

SCHOOL TRANSPORTATION ASSET MANAGEMENT AGREEMENT

Collaboratively Developed By:



Richmond Community Schools

and

STUDENT *TRANSIT* LLC

A wholly-Owned Subsidiary of Sodrel Holding Company Inc.

STUDENT *TRANSIT*
A Sodrel Transportation Company

December 10th, 2007

ASSET MANAGEMENT AGREEMENT

THIS AGREEMENT is made by and between **STUDENT TRANSIT, LLC**, an Indiana limited liability company ("Vendor") a wholly owned subsidiary of Sodrel Holding Company, Inc and **RICHMOND COMMUNITY SCHOOLS**, an Indiana public school corporation acting by and through its Board of School Trustees ("RCS") to become effective as of January 01, 2008 (the "Effective Date").

RECITALS

A. Vendor is an Indiana limited liability company, doing business in Indiana as "Student Transit," that provides personnel, asset management, and maintenance services for student transportation.

B. RCS is a public school corporation created under Indiana Code §20-23 that owns and operates public schools in Wayne County, Indiana.

C. RCS desires that Vendor lease from RCS the school buses, and utilize the garages, maintenance bays, and school bus maintenance equipment owned by RCS; that as of the Effective Date, Vendor hire RCS's school bus maintenance personnel and effective with the start of the 2008-2009 school year, Vendor hire qualifying bus drivers previously contracted by RCS; and that Vendor use the funds from RCS's school transportation budget to conduct assigned aspects of RCS's operation and maintenance of its school buses, all in exchange for a management fee to be retained by Vendor.

D. This Agreement is being entered into consistent with the provisions of I.C. §20-20-1-1 *et seq.* and the authority extended thereunder as well as other Indiana statutes, including but not limited to the General School Powers Act, I.C. § 20-26-5-1 *et seq.* This Agreement is intended to maximize the allocation and use of taxpayer-provided resources by the School Corporation for student instruction and learning by taking actions that reduce non-instructional spending and then allocate the resulting savings to student instruction and learning. The parties further recognize that this purpose is consistent with the express intent of the Indiana General Assembly as set forth in I.C. §20-20-1-1 *et seq.*

PROVISIONS

1. **Initial Term.** Unless this Agreement is terminated for Cause by either party under Section 26, the Initial Term of this Agreement (including the Initial Term of the lease of the school buses and the use of maintenance facility / equipment by Vendor under Section 3) comprises the period beginning on the Effective Date and ending December 31, 2011. During the Initial Term and during each Renewal Term under Section 2, each twelve-month period from January 01 through December 31 is a "Fiscal Year."

2. **Renewal Terms.** At the end of the Initial Term, this Agreement will, renew at the option of the parties, for a First Renewal Term of five Fiscal Years unless Vendor fails to meet (as of the end of the Initial Term) one or more of the target levels for the Performance Metrics specified in the attached **Exhibit E**. At the end of the First Renewal Term, this Agreement will renew, at the option of the parties, for a Second Renewal Term of five Fiscal Years.

3. **Lease of School Buses and Use of Facility and Equipment.** In consideration of (i) the Rent specified in Section 5 and paid by Vendor to RCS, (ii) the Services to be provided by Vendor under Section 9, and (iii) the New Funds and Operational Savings to be paid by Vendor to RCS under Section 22, RCS hereby undertakes the following:

- (a) RCS leases its school buses ("Buses") as listed on the attached **Exhibit A** to Vendor for the Initial Term and for each Renewal Term, if any;
- (b) RCS permits Vendor, in order to accomplish the purposes of this Agreement, to occupy the land (whose description is stated on the attached **Exhibit B**), building(s), fixtures, and improvements that collectively constitute RCS's school bus garage and maintenance facility (the "Facility") located at 3175 North Salisbury Road, Richmond, Indiana 47374);

- (c) RCS permits Vendor, in order to accomplish the purposes of this Agreement, to utilize RCS's school bus maintenance equipment and tools, including but not limited to, the depreciable tools and maintenance equipment listed on the attached **Exhibit C** (the "Equipment").

The assets described in the above subsections (a) through (c) are referred to elsewhere in this Agreement as the "Assets." Vendor is not leasing any non-school-bus maintenance vehicles from RCS under this Agreement, but to the extent provided in the attached **Exhibit E**, Vendor shall maintain such maintenance vehicles in good repair. Promptly after the expiration of this Agreement (that is, at the end of the Initial Term or last Renewal Term, or upon an earlier termination of this Agreement), Vendor shall return possession of the Assets to RCS in substantially the same condition as at the time possession was first delivered to Vendor, excepting reasonable wear and tear. Fixtures and improvements purchased by Vendor during the Initial Term or any Renewal Term and attached to the Facility shall be treated as part of the Facility under this Section. RCS agrees to reimburse the Vendor for the costs of agreed upon improvements to the Facility. Upon Written Notice to RCS, Vendor may cancel the applicable insurance (under Sections 13 and 14) for the Assets as of the effective date of expiration or termination of this Agreement, and Vendor is entitled to keep any refund of pro-rated insurance premiums.

4. Spare Parts & Supplies. Vendor will purchase RCS' existing and ordered inventory of spare parts and consumable supplies for Bus maintenance at RCS' cost. The purchase price will be based on the value of the inventory as of the first day of the Initial Term. Throughout the Initial Term and each Renewal Term, Vendor shall procure and maintain adequate levels of spare parts and supplies inventories in order to maintain and support the Buses in proper operating condition.

5. Lump Sum Rent Payable to RCS. Simultaneously with the parties' execution of this Agreement, Vendor has paid to RCS, and RCS acknowledges receiving from Vendor, lump sum rent of One dollar (\$1.00) as rent for each school bus leased by RCS to Vendor under Section 3(a) and listed on the attached **Exhibit A**.

6. Representations by Vendor. For purposes of this Section, "Vendor's balance sheets" mean the unaudited balance sheet of Vendor as a division of Sodrel Holding Company, Inc. as of December 31, 2007; and/or the corresponding unaudited consolidated balance sheets for Sodrel Holding Company, Inc., as a whole. Vendor represents and warrants the following to RCS:

- (a) Vendor is validly organized and is in existence as an Indiana limited liability company;
- (b) Vendor has duly applied for and received a certificate of authority from the Indiana Secretary of State to engage in business in the State of Indiana;
- (c) Vendor and its member(s), manager(s), and officers have taken all actions required under applicable law and its governing documents to authorize Vendor's execution of this Agreement by its undersigned chief executive officer; and
- (d) Vendor has permitted the RCS's Superintendent or his designee, the opportunity to review the complete and accurate copies of Vendor's balance sheets, which show that Vendor is solvent as of the stated date of Vendor's balance sheets.

RCS's Superintendent, or his designee, shall keep information relating to the Vendor's balance sheets in strict confidence and shall not disclose it, in whole or in part, to any person or entity (including RCS's Board of Trustees) other than RCS's internal accounting personnel and legal counsel, without the advance written consent of Vendor.

7. Representations by RCS. RCS represents and warrants the following to Vendor:

- (a) The officer or representative of RCS who is executing this Agreement has been fully authorized to do so by the appropriate resolution or order of the Board of School Trustees of the Richmond Community Schools. The parties acknowledge their mutual awareness that this Agreement is subject to review and approval by the Indiana State Board of Accounts (hereinafter "SBOA") in the course of SBOA's biennial audit of RCS's financial operations;
- (b) RCS is the sole and lawful owner of each of the Assets described in Section 3 or in the attached **Exhibit A** through **C**;

- (c) Each of the Assets is free and clear of all liens and encumbrances, except as otherwise noted in **Exhibits A** through **C**; and
- (d) RCS's leasing of the Leased Assets to Vendor under this Agreement is not and will not be an event of default under any bond indenture, loan agreement, note, mortgage, security agreement, or other contract to which RCS is a party.

8. **Hiring RCS Personnel.** Effective as of the first day of the Initial Term, Vendor or a Sodrel Holdings, Inc. subsidiary shall tender an offer of employment to all designated RCS's facility employees which includes maintenance staff (3 employees) and office staff (2 employees) (hereinafter the "Transportation Workers") who (a) are on RCS's payroll as employees as of the last pay period of the last calendar month preceding the calendar month in which the Initial Term begins and (b) are not identified by RCS as unavailable for hiring as a result of such Transportation Workers' decisions to quit or retire. To each existing Transportation Worker that Vendor hires under this Agreement, Vendor shall pay the same gross pre-tax salary (computed per hour or per pay period, as the case may be) that RCS paid to that Transportation Worker prior to the beginning of the Initial Term.

In its sole discretion, and in order to establish and manage a sufficient workforce and to ensure proper levels and continuity of service under this Agreement, Vendor may hire additional personnel (including but not limited to backup or substitute workers) who were not on the payroll of RCS prior to this Agreement ("New Hires"). The attached **Exhibit D** states other terms and conditions, with respect to the human resources and staffing transition from RCS to Vendor as the employer, that are consistent with this Section, and that will apply to all Transportation Workers and New Hires.

All existing transportation hourly employees consisting of bus aides (12 employees) and substitute drivers (8 employees) will be hired by Vendor upon the successful completion of the Vendor's screening and hiring process.

All individuals hired by Vendor under this Section will be "at will" employees, and nothing contained in this Agreement or any exhibit thereto, shall be interpreted to the contrary. Vendor shall perform all required payroll record keeping and tax reporting (including but not limited to all applicable unemployment insurance contributions and worker's compensation premiums) and shall pay, all such expenses and the compensation of the Transportation Workers and New Hires out of the Transportation Budget described in Section 16.

Not later than fifteen (15) days after the expiration of the current contracts entered into by RCS with its contracted bus drivers (on or about May 30, 2008 unless said contracts shall be extended due to the need to schedule additional student make up instructional days) upon the successful completion of the Vendor's screening and hiring process Vendor or a Sodrel Holdings, Inc. subsidiary shall tender an offer of employment to all designated RCS's bus drivers who (a) are on RCS's payroll as employees as of the last pay period of May, 2008, and (b) are not identified by RCS as unavailable for hiring as a result of such bus drivers' decisions to quit or retire. The terms and conditions of the offers of employment will be accomplished in a manner comparable to that set forth above in this Section 8 relative to the Transportation Workers.

9. **Transportation, Management, and Maintenance Services.** Throughout the Initial Term and each Renewal Term of this Agreement, and in exchange for the Management Fee to be withheld and retained by Vendor under Section 16, Vendor shall operate the Facility; use, repair, and maintain the Equipment, Buses, and maintenance vehicles; and support the operation of the Buses in order to provide all transportation of RCS's students, consistent with the school transportation Service Standards and Performance Metrics stated on the attached **Exhibit E**. All the services described in this Section or in the attached **Exhibit E** are referred to collectively in this Agreement as "the Services." At any time, Vendor and RCS may amend or replace **Exhibit E** by jointly signing a new or revised **Exhibit E**. In the event of a conflict between the then-current **Exhibit E** and any provision of this Agreement other than Sections 10, 11, and 16 through 23, **Exhibit E** will control. The vendor understands and shall operate according to the annual calendars as adopted by the RCS and as modified due to weather or other conditions.

10. **General Service Obligations of Vendor.** In this Agreement, "Regulatory Requirements" means local, state, and federal laws, rules, regulations, and safety standards in effect from time to time

during the term of this Agreement and applicable to the operation and maintenance of school buses for school transportation. In the course of performing the Services under Section 9, Vendor shall:

- (a) Offer and conduct training to the school bus drivers and Transportation Workers in the safe and proper operation of the Buses and the other Assets;
- (b) Maintain all Assets in a state of repair that meets or exceeds all Regulatory Requirements;
- (c) Maintain and operate the Facility and Equipment in a manner that complies with all applicable Regulatory Requirements with respect to job-site safety, fire prevention, and hazardous waste disposal; and
- (d) Ensure the full compliance with Regulatory Requirements by Vendor's Transportation Workers and any other employees of Vendor who are engaged in providing the Services under Section 9.

Nothing in this Agreement requires Vendor or RCS to act contrary to any law or order of any governmental body, agency, or office having jurisdiction, or to act contrary to any permit or authorization granted to Vendor or RCS by any governmental body, agency, office, or instrumentality.

11. Installation of Management System. Within the Facility and within RCS's internal administrative structures for student transportation, Vendor shall install and implement Vendor's asset management system, including work standards, guidelines, and procedures for coordinated supervision, information gathering, performance assessment (metrics), graduated or progressive problem resolution, and effective communication between Vendor's personnel and RCS's administrative personnel.

12. Asset Management to Generate New Revenue. Vendor shall manage the Assets and designated or assigned student transportation operations, consistent with Section 9 and **Exhibit E**, in order to maximize the new revenue generated by such management and operations. Without limiting the generality of the preceding sentence, and so long as Vendor's activities under this Section do not adversely affect Vendor's timely and efficient performance of the Services under Section 9 (recognizing that Vendor shall give priority to RCS vehicles for maintenance and repair), Vendor shall do the following:

- (a) Vendor shall conduct and manage a community marketing program within the greater Richmond, Indiana, area, in order to optimize the use of the Assets and minimize non-productive downtime;
- (b) Vendor may use the Facility and the Equipment to perform maintenance and repair work on commercial vehicles when the Facility has the capacity to do so. In addition, and except as otherwise prohibited by law, Vendor may use the Buses to provide charter services when the buses are available to do so;
- (c) Vendor may use the Buses to provide transportation services, as permitted by law, to the Richmond community (including but not limited to groups of citizens and community organizations) under separate agreements with the City or other appropriate parties, and in exchange for fees to be paid to Vendor by the City or other appropriate parties; and

Whenever Vendor collects any gross revenue from any source as a result of activities required or permitted under the foregoing subsections (a) through (c), Vendor shall remit to RCS pursuant to Section 22, below, RCS's share of such gross revenues computed according to the following schedule:

- (a) RCS shall receive forty percent (40%) of the gross revenues generated from the commercial repair and maintenance services described in sub-section (b), immediately above; and
- (b) RCS shall receive thirty percent (30%) of the gross revenues generated from the vehicle charter services described in sub-sections (b) and (c), immediately above.

Vendor shall report and treat the above-calculated sums as the "New Funds" for purposes of the reports and payments required under Sections 19 through 22, inclusive, below. Vendor shall be entitled to retain all remaining gross revenue generated from the above-described commercial repair and maintenance services and from the vehicle charter services as its own revenues. Vendor shall report the full amount of

gross revenues received from such activities for the reporting purposes set forth in Sections 19, 20 and 21, below.

13. **Liability Insurance.** As of the Effective Date of this Agreement Vendor shall have in force and effect, at Vendor's expense, public liability insurance against property damage or personal injury arising out of Vendor's use or occupancy of the Assets or Vendor's performance or non-performance of its obligations under this Agreement, with minimum per-occurrence liability limits of \$700,000.00 property damage/personal injury and \$5,000,000.00 aggregate cap. Vendor shall procure such liability insurance from a responsible insurance company that is authorized to engage in the insurance business in the state of Indiana. Each such liability insurance policy must:

- (a) name RCS as an additional insured on the policy; and
- (b) contain a provision prohibiting the cancellation or material alteration of the policy without ten (10) days' prior written notice to RCS.

Upon RCS's reasonable request (but not more than once per 12-month period unless Vendor changes insurance companies or obtains a new policy), Vendor shall provide RCS with a duplicate certificate of each such liability insurance policy, a complete copy of the policy, and a copy of each declarations page as the policy is renewed, showing the expiration date of the current policy. From time to time and upon RCS's reasonable written request (but not more than once per 180-day period unless Vendor changes insurance companies or materially changes coverage), Vendor shall provide written proof to RCS that each such liability insurance policy is in full force and effect.

14. **Property and Casualty Insurance.** At all times during the Initial Term and each Renewal Term and at Vendor's expense, Vendor shall keep the Assets insured against loss by fire and other casualties with extended coverage, for not less than one hundred percent of the mutually agreed replacement costs of such Assets. Vendor shall procure such fire and casualty insurance from a responsible insurance company authorized to do business in the state of Indiana. At least once during each Fiscal Year while this Agreement is in effect, RCS and Vendor shall meet or confer in order to review replacement costs and to determine whether coverage amounts must be reasonably revised in order to comply with the preceding sentence. Vendor shall cause the fire and casualty insurer to deliver to RCS a complete copy of the insurance policy and declarations, which must list RCS as an additional insured with respect to the Assets as of the first day of the Initial Term. To the extent that such fire and casualty insurance policy also covers equipment or other movable personal property that is purchased by Vendor, not included as a part of the Equipment, but physically located in or on the Facility, the insurance proceeds payable after a loss shall be payable to RCS and Vendor according to their respective interests, with Vendor to receive the portion of insurance proceeds attributable to loss or damage sustained by Vendor's equipment or other personal property that are not fixtures.

15. **Infrastructure Agreement and Service Disruptions.** The attached **Exhibit F**, which RCS and Vendor may agree in writing to revise or restate as circumstances require, states the procedures that Vendor and RCS shall use to address and deal with day-to-day infrastructure and logistical issues that may arise in Vendor's performance of the Services, such as the cost and performance of snow removal, dealing with power failures affecting the Facility, or other disruptions in the Services that are caused by weather conditions or other events that are not predictable by the parties.

16. **Contract Value.** The annual contract value, the amount to be paid under this Contract by RCS to the Vendor pursuant to Section 18, will be based upon RCS's prior calendar year's transportation property tax levy. For the period of time from the Effective Date through June 30, 2008, the annual contract value shall be the annualized sum of One Million Six Hundred Thousand Dollars (\$1,600,000.00), resulting in monthly payments to Vendor for each of the months from January through May, 2008, pursuant to Section 18, below, in the amount of One Hundred Sixty Thousand Dollars (\$160,000) per month.

For the period from July 01 through December 31, 2008, the annual contract value shall be the annualized sum of Two Million Dollars (\$2,000,000.00), resulting in monthly payments to Vendor for each of the months from August through December, 2008, pursuant to Section 18, below, in the amount of Two Hundred Thousand Dollars (\$200,000.00) per month. RCS and Vendor shall meet and confer on an annual basis and shall mutually agree to adjust the annual contract value for each subsequent Fiscal

Year based upon the prior calendar year's transportation property tax levy. In the event that the parties cannot agree to an adjustment, the current Fiscal Year Contract Value will default to the prior Fiscal Year's Contract Value.

17. Annual Fee for Management Service. The annual fee for Management Services for the 2008 Fiscal Year shall be Two Hundred Thousand Dollars (\$200,000.00), and shall be adjusted by mutual agreement on an annual basis thereafter. This fee approximates ten percent (10%) of the 2007 Transportation Fund property tax levy, and is expected to be funded from achieved cost efficiencies that result in the creation of Operational Savings. The fee will be adjusted by mutual agreement on an annual basis thereafter. If an agreement is not achieved the fee will remain at the previous year's level. The fee cannot cause an increase in the Transportation Fund property tax levy. If savings are not sufficient to cover the management fee, by mutual agreement, changes can be made to the percentages of New Funds paid to RCS, as stated in section 12.

18. Monthly Payment by RCS to Vendor. On a monthly basis, beginning on January 01, 2008 and continuing on the first day of each calendar month during each Fiscal Year while this Agreement is in effect, RCS shall pay to Vendor a sum of money equal to one-tenth ($1/10$) of the amount set forth under Section 16. No payments shall be made on June 01 or July 01 of each Fiscal Year. Payments not made within fifteen (15) days of the date the payment was due hereunder shall bear interest at the lawful rate of eight percent (8%) per annum. At all times when this Agreement is in effect, Vendor shall maintain separate records of the Monthly Payments made by RCS to Vendor under this Section and of all operating and maintenance expenses that Vendor pays with the funds represented by such Monthly Payments, in the course of Vendor's performance of the Services under this Agreement.

19. Monthly Reporting by Vendor. Not later than twenty-one (21) calendar days after the end of each calendar month during which this Agreement remains in effect, Vendor shall compile and make available to RCS a Monthly Report, substantially in the format required by **Exhibit G**, that accurately reports to RCS the following information for the calendar month just ended:

- (a) The Monthly Payment(s) that Vendor has collected from RCS under Section 18 during the calendar month;
- (b) Vendor's expenditures from the Transportation Budget during the calendar month in the course of Vendor's performance of the Services under Section 9;
- (c) The accrued "Operational Savings" that has accumulated as of the end of the calendar month, as a result of Vendor's management of the Assets and its performance of the Services under this Agreement. The Operational Savings in any month shall be the difference between the payment received by Vendor from RCS pursuant to Section 18 for that month, less the sum of the expenditures from the Transportation Budget expended during the month plus Vendor's monthly Management Services Fee received by Vendor from RCS pursuant to Section 17.

Vendor shall make each Monthly Report available to RCS and RCS's authorized personnel or designee(s) in a password-protected format on Vendor's web site.

20. Quarterly Reporting by Vendor. Not later than twenty-one (21) calendar days after the end of each three-calendar-month period during each Fiscal Year in which this Agreement remains in effect, Vendor shall compile and make available to RCS a Quarterly Report, substantially in the format required by **Exhibit G**, that accurately reports the following information to RCS for the quarter just ended:

- (a) The Monthly Payment(s) that Vendor has collected from RCS under Section 18 during the calendar quarter;
- (b) Vendor's expenditures from the Transportation Budget during the calendar quarter in the course of Vendor's performance of the Services under Section 9;
- (c) The accrued "Operational Savings" that has accumulated as of the end of the calendar quarter, as a result of Vendor's management of the Assets and its performance of the Services under this Agreement.

Vendor shall make each Quarterly Report available to RCS and RCS's authorized personnel or designee(s) in a password-protected format on Vendor's web site.

21. **Review of Reports and Records by State Board of Accounts.** Upon fourteen (14) days' notice to Vendor and during all normal business hours, RCS, its representatives, or the SBOA may inspect, copy, and audit the records maintained by Vendor under this Agreement and used by Vendor to compile the Monthly and Quarterly Reports. Upon written Notice received by Vendor from RCS, Vendor shall make hard copies of requested Monthly or Quarterly Reports, as generated for all relevant periods from the Effective Date, available to RCS's accountants or to the SBOA.

22. **Contracted Payments by Vendor to RCS.** Semi-annually, beginning on July 01, 2008, and continuing semi-annually during each Fiscal Year in which this Agreement remains in effect, Vendor shall pay to RCS, or according to RCS's written direction, all the accrued New Funds (representing the sum of RCS's percentage receipts of the additional revenues arising from Vendor's activities under Section 12 for the preceding six-month period) plus accrued Operational Savings (as defined in Section 19(c), above) for the preceding six-month period. Payments not made within fifteen (15) days of the date the payment was due hereunder shall bear interest at the lawful rate of eight percent (8%) per annum.

23. **Pro-Ration of Service Fee and Contracted Payment after Early Termination.** If either party terminates this Agreement for Cause as of a date other than the end of a Fiscal Year or the end of a calendar month:

- (a) Vendor shall calculate its final Management Service Fee under Section 17 on a pro-rata basis according to the number of days after the end of the preceding calendar month and ending on the effective date of termination;
- (b) Not later than twenty-one (21) days after the effective date of termination, Vendor shall deliver to RCS a final report, in the format required by Section 20 and **Exhibit H**, and covering the period beginning after the end of the last completed full quarter and ending on the effective date of termination; and
- (c) Vendor shall make the final Contracted Payment to RCS under Section 22 not later than twenty-one (21) days after the effective date of termination.

24. **Vocational Education Program.** Vendor shall cooperate in good faith with RCS in the latter's development and operation of a Vocational Education or similar program under which RCS students will be placed in the Facility for training and work under the joint supervision of Vendor and RCS in maintaining and repairing the Buses and performing other vocational activities. Vendor may but is not required to pay stipends or other compensation to such student volunteers.

25. **"Cause" for Termination.** Any of the following conditions or events constitutes "Cause" for early termination of this Agreement by the non-defaulting party under Section 26:

- (a) A failure ("Default") by Vendor in timely performing any of its obligations under this Agreement, including but not limited to non-compliance with any Regulatory Requirements or with Service Standards specified in **Exhibit E**, where such Default continues or remains uncured for a period of thirty (30) days after Notice of the Default is given to Vendor under Section 31;
- (b) A Default by Vendor in timely providing RCS with any Monthly or Quarterly Report under Sections 19 or 20, or in making the payment to RCS under Section 22, where such Default continues or remains uncured for thirty (30) days after Notice of the Default is given to Vendor;
- (c) A Default by Vendor in timely performing any of its other obligations under this Agreement, where such Default continues or remains uncured for a period of thirty (30) days after Notice of the Default is given to Vendor;
- (d) The conviction of Vendor or any of its officers of a felony in connection with Vendor's performance of any of its obligations under this Agreement;

- (e) A finding by the Indiana State Board of Accounts or any independent auditor that Vendor has engaged in dishonest, fraudulent, or misleading conduct with respect to Vendor's performance of its record keeping and reporting obligations under this Agreement;
- (f) A failure ("Default") by RCS to timely make any payment to Vendor that is required by Section 18, where such Default continues or remains uncured for a period of thirty (30) days after Notice of the Default is given to RCS;
- (g) The material inaccuracy of any representation or warranty made by RCS in Section 7;
- (h) A Default by RCS in timely performing any of its other obligations under this Agreement, where such Default continues or remains uncured for a period of thirty (30) days after Notice of the Default is given to RCS;
- (i) A written finding by the Indiana Attorney General or a court of competent jurisdiction that this Agreement or the performance of this Agreement is or would be unlawful; or
- (j) The promulgation of any new Regulatory Requirement or the significant amendment of an existing Regulatory Requirement by a local, state, or federal government body or agency, if compliance with such new or amended Regulatory Requirement would materially increase Vendor's expenses in performing the Services under Section 9, or in maximizing new revenue under Section 12.
- (k) The repeal, amendment or other legislative or administrative act (collectively, a "Legislative Enactment") affecting the ad valorem method of real property taxation and the generation of Transportation Fund tax levies for Indiana public school corporations if such Legislative Enactment materially and adversely affects the ability of RCS to either realize the Operational Savings and/or the New Funds, or to utilize the Operational Savings and/or the New Funds so as to increase the available funding within RCS's overall budget for direct educational expenditures.

26. **Early Termination for Cause.** With respect to a Default described in subsections 25(a) through 25(e), RCS is the non-defaulting party. With respect to a Default described in subsections 25(f) through 25(h), Vendor is the non-defaulting party. If a Default occurs, the non-defaulting party may give a Notice to Cure to the defaulting party with a "cure per lock" of fourteen (14) calendar days. If the defaulting party does not cure the Default by the end of the cure period specified in the pertinent subsection of Section 25, the non-defaulting party may give the defaulting party a second Notice stating that this Agreement is terminated as of the date of that second Notice. If an event described in subsections 25(i), 25(j) or 25(k) occurs, and if either party is unwilling to negotiate an amendment to this Agreement in order to address a change in Regulatory Requirements or the passage of a Legislative Enactment, either party may terminate this Agreement immediately upon Notice to the other party.

27. **Force Majeure.** Neither party will be treated as having committed a Default under this Agreement or as having failed to timely cure a Default where the party's failure to perform or to timely cure the Default (as the case may be) is proximately caused by a fire, flood, other natural disaster, severe weather event, riot, insurrection, labor strike, act of war or terrorism, government-declared state of emergency, or any other cause beyond the reasonable control of the parties.

28. **Damage to or Destruction to Facility.** If any part of the Facility described in Section 3(b) and **Exhibit B** is destroyed or substantially damaged by fire or other casualty to the extent that the Facility is not safely habitable or usable (in light of applicable Regulatory Requirements), either party may terminate this Agreement upon ten (10) days' Notice to the other party.

29. **Performance Guarantee.** SODREL HOLDING COMPANY Inc will act as guarantor of the performance of its wholly owned subsidiary, STUDENT TRANST LLC.

In the event that STUDENT TRANST LLC commits some breach or fails to perform its obligations, then the SODREL HOLDING COMPANY Inc will either perform its subsidiary's obligations or pay RCS the losses costs and expenses it incurs as a result of any breach.

Any change to the terms of this Contract must be made with the full knowledge and understanding of SODREL HOLDING COMPANY Inc.

30. **Indemnification by RCS.** RCS hereby agrees to indemnify and save harmless Vendor from any and all claims, demands, liabilities, obligations, rights or causes of action, including but not limited to governmental actions that are asserted against or incurred by Vendor but that:

- (a) Arise out of the operations or activities of RCS at the Facility or with respect to any of the other Assets prior to the Effective Date, or
- (b) Arise from environmental conditions or violations of environmental laws at the Facility prior to the Effective Date, including, without limitation, the presence of any hazardous materials or environmental contamination at, on, or under the Facility; or
- (c) Arise out of incidents involving RCS's Buses, the Facility, or Transportation Workers that occurred prior to the Effective Date of this Agreement.

RCS shall submit to the Vendor, at its cost and expense, a Type I and Type II completed site survey within thirty (30) days of the execution of this Agreement. RCS shall clean up and remediate, at its cost and expense, any hazardous materials or environmental contamination of, on, under or in the Facility or the Buses identified on the surveys or that existed before the Effective Date. RCS's obligations under this Section do not extend or apply to the presence of hazardous materials or environmental contamination that are proximately caused by Vendor's use, occupancy, or possession of the Assets. The obligations of RCS under this Section shall survive the expiration or earlier termination of this Agreement.

31. **Indemnification by Vendor.** Vendor shall indemnify and hold RCS harmless with respect to any liabilities, damages, suits, claims, judgments, attorney fees, and court and legal costs and expenses (collectively, "Claims") that arise out of:

- (a) the death of or injury to any person, or
- (b) the loss of, damage to, or destruction of any property,

as a proximate result of any negligent, reckless, or willful act or omission of Vendor or Vendor's employees, representatives, and other agents in the course of Vendor's performance or non-performance of its obligations under this Agreement. This Section does not relieve RCS from liability for the negligent, reckless, or willful misconduct or omission of RCS or its personnel who are not hired by Vendor under Section 8. The obligations of Vendor under this Section shall survive the expiration or earlier termination of this Agreement.

32. **Notices.** Any written notice ("Notice") that this Agreement permits or requires to be given by any party to the other party will be treated as sufficiently given if mailed by first class certified mail (return receipt requested), or delivered by an overnight courier service to the recipient party at the following address (or any address later specified in writing by the recipient party from time to time in a Notice to the other party):

To RCS: School Board Trustees of Richmond Community Schools
300 Hub Etchison Highway
Richmond, IN 47374

with copies to: Allen B. Bourff, Superintendent
Richmond Community Schools
300 Hub Etchison Highway
Richmond, IN 47374

and

Ronald L. Cross, Esq.
Boston Bever Klinge Cross & Chidester
27 North Eighth Street
Richmond, IN 47374-3028

To Vendor: Attn: Bill Waggoner
STUDENT TRANSIT LLC
One Sodrel Drive
Jeffersonville, IN 47130

with a copy to: Thomas E. Wheeler, Esq.
LOCKE REYNOLDS LLP
201 N. Illinois Street, Suite 1000
P. O. Box 44961
Indianapolis, IN 46244-0961
for courier delivery omit P. O. Box and use zip 46204

Wherever this Agreement defines a time period as running from the date written Notice is “given,” the time period starts running two (2) business days after the date on which the Notice is mailed with sufficient certified mail postage, or one (1) business day after the date on which the Notice is deposited with an overnight courier service that permits the tracking of packages.

33. **Court Enforcement and Choice of Forum.** The obligation of either party to make a payment under this Agreement or to provide a required report or cooperate in an audit, or any other dispute regarding the interpretation, performance, or enforcement of this Agreement (including whether a Default has occurred, has been cured, or is incapable of being cured) may be enforced by a court action for money damages or declaratory or injunctive relief (as the case may be) and for reasonable attorney fees and costs. A court action brought under the preceding sentence must be commenced in a court sitting in Marion County or Wayne County, Indiana. If the court identifies a prevailing party in its final judgment or in any other appealable order in the action, the prevailing party is also entitled to recover its court costs in the action and reasonable attorney fees in an amount allowed by the court.

34. **SBOA Review.** The parties acknowledge that this Agreement, and the conceptual business relationship between Vendor and RCS that it evidences, have been reviewed by SBOA. The parties further recognize that, in the course of its bi-annual audits of RCS’s financial operations, this Agreement may be more closely reviewed by SBOA, which may require further amendments. Such amendments shall be by mutual agreement and shall not void the contract. Both parties shall have and maintain copies of SBOA approval or comment documents.

35. **Entire Agreement.** Section headings are not a substantive part of this Agreement and are included only for convenience. This Agreement and the attached Exhibits (each of which is incorporated herein by reference) constitute the entire agreement of the parties with respect to its subject matter and supersede all prior representations, communications and oral understandings of the parties with respect to the subject matter of this Agreement.

36. **Amendment.** Only a writing that is signed by both RCS and Vendor may amend this Agreement. Nothing in this Agreement precludes both RCS and Vendor from approving a written amendment under which a school corporation in an Indiana county contiguous to Wayne County is made a party to the amended Agreement in order to receive asset management services from Vendor that are similar to the Services to be provided to RCS under this Agreement.

37. **Governing Law; Interpretation.** Indiana law governs this Agreement and controls its construction. The parties acknowledge that this Agreement is the product of negotiations and drafting by each party, and that if any provision of this Agreement is determined by a court or an arbitrator to be ambiguous and in need of construction, this Agreement shall not be treated as drafted solely or primarily by either party. The undersigned parties intend that there are no third-party beneficiaries under this Agreement, and this Agreement must be construed consistently with that intent. If any provision of this Agreement is determined to be illegal, void, unenforceable, or contrary to public policy, the parties intend that the offending provision be severed from the rest of this Agreement, which shall remain in full force and effect to the maximum extent consistent with applicable law, provided however that the severed portion of this Agreement shall not result in materially increasing the burden of contractual performance of either party or the benefits flowing to either party from the other party’s contractual performance.

38. **Signing in Counterparts.** This Agreement, any amendment to it, and any amended Exhibit may be executed in two separate counterparts, and any such amendment will be effective upon its signing by the last party to sign, unless a later or earlier effective date is stated in the amendment or amended Exhibit. After each party has signed at least one counterpart of this Agreement or an amendment, all such counterparts shall constitute and be treated as a single instrument.

39. **Nondiscrimination Clause.** In keeping with the provisions of I.C. 22-9-1-10, Vendor and RCS mutually covenant and agree, each with the other, that neither party, nor any party's subcontractor or assignee in any performance obligation hereunder, shall discriminate against any employee or applicant for employment to be employed in the performance of the services contemplated by this Agreement, with respect to his hire, tenure, terms, conditions or privileges of employment or any matter directly or indirectly related to employment, because of his race, religion, color, sex, disability, national origin, or ancestry. Breach of this covenant may be regarded as a material breach of this Agreement.

(END OF PAGE 12 – SIGNATURES FOLLOW)

IN WITNESS WHEREOF, the parties have signed this Agreement as of the Effective Date specified on Page 1 above.

RICHMOND COMMUNITY SCHOOLS

By its Board of School Trustees

By: _____
Patricia G. Heiny, President

Date: _____

Attest:

F. A. "Rick" Ahaus, Secretary

Date: _____

"RCS"

FOR STUDENT TRANSIT, LLC, "Vendor"

By: _____
Michael N. Sodrel,
Chief Executive Officer

Date: _____

SODREL HOLDING COMPANY INC. "Guarantor"

By: _____
Michael N. Sodrel,
Chief Executive Officer

Date: _____

SCHOOL TRANSPORTATION ASSET MANAGEMENT AGREEMENT



STUDENT*TRANSIT*
A Sodrel Transportation Company

APPENDICES

- Exhibit A — List of School Buses available for charter by the Vendor
- Exhibit B — Address and Description of the Facility
- Exhibit C — Physical Asset Inventory or other list of non-vehicle Equipment and Tools, Leased to Vendor
- Exhibit D — Additional Terms and Conditions for Human Resources & Staffing Transition
- Exhibit E — Service Standards *and* Performance Metrics and Targets
- Exhibit F — Infrastructure Agreement and Service Disruptions
- Exhibit G — Specimen Form of Monthly/Quarterly Report from Vendor to RCS
- Exhibit H — Side Agreement Relating to Field Trips
- Exhibit I — Side Agreement Relating to IT Transition
- Exhibit J — Side Agreement Relating to Special Needs Children

EXHIBIT A

List of School Buses from which spare buses will be selected by Richmond Community Schools for Charter by the Vendor

BUS #	YEAR	CHASSISVIN	
11	1995	IHC	1HVBBABPXSH622414
14	1995	CHEVY	1GBHG31K1SF120264
12	1996	IHC	1HVBBABP5TH395120
35	1996	IHC	1HVBBABP7TH395121
47	1996	IHC	1HVBBABP0TH268355
49	1996	IHC	1HVBBABP9TH395122
50	1997	SPAR	4S7YT9JO2TCO22158
52	1997	IHC	1HVBBABP3VH487796
54	1997	IHC	1HVBBABP5VH487797
55	1997	IHC	1HVBBABPXVH487794
57	1997	IHC	1HVBBABP1VH487795
15	1998	IHC	1HVBBABP9WH567475
16	1998	IHC	1HVBBABP0WH567476
20	1998	IHC	1HVBBABN9WH570553
21	1998	IHC	1HVBBABNXWH567273
22	1999	IHC	1HVBBABN6XH240001
26	1999	IHC	1HVBBABN4XH240000
27	1999	IHC	1HVBGAAR4XA022329
28	1999	IHC	1HVBGAAR0XA022330
34	1999	IHC	1HVBBABN3XH239999
6	2000	IHC	1HVBBABN2YH342848
46	2000	SPAR	4VZHN7398XC028739
58	2000	CHEVY	1GBHG31F5Y1175891
4	2001	AMT	1HVBRABN91A937335
7	2001	AMT	1HVBRABNO1A937336
23	2001	AMT	1HVBRABN21A937337
24	2001	AMT	1HVBRABN41A937338
59	2001	Chevy	1GBHG31F611199493
25	2002	IHC	1HVBRABN92B921261
29	2002	AMTRAM	1HVBRABN02B921262
43	2002	BLUBIRD	1BABNCPA92F206597
44	2002	BLUBIRD	1BABNCPAO2F206598
30	2004	BLUBIRD	1BABNCOA94F214597
37	2004	BLUBIRD	1BABNCOA74F214596
60	2004	FORD	1FDWE35P54HA68106
61	2004	FORD	1FDWE35P34HA68105
62	2004	FORD	1FDWE35P71HA68107
39	2005	THOMAS	4UZAAXCS35CN32982
40	2005	THOMAS	4UZAAXCS55CN32983
41	2005	THOMAS	4UZAAXCS95CN32985
42	2005	THOMAS	4UZAAXCS75CN32984
5	2006	IC	4DRBWAAAR46A211761
8	2006	IC	4DRBUAAN16B211732
9	2006	IC	4DRBWAFN66A211752
10	2006	IC	4DRBWAAAR66A211762
13	2006	IC	4DRBWAFN86A211753
17	2006	IC	4DRBWAFNX6A211754
19	2006	IC	4DRBWAAAR86A211763
31	2006	IC	4DRBWAFN16A211755
32	2006	IC	4DRBWAFN36A211756
33	2006	IC	4DRBWAFN56A211757
36	2006	IC	4DRBWAARX6A211764
38	2006	IC	4DRBWAFN76A211758
45	2006	IC	4DRBWAFN96A211759
51	2006	IC	4DRBWAFN56A211760
2	2007	IC	4DRBWAFN37A380158
18	2007	IC	4DRBWAFN57A380159
48	2007	IC	4DRBWAFN17A380160
63	2007	FORD	1FDWE35P07DA94320
53	2008	IC	4DRBWAAN48A576652
56	2008	IC	4DRBWAAN28A576671

EXHIBIT B

EXHIBIT B

Address of the facility to be used by Student Transit LLC to accomplish the purposes of this Agreement.

:

- 3175 North Salisbury Road, Richmond, Indiana 37374

The facility contains:

Internal

- Managers Office
- Dispatch Office
- Drivers area
- 3 work bays
- Parts area on ground floor
- Parts area on elevated section
- 2 bathrooms
- Maintenance Office
- Enclosed tool area
- Natural gas heated
- Brake Lathe
- Inventory or Parts
- Misc. containers
- Portable Vehicle Washer

External:

- External tool shed
- Gas Pump
- 12,500 fuel tank
- Parking spaces to support existing fleet
- Visitor parking area
- Gravel parking lot

EXHIBIT C

List of Maintenance Equipment and Tools

Used by
Student Transit LLC.
to accomplish the purposes of this Agreement.

Within fourteen (14) calendar days after the “effective date” stated on Page 1 of the attached Agreement, Vendor and RCS shall jointly conduct and approve a written inventory of the Maintenance Equipment, Tools, and other Assets described in Section 3(c).

[insert or attach information from physical asset inventory or depreciation schedule, including the existence of any liens or security interests on any equipment being leased]

EXHIBIT D

Human Resources Transition
from Richmond Community Schools as Employer
to Student Transit, LLC

- Exhibit “D-1” - Job Descriptions;
- Exhibit “D-2” - Employment Offer;
- Exhibit “D-3” - Vendor Policy Manual;
- Exhibit “D-4” - Tool Stipend;
- Exhibit “D-5” - Health Insurance Transition;
- Exhibit “D-6” - Hiring and Work Assignment Statement of Intent.

Appendix D1

JOB DESCRIPTIONS

The job descriptions that will be used for employees impacted by this contract have been reviewed by the RCS Director of HR and are consistent with existing position responsibilities.

JOB DESCRIPTIONS WILL BE HELD ON FILE BY RCS.

The will be kept in the office of

THE RCS DIRECTOR OF OPERATIONS

EXHIBIT D2 - EMPLOYMENT OFFER

Within fourteen (14) days of a signed agreement between STUDENTTRANSIT LLC and Richmond Community Schools, STUDENTTRANSIT will interview, conduct background checks and if approved, make offers of employment to persons holding the following positions:

- Existing RCS Maintenance Staff (2)
- RCS Transportation Dispatcher (1)
- RCS Transportation Administrator (1)
- RCS Transportation Manager (1)
- RCS Bus Aides (20 est.)
- Members of the RCS Substitute Driver Pool (6 est.)

As stated in the contract, the compensation package, which **includes salary and benefits, will be equivalent to their existing pay and benefits.** Pending final offer and acceptance, the following is the proposed framework for an employment offer for those impacted by this contract.

Compensation Comparison	Salary	Deduction		Contribution		Net Annual
		Pension	Medical	Pension	Health Sav.	
Mechanic 1						
RCS	32,996.00	989.88	1561.92	0.00	0.00	30444.20
STRANS	32,996.00	0.00	3120.00	2553.89	1000.00	33429.89
Net Positive Benefit						2985.69
Mechanic 1						
RCS	32,996.00	989.88	1086.00	0.00	0.00	30920.12
STRANS	32,996.00	0.00	3120.00	2553.89	1000.00	33429.89
Net Positive Benefit						2509.77
Administrator						
RCS	20,739.00	622.17	1561.92	0.00	0.00	18554.91
STRANS	20,739.00	0.00	3120.00	1605.20	1000.00	20224.20
Net Positive Benefit						1669.29
Dispatcher						
RCS	28,000.00	840.00	0.00	0.00	0.00	27160.00
STRANS	28,000.00	0.00	0.00	2167.20	1000.00	31167.20
Net Positive Benefit						4007.20
Transportation Director						
RCS	53,800.00	1614.00	1561.92	0.00	0.00	50624.08
STRANS	53,800.00	0.00	3120.00	4164.12	1000.00	55844.12
Net Positive Benefit						5220.04

StudentTransit does not require a pension contribution. 7.74% of salary is paid into an employee pension and since it is a "Defined Contribution" plan, that money is the employee's funds and is thus viewed as compensation.

StudentTransit has a Health Savings Account Healthcare Plan through HUMANA and pays \$1000 into the employees health account. Whether or not the employee has any medical expenses, this money is the employee's and is viewed as compensation.

While the premiums for healthcare are higher, the pension and Health Savings Contribution more than offset resulting in a net benefit in compensation under StudentTransit.

StudentTransit offers Life Insurance as a benefit. LTD and Dental Plans are available at an additional cost but well under the net benefit amounts outlined in the table above.

Final Compensation comparisons can be made after the employee has selected the type of coverage they need.

For Bus Aides and Sub Drivers

They are hourly contract employees and their **hourly wage will remain identical:**

- Sub Drivers; \$68.14
- Bus Aides; \$8.16 – \$10.15

For Bus Drivers:

As stated in the contract, the compensation package, which **includes salary and benefits, will be equivalent to their existing pay and benefits.**

Driver transition will begin in March of 2008 and be completed by June 2008.

While this element is still a work-in-progress, pending final offer and acceptance, the following is the proposed framework for an employment offer for drivers:

BUS DRIVERS	Daily Wage	Benefit Value
RCS	77.45	6629.40
STRANS	77.45	6629.40
	Daily Wage	Benefit Payment

- Daily Wages will be identical.
- A “Cash in Lieu” of benefit program is being developed for the drivers whereby the current value of employee benefits (Medical, Dental, Life, LTD. Pension) will be compensated equally through either an increased hourly wage or monthly payment.

StudentTransit is currently negotiating with numerous health care providers to offer drivers comparable health insurance programs at the combined annual cost rate (\$4775 (RCS) + \$1332 (driver)) which is \$6107 for a single coverage plan (which is the program most of the drivers currently have).

For all Employees:

Employees who have accrued time under their RCS benefit plan will be able to carry-over 50% of the days and will be paid \$50 per day for the other 50% of the days.

With regards to their RCS pension plans under the **PERF**, the following process will be implemented

- ASA Value can move to another qualified Plan. The SODREL PLAN is “Qualified”
- Existing PERF value remains constant until retirement and can be withdrawn when PERF eligibility requirements are met

APPENDIX D3:

SODREL POLICY MANUAL

A SODREL POLCIY MANUAL IS ON FILE WITH RCS.,

It is kept in the office of:

THE RCS DIRECTOR OF OPERATIONS

EXHIBIT D4 – TOOL STIPEND

STUDENTTRANSIT LLC requires all of its mechanics to own, maintain and update their tool inventories. The basic set of tools includes (but not limited to) the following:

- Lower Roll Around Tool Box
- Socket Set with ¼, 3/8 and ½ inch drives and an assortment of extensions
- Wrenches up to 1.5 inches
- Basic hand tools
- Assortment of Pliers
- Vice Grips
- Channel Locks
- Welding Gloves and Hood
- Assortment of Hammers
- Assortment of Screw Drivers
- ½ and 3/8 inch impact wrenches
- Pry bars
- Air drill
- Specialty tools are required

To ensure that the RCS employees qualify for other mechanic positions within the SODREL group of companies, STUDENTTRANSIT LLC will:

1. Upon offer and acceptance of a position, ensure that the RCS facility has an adequate central tool inventory.
2. Assess the existing tool sets of the maintenance workers
3. Identify the gap between existing employee sets and those required by SODREL mechanics.
4. Provide mechanics with a 1-time stipend of to a **maximum of \$900** for the RCS mechanics to invest in their personal tool inventory.
5. It is expected that the mechanics will have a tool set at the SODREL standard by the 6 month anniversary of their employment.
6. If further investment is required, it will be made by the mechanics at their own cost.

EXHIBIT “D-5” - HEALTH INSURANCE TRANSITION

STUDENTTRANSIT LLC and all SODREL companies have a 6 month waiting period before employees are covered under our insurance policy.

To ensure that the RCS employees who currently have insurance and who will be hired by STUDENTTRANSIT will not be without insurance coverage, the following process will be implemented:

1. Upon offer and acceptance of a position, the RCS employee will enroll in a COBRA health insurance program at the same coverage levels.
2. The RCS employee will contribute to the COBRA plan, the exact amount that they contribute to the RCS health plan.
3. The balance of the COBRA payment will be made by STUDENTTRANSIT LLC.
4. At the 6 month anniversary of their hiring, the employees will switch to the SODREL company insurance program at terms and costs in line with other SODREL employees.

EXHIBIT D6 - HIRING AND WORK ASSIGNMENT STATEMENT OF INTENT

STUDENTTRANSIT LLC hereby certifies that it commits to hiring Wayne County residents to fill any full and part-time replacement or created positions related to its contract with Richmond Community Schools.

Only when a qualified employee cannot be found within Wayne County will the search be expanded.

STUDENTTRANSIT LLC reserves the right to assign any employee working for a SODREL HOLDINGS LLC company in an advisory role during the implementation and operation of its contract with Richmond Community Schools.

Any employee working for STUDENTTRANSIT LLC can be transferred to another SODREL HOLDINGS INC. company with at management's request.

Exhibit E
Richmond Community Schools
Performance Metrics

Within thirty (30) days after the “effective date” stated on Page 1 of the attached Agreement, Vendor and RCS shall mutually agree upon and sign an initial version of this **Exhibit E**, which shall state or be attached to a description of the routes, schedules, performance specifications and performance metrics (as defined or stated below) that will remain in effect under Section 8 of the Agreement until Vendor and RCS agree upon, approve, and sign a revised version of this **Exhibit E**.

On or before the first Monday of each calendar month beginning with the second full calendar month of the Initial Term, Vendor and RCS shall review the contents of this **Exhibit E** (as last previously revised) in light of the economic results of operations under the Agreement and driver performance, and Vendor and RCS shall agree upon the revisions or additions (if any) to this **Exhibit E** that they consider to be necessary or advisable. The latest revised version of **Exhibit E** that is signed by both Vendor and RCS shall be treated as amending and superseding the last previous version of **Exhibit E**, but except as specifically revised in this fashion, the last previous version of **Exhibit E** shall remain in full force and effect.

Proposed Performance Metrics and Targets – to be validated within 30 days of the contract’s effective date:

Vendor proposes the initial performance benchmarks (as revised by Vendor and RCS in the manner stated above), on a cumulative basis, as of the end of the Initial Term and as of the end of the first 5-year Renewal Term:

Metric	Targets		
	Year 1	Year 2	Year 3
Average miles per gallon (calculated per Bus)	5.5 +	6.0 +	6.5 +
Currently not measured			
Average miles per gallon (calculated per driver)	5.5 +	6.0 +	6.5 +
Currently not measured			
Incidents/Accidents per 1 million miles driven (calculated for all drivers as a group)	10.0	9.0	8.0
Currently not measured			
Average total maintenance cost per mile, from individual calculations per bus	.30	29	.27
Currently not measured			
Operating Cost Per Hour	47.50	46.00	45.00
Currently \$57.16			
Indiana DOT safety compliance per bus	100%	100%	100%

EXHIBIT F

Richmond Community Schools

Infrastructure Agreement and Service Disruptions

Within thirty (30) days after the “effective date” stated on Page 1 of the attached Agreement, Vendor and RCS shall mutually agree upon and sign an initial version of this **Exhibit F** which shall state or be attached to a description of the rules and procedures pertaining to infrastructure issues and service disruptions (snow removal, power failures, hazardous weather events, two-hour delays, etc.) that will remain in effect under Section 15 of the Agreement until Vendor and RCS agree upon, approve, and sign a revised version of this **Exhibit F**.

Not more frequently than every thirty (30) days during the Initial Term and each Renewal Term, Vendor and RCS may jointly review this **Exhibit F** and may jointly agree upon and sign a revised version of **Exhibit F**. The latest revised version of **Exhibit F** that is signed by both Vendor and RCS shall be treated as amending and superseding the last previous version of **Exhibit F**, but except as specifically revised in this fashion, the last previous version of **Exhibit F** shall remain in full force and effect.

EXHIBIT G

Specimen Form of Monthly / Quarterly Report

**by Student Transit LLC
to Richmond Community Schools (“RCS”)
under Section 19 of the
Asset Management Agreement**

Within thirty (30) days after the “effective date” stated on Page 1 of the attached Agreement, Vendor and RCS shall mutually agree upon and sign an initial version of this **Exhibit G** which shall be a web-accessible, password-protected format reporting Performance Metrics, Service Fee retained by Vendor for reporting month or reporting quarter, and accrued New Funds generated as of end of reporting month or reporting quarter.

EXHIBIT H: FIELD TRIP MANAGEMENT

STUDENTTRANSIT LLC will assume responsibility for the following:

- Sport team travel
- Extra-curricular activity trips by school clubs and activities
- Special event travel
- Classroom field trips

For the above RCS activities, STUDENTTRANSIT will:

1. Identify the overall transportation requirements based on the RCS annual activity forecast by meeting with the leading faculty member for each activity
2. Determine the schedule (departure and arrival times) for each activity
3. Determine the number of drivers needed to deliver the required services
4. Hire and maintain a driver pool to deliver the services. STUDENTTRANSIT will post job listings, interview and hire existing RCS drivers and or use Sub-Pool drivers it has already hired to create the required team to deliver the service.
5. Determine the optimal vehicle to deliver the service
6. Assignments will be made based on driver qualification, driver availability, drivers past performance (merit) and position on a rotation and seniority within STUDENTTRANSIT
7. Submit an annual cost estimate in total, by group by trip and jointly develop an agreed budget.
8. A monthly statement will be submitted for all trips taken the previous month
9. The budget for this activity will be reviewed monthly and adjusted by mutual agreement.

EXHIBIT I – IT TRANSITION

As part of its Management System, STUDENTTRANSIT LLC we will be installing two software systems.

The first is RTA which will be used to manage all maintenance activities and costs. To install this system:

1. RCS will complete an inventory of all parts
2. The RCS facility will be added as an additional site on the STUDENTTRANSIT software license
3. STUDENTTRANSIT will verify the inventory, assign part numbers and bar code all existing parts
4. All existing parts are then entered into the RTA system
5. All parts on order will be assigned part number and along with the vendor information, be entered into the system
6. All vendors, their pricing and contract terms and conditions will be entered into the system
7. All vehicle data will be entered into the system
8. Training on the RTA system and tests will be given until required competency levels are reached
9. Drivers are oriented to procedural changes as a result of the RTA system.

The 2nd system is the RBA system which will be used to manage all field trips. To install the system:

1. Initially all RCS scheduled trip data will be entered into the RBS System by STUDENTTRANSIT central staff in Indianapolis and calls regarding trips will be handled from that facility
2. Once the driver team is selected, their data will be entered into the system
3. Training on the RBS system and testing will be done until a local staff member can operate the system at the required level
4. The RCS facility will be added as an additional site on the STUDENTTRANSIT software license
5. Calls will then be directed to the local facility and the RCS field trips managed from there as well.

RCS operates a system called EDULOG that has transportation interfaces and links with the RCS student management system. This system will be retained. STUDENTTRANSIT and RCS will:

1. Identify the interface requirements
2. Contract to create the required system interfaces
3. Create the necessary process and procedures to maintain and operate the interfaces.

EXHIBIT J - SPECIAL NEEDS CHILDREN

STUDENTTRANSIT LLC certifies that it has read and fully understands SECTION 504 of the Rehabilitation Act of 1973.

In addition, it has instructed our legal counsel to be versed in the legislation.

As student transport will often be an element in a 504 Plan STUDENTTRANSIT LLC understands that it may have to attend IEP meetings to advise and provide the services mandated in a 504 Plan.