

TRANSPORTATION CONTRACT

This Agreement made and entered into this 30 day of July, 2014 by and between ADVANCED STUDENT TRANSPORTATION, INC., a Delaware corporation with an address of 1400 First State Boulevard, Wilmington, DE 19804 and Gateway Lab School with an address of 2501 Centerville Road, Wilmington, Delaware 19808

WHEREAS, the School desires to employ the use of said buses and services of the Contractor for the purpose regular am and pm, home to school, school to home route transportation and the Contractor has agreed to provide the use of said buses and its services under the terms and conditions set forth in paragraph herein.

NOW, THEREFORE, it is mutually agreed as follows:

1. Buses. The Contractor shall, during the continuance of this Agreement and at the Contractor's own cost provide and use the buses described herein. Each vehicle assigned to this contract shall be licensed in accordance with the current weight schedule that has been approved by the Board of Education of the State of Delaware for school bus transportation.
2. Bus Substitution. In the event the bus(es) listed and approved herein shall become unfit through any cause whatsoever, the Contractor shall notify the School thereof and shall secure its consent to the permanent substitution(s) of suitable bus(es); the Contractor will provide permanent substitute bus(es) that meet with the Standards of the State of Delaware's vehicle guidelines, however, in the event that any such permanent substitution(s) not meet with the Department of Education's guidelines the contract for that vehicle may be terminated immediately by the school unless contractor takes immediate action to replace said Substitute(es) with vehicles that do meet with the Department of Education's guidelines. The provisions relating to substitution of bus(es) shall not apply to an emergency arising out of a breakdown or accident provided that any school bus is repaired within a reasonable length of

time. In all situations, whether in the interim of establishing a permanent substitution of buses, or in the case of breakdown or accident, contractor will make arrangement to provide appropriate replacement vehicles immediately for the transport of school students.

3. Transportation of Pupils.

- A. In cases of emergency, when it may be necessary for the buses to be operated on a schedule other than the regular daily schedule, the School shall advise the Contractor. The Contractor will then make every effort to secure the drivers and buses to operate the buses on a temporary schedule. The term "emergency" as used in this section shall be deemed to include, but not limited to, pressing necessity such as fire damage, an act of God, failure of the school plant for any reason, which would effect the health and welfare of pupils; necessity for unscheduled school closing due to extreme weather conditions such as, but not limited to, floods, ice, snow, fog, winds, etc. which may affect the well being of the pupils, or of a community, county, state or national emergency so declared by the properly constituted authority.
- B. The Contractor will pick up and discharge pupils along such route(s) at such points selected by the School in its sole discretion, with appropriate consideration given to the safety and convenience of the pupils and the recommendations of the Contractor.
- C. The School and the Contractor agree that this Contract may be modified by mutual agreement from time to time by an addendum or addenda altering or terminating or adding routes or stops for taking on or letting off pupils, or changing time schedules, which may correspondingly increase or decrease compensation, or by making any changes in the description of a bus, or by making any other changes, which addendum or addenda in the form attached hereto shall be signed by the School and the Contractor. The School and the Contractor further agree that routes and/or runs will not be taken from Contractor to be performed by the school or by others except as a result of Contractor's material and on-going breach of the terms of this Agreement. Any change in compensation will fall within the guidelines established in section 6(B).

- D. When it is necessary to provide additional transportation revisions at the request of the School which are not anticipated in this Agreement, additional compensation shall be mutually agreed upon by the School and the Contractor in accordance with prevailing local standards which will be paid by the School as part of the regular periodic payments.
4. Terms of Agreement. This Agreement shall be in effect upon signature by representatives of both the Contractor and the School. The term of this agreement is for 6 years commencing July 1, 2014, through June 1, 2020.
5. General Conditions. In the performance of this Agreement, the Contractor shall observe the following:
- A. The Contractor, through Contractor's employees, shall take entire charge of all pupils and be responsible and accountable for their welfare while they are riding in the school bus and while they are boarding or being discharged therefrom. On going or reoccurring discipline problems, if open, obvious, and known to the driver, will be handled by the School administration in accordance with the student handbook, subject to the practical limitations of a driver's ability to observe and discipline children while safely driving a school bus.
- B. The Contractor shall observe such rules and regulations as are or may be adopted by the Board of Education of the State of Delaware governing the design and the operation of school buses as provided for in the Delaware Code and as adopted by the School. The Contractor will also comply with the statutes and ordinances of the State of Delaware and each county and municipality applying to the operation of motor vehicles therein and will observe such rules and regulations as may be adopted by the Board of Education of the State of Delaware and the School for the safety and welfare of the pupils.
- C. The Contractor will furnish evidence to the School of current insurance coverage as follows:
1. Comprehensive General Liability Insurance

- i. \$1,000,000 each occurrence combined single limit for bodily injury and property damage.
 - ii. \$2,000,000 aggregate
2. Automobile Liability Insurance
 - i. \$1,000,000 – Combined single limit for bodily injury and property damage
 3. Workers Compensation and Employer's Liability
 4. Umbrella Excess Liability
\$9,000,000 per occurrence and in the aggregate. Coverage should schedule additional limits over and above the General Liability, Automobile Liability.

The policy shall name the School as a certificate holder in regards to the Automobile Liability.

The School may terminate this Agreement at any time during the school year for just cause, provided that 30 days' written notice shall be given to the Contractor, or 30 days' compensation shall be paid to the Contractor, before such termination shall take effect. The term "just cause" as used in this section shall be deemed to include, but not be limited to, on-going failure of the Contractor to comply with a material provision of this Agreement; decreases in school enrollment; changes in attendance areas; closing of school buildings; or any other condition that would result in a reduction or consolidation of facilities requiring fewer buses. The School and the Contractor agree that routes and/or runs will not be taken from Contractor to be performed by the school or by others except as a result of Contractor's material and on-going breach of the terms of this Agreement. The School further agrees to give the Contractor written notice of a material breach and (30) days to cure same before any adverse action can be taken against the Contractor.

6. Rates and Payment.

- A. Gateway Lab School shall pay contractor the amounts outlined below for the total yearly transportation reimbursement that the School receives from the State of Delaware for each school year during the term of this agreement. This figure covers the am and pm home to school route transportation for no more than 5 routes and does not cover any other type of transportation (i.e. aides, late runs, activity trips, summer school, etc...)

Rate Schedule:

- 2014/15 school year: 85% of the total Reimbursement
- 2015/16 school year: 88% of the total Reimbursement
- 2016/17 school year: 91% of the total Reimbursement
- 2017/18 school year: 94% of the total Reimbursement
- 2018/19 school year: 97% of the total Reimbursement
- 2019/20 school year: 100% of the total Reimbursement

- B. Payments will be made in 10 equal monthly installments with the first payment being due September 15th, 2014. All future payments will be due by the 15th of every month (i.e. October's payment is due by November 15th.)
- C. Contractor shall equip one bus with one AngelTrax camera.

7. Authority and Cancellation.

- A. The School's Principal or the Principal's designate will act for and represent the School in matters relating to this Agreement.
- B. It is understood that the Contractor will not be expected to fulfill the obligations of Contractor under the provisions of this Agreement due to circumstances over which Contractor has no control.

8. Collusion or Conflict of Interest.

- A. The Contractor represents that no officer, director, shareholder or any duly authorized agent of the Contractor has entered into any understanding, agreement or other collusive relationship with any other person, firm, corporation or association which has submitted bids on this Agreement.
- B. The Contractor represents no officer, director, employee, agent, creditor or any person having any personal interest in said Contractor, and no partnership, corporation,

