER's share of Total Annual System Costs.

- B. In consideration for providing the aforesaid transit service, _____ shall pay MADISON the cost of providing the service to _____ as calculated by MADISON.
- C. _____'s cost for this transit service will be calculated by MADISON according to the Methodology in Attachment A and reduced by applicable revenues including federal, operating and others in order to establish the "Net Deficit" payable by _____. Cost estimates (Estimated Net Deficit), based on requested service levels and using this Methodology, will be updated by Memorandums of Understanding as described in Article III.C. See Attachment A for terms and methods used in determining billing costs, i.e., _____'s Estimated Net Deficit and Adjusted Net Deficit.
- D. The PARTIES agree that _____'s payments under this Agreement shall also include a contribution to the Contingency Reserve Fund, i.e., a Contingency Reserve Charge as provided in Section F of Article III, Transit and Paratransit Service Operations, to build up its Contingency Reserve Account for use in situations where there are insufficient funds budgeted by _____ to meet actual costs.

- E. MADISON shall bill _____ quarterly at the beginning of each calendar year for the cost of providing transit service to _____. Any applicable offset from _____'s Contingency Reserve Account shall be reflected in the invoice. _____ shall pay the amounts specified in such invoices within forty-five (45) days after submission thereof.

Following an annual independent audit of transit system revenues and expenses as required by federal law, _____'s Adjusted Net Deficit will be determined to assure that _____ pays MADISON the actual annual cost of providing transit service to _____. Any adjustments shall be credited or billed to _____ in a supplemental billing until the use of the Contingency Reserve Fund is available as described in E above. _____ shall pay any adjusted amount due within forty-five days after submission of an invoice by MADISON.

Checks for invoices for this service shall be made payable to the City of Madison and sent to Metro Transit, 1245 East Washington Avenue, Madison, WI 53703, Attn: Accounts Receivable. MADISON shall furnish a copy of the independent audit report within thirty (30) days of the City's receipt of the report. _____ has the right at its sole cost to select a firm to conduct a separate, additional independent audit.

- F. Service level changes, made by mutual consent of the PARTIES during the term of the AGREEMENT by Memorandum of Understanding , may alter _____'s initial Estimate Net Deficit. In such a case, the quarterly billing will be adjusted to reflect the cost of those changes. Alternatively, by mutual agreement, an additional separate billing may be issued to reflect such additional costs.
- G. Upon request by PARTNER, MADISON will provide reasonable operational information, financial and otherwise, that PARTNER deems necessary to adequately evaluate the effectiveness to PARTNER of the AGREEMENT.

V. TRANSIT AND PARATRANSIT SERVICES PROVIDED DURING THE TERM OF THIS AGREEMENT

- A. MADISON shall provide the following transit services to PARTNER (check the one that applies):
- Fixed route and complementary Paratransit
 - Commuter Bus Service only
 - Contracted Paratransit Service only

Such transit service shall be provided as described in Article III, Transit and Paratransit Service Operations and Attachment B, Routes and Schedules of this Agreement.

- B. MADISON will at all times provide and use buses which are clean and in good safe mechanical condition. MADISON shall be solely responsible for ensuring the safety of all passengers of the bus service in the course of transit.
- C. _____ shall have no control over MADISON'S operations in connection with providing said bus service, and _____ shall have no control or supervision whatever over the drivers of the buses used in said service by MADISON. Said drivers shall not constitute agents or employees of the City of _____ and shall be subject solely to MADISON'S supervision and control.
- D. MADISON shall provide _____ with additional standard METRO TRANSIT bus stop signs (if necessary), which _____ shall install as necessary to ensure that such signs are present at all established stops in _____. _____ shall install and maintain its bus stops used under this AGREEMENT in a safe condition and in compliance with any applicable provisions of the Americans with Disabilities Act. MADISON reserves the right to decline to stop at any bus stop not properly maintained. _____ shall provide notice to MADISON of any road construction, road repair, special events or other like circumstances, which occur along or may impact the commuter bus route as soon as possible, together with a good faith estimate as to the duration of such change.

VI. PERFORMANCE

It is further understood and agreed that MADISON may assign the performance of this AGREEMENT to an independent operating company or other entity of MADISON'S choosing. _____ shall be notified prior to any such assignment. It is understood that the service performed and equipment used under any such assignment shall be equal to or better than that provided hereunder. However, MADISON shall remain primarily responsible for performance of the service provided for herein.

In no event shall MADISON be deemed to be in default of any provision of this AGREEMENT for failure to perform where such failure is due to strikes, walkouts, riots, civil insurrections or disorders, acts of God, adverse weather conditions, lawful State budgeting restrictions, or for any other cause or causes beyond the control of MADISON.

Notwithstanding any other provision of this AGREEMENT to the contrary, MADISON'S obligations to perform hereunder shall be first conditioned upon its ability to do so in compliance with all applicable laws governing the conduct of MADISON'S business and operations and its budgetary process.

VII. AFFIRMATIVE ACTION/MINORITY BUSINESS ENTERPRISE

- A. Policy. It is the policy of the U.S. Department of Transportation that minority business enterprises (including women business enterprises) as defined in 49 CFR, Part 26 shall have the maximum opportunity to participate in the performance of contracts financed in whole or in part with federal funds under this AGREEMENT. Consequently, the PARTIES agree to comply with the DBE requirements of 49 CFR Part 26 to the extent they are obligated to do so.
- B. DBE Obligation. MADISON sub-recipients agree to ensure that disadvantaged business enterprises (including women and minority business enterprises) as defined in 49 CFR, Part 26 have the maximum opportunity to participate in the performance of contracts and subcontracts financed in whole or in part with federal funds provided under this Contract to the extent they are lawfully required to do so. In this regard, _____, as a sub-recipient, and all of its contractors, on contracts financed in whole or in part with federal funds provided under this AGREEMENT, shall comply with 49 CFR, Part 26 to the extent it is obligated to do so to ensure that disadvantaged business enterprises have the maximum opportunity to compete and perform contracts funded in whole or in part by Federal DOT funds. _____ and its contractors shall not unlawfully discriminate on the basis of race, color, national origin, or sex in the award and performance of DOT-assisted contracts.
- C. In the performance of services under this Contract, both PARTIES agree not to discriminate against any employee or applicant for employment because of race, religion, marital status, age, color, sex, handicap, national origin or ancestry, income level or source of income, arrest record or conviction record, less than honorable discharge, physical appearance, sexual orientation, political beliefs or student status. Both PARTIES further agree not to discriminate against any subcontractor or person who offers to subcontract on this contract because of race, religion, color, age, disability, sex or national origin.

VIII. INDEMNIFICATION AND HOLD HARMLESS

Each PARTY shall be responsible for the consequences of its own acts, errors, or omissions and those of its employees, officers, officials, agents, boards, committees, commissions, agencies, and representatives and shall be responsible for any losses, claims, and liabilities which are attributable to such acts, errors, or omissions including providing its own defense. In situations including joint liability, each PARTY shall be responsible for the consequences of its own acts, errors, or omissions and those of its employees, officers, officials, agents, boards, commissions, committees, agencies, and representatives. It is not the intent of the PARTIES to waive any statutory protections or impose liability beyond that imposed by state statutes.

IX. TERMINATION

- A. In the event of default by _____ in its payments for more than forty-five (45) days from the date of the initial billing, service may be suspended or terminated at MADISON'S option. In the event of suspension or termination of this AGREEMENT either initiated by _____ or caused by default in its payments, _____ will pay the prorated _____ Expenses, i.e., _____'s Net Deficit incurred by MADISON through the early termination date of this AGREEMENT. The obligation to pay _____ Expenses, i.e., _____'s Net Deficit under this Section shall not apply, if this AGREEMENT is suspended or terminated for cause arising out of the unlawful acts of MADISON.

- B. In the event that _____ experiences the loss of substantial funding for this service, which could materially affect its ability to provide required funding for this service as described in Section III and Attachment A of this AGREEMENT, it will notify MADISON within ten (10) working days of notification of the loss of said funds. In the event of suspension or termination of this AGREEMENT either initiated by _____ or caused by default in its payments due to the loss of said funds, _____ will pay the prorated _____ Expenses, i.e., _____'s Net Deficit, incurred by MADISON through the early termination date of this AGREEMENT. The obligation to pay _____ Expenses, i.e., _____ Net Deficit under this Section shall not apply, if this AGREEMENT is suspended or terminated for cause arising out of the unlawful acts of MADISON.

- C. Notwithstanding the above paragraphs A and B, MADISON may in its sole discretion and without any reason terminate this AGREEMENT at any time by furnishing _____ with sixty (60) days' written notice of termination. In the event of termination under this subsection, MADISON will reimburse _____ for any prepayment of transit costs for services not provided by MADISON due to termination under this paragraph D.

X. NOTICES

All notices to be given under the terms of this AGREEMENT shall be in writing and signed by the person serving the notice and shall be sent registered or certified mail, return receipt requested, postage prepaid, or hand-delivered to the addresses of the PARTIES listed below:

If to the City of Madison:

Charles Kamp
Metro Transit General Manager
1101 East Washington Avenue
Madison, WI 53703

If to _____:

or to such other address that either PARTY shall designate by written notice.

XI. ASSURANCES AND CERTIFICATIONS

_____ makes the following assurances and certifications as part of this AGREEMENT:

- (a) It possesses the legal authority to enter into this AGREEMENT; a resolution, motion or similar action has been duly adopted or passed as an official act of the municipality's governing body, authorizing the execution of this AGREEMENT, including each and every part thereof, and directing and authorizing the persons identified in Section X Notices to act in connection with this AGREEMENT and to provide all required reports and such additional information as may be required.

- (b) Insert Special Assurances. (For Example: _____ agrees to work with METRO TRANSIT staff to promote use of the commuter bus service by Epic System employees by prior arrangement with Epic Systems officials, and to promote use of the transit service by _____ residents using the service to commute to Madison. MADISON shall promote use by the general public of service to and from _____ through its normal transit publications and shall work with _____ and the _____ Chamber of Commerce to promote the service.)

XII. BINDING ON PARTIES

This AGREEMENT shall be binding on the PARTIES hereto, their respective successors and assigns and cannot be varied or waived by any oral representations or promise of any agent or other person of the PARTIES hereto unto unless the same be in writing signed by and the duly authorized agent or agents who executed this AGREEMENT.

XIII. SEVERABILITY

It is mutually agreed that, in case any provision of this AGREEMENT is determined by any court of law to be unconstitutional, illegal, or unenforceable, it is the intention of the PARTIES that all other provisions of this AGREEMENT remain in full force and effect.

XIV. NO WAIVER

No failure to exercise and no delay in exercising any right, power or remedy hereunder on the part of MADISON or _____ shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. No express waiver shall affect any event or default other than the event or default specified in such waiver. Any such waiver, to be effective, must be in writing and shall be operative only for the time and to the extent expressly provided by MADISON or _____ therein. A waiver of any covenant, term or condition contained herein shall not be construed as a waiver of any subsequent breach of the same covenant, term or condition.

XV. ENTIRE AGREEMENT

The entire agreement of the PARTIES is contained herein and this AGREEMENT supersedes any and all oral contracts and negotiations between the PARTIES.

XVI. THIRD PARTY RIGHTS

This AGREEMENT is intended to be solely between the PARTIES hereto. No part of this AGREEMENT shall be construed to add, supplement, amend, abridge or repeal existing rights, benefits or privileges of any third party or PARTIES, including but not limited to employees of either of the PARTIES.

IN WITNESS WHEREOF, the PARTIES hereto have caused this AGREEMENT to be executed by their proper officers.

CITY OF MADISON, WISCONSIN
A WI Municipal Corporation

Witness Paul Soglin, Mayor Date

Witness Maribeth Witzel-Behl, City Clerk Date

APPROVED:

APPROVED AS TO FORM:

Eric T. Veum, Risk Manager

Michael P. May, City Attorney

David Schmiedicke, City Finance Director

A WI Municipal Corporation

Witness

Date

**ATTACHMENT A
PAYMENT METHOD**

I. CALCULATION OF PARTNER ANNUAL NET DEFICIT

A. Method. The calculation to determine the PARTNER's Annual Net Deficit for METRO TRANSIT service will be as follows:

- 1) The PARTNER's total annual fixed route vehicle hours times total annual system operating expense per fixed route vehicle hour equals the PARTNER's share of total annual operating expenses.
In the case of a PARTNER that receives only fixed route commuter service (i.e. no paratransit service) the calculation will be to multiply the PARTNER's total annual fixed route vehicle hours by the annual fixed route operating expense per fixed route vehicle hour.
In the case of a Partner that receives only paratransit service the calculation will be to multiply the number of annual paratransit trips provided to the PARTNER by the annual paratransit operating expense per trip.
- 2) The PARTNER's share of total annual operating expenses less the PARTNER's share of annual operating revenue equals the PARTNER's annual gross deficit.
- 3) The PARTNER's annual gross deficit less the PARTNER's share of annual capital, Federal and State aid equals the PARTNER's annual net deficit. A PARTNER which applies for and receives State aid directly will not receive State aid as part of this contract.

B. Definitions. The following are definitions of the terms used above and the components of each of the calculation terms.

Total system fixed route vehicle hours: Actual vehicle hours (includes revenue service hours, scheduled time and recovery time at transfer points and deadhead hours) for all of METRO TRANSIT's fixed routes.

PARTNER's total fixed route vehicle hours: Actual vehicle hours (includes revenue service hours, scheduled time and recovery time at transfer points and deadhead hours) attributed to fixed route service provided to the PARTNER on the applicable routes.

Total system operating expense: All costs, including depreciation and interest expense, incurred by METRO TRANSIT for all transit services. Fixed asset purchases and principal debt repayment are not included.

Total system operating expense per fixed route vehicle hour: Total system operating expense divided by total system fixed route vehicle hours.

PARTNER's share of operating revenue: The sum of the PARTNER's share of fixed route passenger revenue, the PARTNER's share of paratransit service revenue and the PARTNER's share of other revenue. A PARTNER that does not receive paratransit service will not receive any paratransit service revenue and a PARTNER that is only charged for paratransit service will not receive any fixed route passenger revenue or other revenue.

PARTNER's share of fixed route passenger revenue: For each applicable fixed route the percentage of vehicle hours attributable to the PARTNER is multiplied by the passenger revenue associated with that route to arrive at the PARTNER's share of each route's revenue. The sum of these determines the PARTNER's share of fixed route passenger revenue.

Fixed route passenger revenue: Fares as recorded by fare collection equipment on fixed routes at the time of passenger boarding.

PARTNER's share of paratransit revenue: The percentage of total annual system fixed route vehicle hours attributable to the PARTNER multiplied by total paratransit revenue.

Total paratransit revenue: All passenger revenue associated with providing paratransit service plus Dane County paratransit subsidies including DDS Medicaid waiver.

PARTNER's share of other revenue: The percentage of total annual system fixed route vehicle hours attributable to the PARTNER multiplied by total other revenue.

Total other revenue: All non-service related revenue including sales of advertising, scrap metal, etc.

PARTNER's share of capital aid: The percentage of total operating expense attributable to the PARTNER multiplied by total capital aid.

Total capital aid: As noted above, depreciation expense on the full purchase price of all capital assets is included in the calculation of total system operating expense per vehicle hour. However, a portion of the purchase price of most capital assets is funded by Federal Capital Grants and so the benefit of that funding needs to be allocated to each PARTNER. Depreciation expense for each capital asset is multiplied by the percentage of the original purchase price funded by a Federal Capital Grant to arrive at the capital aid by asset and the sum of this figure for all assets yields total capital aid.

PARTNER's share of Federal aid: The percentage of total gross deficit attributable to the PARTNER multiplied by total Federal aid.

Total Federal aid: Federal government grant funding used for operating budget costs (i.e. grants for capital asset purchases are not included).

PARTNER's share of State aid: The percentage of total operating expense attributable to the PARTNER multiplied by total State aid.

Total State aid: Funding from any State of Wisconsin transportation assistance program.

II. **CALCULATION OF PARTNER CONTINGENCY RESERVE ACCOUNT CONTRIBUTION AND OFFSET**

- A. **Contribution.** The total amount due from the PARTNER to METRO TRANSIT in any given year will equal the PARTNER's annual net deficit (calculation shown in part I of attachment A) plus a contribution to the PARTNER's contingency reserve fund (described in Section II D of this agreement). The annual contribution to the contingency reserve fund will equal 4% of the PARTNER's annual net deficit. The balance in the PARTNER's fund will be capped at 15% of the PARTNER's annual net deficit.
- B. **Offset.** In years where the PARTNER's final calculated annual net deficit exceeds the total of the quarterly payments made by the PARTNER during the year, METRO TRANSIT shall apply the PARTNER's accumulated contingency reserve to the difference. If the difference exceeds the available reserve balance, then the remainder will be billed by METRO TRANSIT to the PARTNER. The ability to offset will only be allowed when, prior to the offset, the PARTNER's contingency reserve balance is at least 12% of the PARTNER's net deficit for the current year.
- C. **Interest.** Interest will be accrued to each PARTNER's contingency balance once per year at the prevailing rate. The prevailing rate will be defined as the average rate of return earned by the City of Madison on its investments during the preceding year.
- D. **Termination.** If PARTNER terminates its transit service agreement with MADISON, PARTNER shall be reimbursed the balance of its Contingency Reserve Account on hand at the time of termination.

Attachment B

[Attach Appropriate Route Map and Schedule]