STUDENT TRANSPORTATION AGREEMENT 2012-2017

This agreement, made this May 15, 2012, between the Colchester School District, Colchester, VT. (hereinafter referred to as ("SCHOOL DISTRICT") and Student Transportation of VT. Inc. d/b/a Mountain Transit, a Vermont corporation with place of business in Milton, Vermont (hereinafter referred to as "CONTRACTOR").

WITNESSETH

WHEREAS, the SCHOOL DISTRICT is presently in need of student transportation services in Town of Colchester, Vermont School system; and

WHEREAS, the CONTRACTOR is a company whose principal business is providing motor transit service for the general public and private interests on a contractual basis; and

WHEREAS, the CONTRACTOR has presented a proposal to the SCHOOL DISTRICT for bus service which was acceptable to said SCHOOL DISTRICT.

NOW THEREFORE, in consideration of the mutual covenants herein contained and other good and valuable consideration, it is agreed:

1. The CONTRACTOR agrees to continue operation of twenty regular bus routes, one regular EEEP bus route, three noon time EEEP routes, two vocational buses routes, one special education bus route and one special education van route throughout the town of Colchester, VT. Costs are based on up to a 178 day school year as follows:

2. The transportation cost for school year 2012-2013 will be \$768,487.90 for nineteen full size Type 1 buses, one lift equipped Type 1 bus, and one Type II bus. For subsequent school years (2013- 2014, 2014-2015,2015-2016, 2016-2017) all prices set forth above shall be increased each July 1st, beginning July 1st by the price index set forth by the New England Economic Project on November 15th of the previous year. Prices are subject to the fuel escalator clause defined in section 4 in this agreement. Price adjustments will be made for changes in the number of buses, miles operated and/or number of school days. SCHOOL DISTRICT agrees to provide adequate and timely notice of any changes.

3. The CONTRACTOR also agrees to provide field trip and special activities service for the SCHOOL DISTRICT at a rate of \$43.50 per hour OR \$2.00 per live mile / \$1.50 per deadhead mile (whichever is greater cumulatively per trip). Live miles may be defined as a bus traveling with passengers and deadhead miles as a bus traveling without passengers. All mileage and time is calculated from departure and return to a Mountain Transit Terminal.

4. Overnight Trips - Price is same as above and subject to the same provisions for actual time worked or miles driven each day from departure to arrival at overnight accommodations. In addition, driver's room and meals, at a reasonable cost, and any tolls or parking charges will be provided by the SCHOOL DISTRICT. In the event that the bus remains for an entire day with minimal or no use, there will be a minimum charge of 175.00 (\$25.00 per hour for eight hours). Minimal use shall consist of use for less than twenty minutes or for less than ten miles.

5. Fuel Escalator - All fuel costs are based on \$2.00 per gallon fuel cost to the CONTRACTOR. To compensate for the increase cost of fuel, there will be an increase of \$1.00 per day for each of the (currently 20 regular routes & one special services bus) regular buses for each increase of \$.10 beginning at \$2.01.

6. The CONTRACTOR shall comply with federal and/or state laws and regulations governing liability insurance for school buses in particular and public bus companies in general. (No less than \$6,000,000.00 liability/property damage). A certificate of insurance shall be filed with the SCHOOL DISTRICT. The CONTRACTOR further indemnifies and holds harmless the SCHOOL DISTRICT, its agents and employees under this agreement. The School District will be named on the liability insurance policy as far as its interests.

7. The CONTRACTOR will maintain worker's compensation insurance as required by law.

8. The CONTRACTOR will be registered to conduct business in Vermont as required by VSA Title 11, Chapter 15.

9. The CONTRACTOR will provide spare equipment to maintain uninterrupted service to the SCHOOL DISTRICT.

10. The CONTRACTOR will ensure the drivers are properly licensed and trained as required by the state of Vermont Department of Motor Vehicles. VSA Title 23, Chapter 134, section 1282D.

11. The CONTRACTOR will be responsible for hiring and discharging of personnel. It is expressly agreed that all drivers are employees of the CONTRACTOR. The DISTRICT will retain the right to request the CONTRACTOR remove a driver from the pool of drivers assigned to the Colchester School District.

12. The CONTRACTOR will, at no cost to the DISTRICT, be responsible for having the Driver fingerprinted for Criminal Record checks. The DISTRICT will be responsible for obtaining the results.

13. The CONTRACTOR shall in all events be an independent Contractor, nothing contained herein and no action taken by the CONTRACTOR under this contract or otherwise shall be construed as constitution that the CONTRACTOR or any of its agents or employees are agents, employees, or representatives of the SCHOOL DISTRICT for any purpose whatsoever.

14. Any accident involving a bus must be reported to the Superintendent of Schools and Business Manager within four (4) hours. A written report must be presented to the above listed within forty-eight (48) hours of the accident.

15. The Driver is responsible for reporting discipline issues to the DISTRICT.

16. All buses used in the performance of this contract shall meet or exceed the standards established by the State of Vermont. CONTRACTOR will upgrade equipment as needed during the course of the contract period. A current listing of vehicles to be used in regular district service will be given to the superintendent upon request at the commencement of each school year.

17. CONTRACTOR will submit claim forms in ten equal monthly installments commencing on September 1st and ending on June 1st each year subject to pre-payment and cumulative increases described in Section 2. All field trips and special activities will be billed on a monthly basis to the person in charge of that individual trip. The invoice will detail the trip cost, and have an explanation of mile or hourly charge. The SCHOOL DISTRICT agrees to provide payment within ten days of receipt of the invoice.

18. The SCHOOL DISTRICT agrees to make requests for field trips and special activities buses as far in advance as possible. CONTRACTOR reserves the right to decline trips which are requested on less than five days' notice.

19. The CONTRACTOR shall be an independent contractor and not an employee of the SCHOOL DISTRICT.

20. The CONTRACTOR agrees to have sufficient bus drivers available so as not to interfere with continuous operation of bus service.

21. The CONTRACTOR shall be solely responsible for the safety, maintenance, and repair of all buses. CONTRACTOR shall abide by all state laws relating to the operation of school buses at all times. The condition of all buses shall at all times be at least in compliance with all relevant state and federal laws and regulations pertaining to school buses. SCHOOL DISTRICT shall have the right to have buses used under the terms of this agreement inspected by any qualified disinterested person at any time at SCHOOL DISTRICT'S EXPENSE. In the event of a disagreement between the SCHOOL DISTRICT and CONTRACTOR on any issue of safety, maintenance, or repair, the parties hereto agree to abide by the determination of a qualified neutral third party who shall be selected with the consent of both parties, and whose fee shall be split evenly by both parties.

22. The CONTRACTOR shall be responsible for employing qualified drivers and all personnel it requires for performance of its duties under this agreement, and for dismissing any drivers or other personnel whose actions present a risk to safety. Said drivers and personnel shall be employees of, and supervised by, CONTRACTOR.

23. The CONTRACTOR agrees to cooperate with SCHOOL DISTRICT in efforts to be responsive to any safety or disciplinary problems which may be brought to the attention of either party in any manner.

24. The SCHOOL DISTRICT and/or the CONTRACTOR reserves the right to decide when bus transportation must be curtailed when, in either of their judgments, it presents a safety hazard to students, drivers, and /or vehicles.

25. The SCHOOL DISTRICT and/or the CONTRACTOR reserves the right to decide when bus transportation must be curtailed or canceled due to school closings and /or inclement weather.

26. The CONTRACTOR hereby consents to SCHOOL DISTRICT'S audit of any and all financial records relating to this agreement.

27. The SCHOOL DISTRICT and CONTRACTOR reserve the mutual right to cancel this agreement for just cause upon giving thirty days actual notice in writing, or immediately upon mutual agreement. Just cause cancellation shall occur only after a due process hearing, if requested by either, within five days of receipt of cancellation. Unless otherwise agreed, said due process hearing shall be before the appropriate School Board Committee and shall occur within ten days of receipt of notice of cancellation.

28. The AGREEMENT is to be considered merged upon its execution and cannot be changed or amended except by written instrument duly executed by both parties.

29. This agreement shall be binding upon the successors and assigns of the parties hereto, shall commence on July 1, 2012 and shall expire on June 30, 2017.

DATED at Colchester, Vermont this __15th___ day of __May____ A.D., 2012.

Student Transportation of VT. Inc. d/b/a Mountain Transit.

Duly Authorized Agent For

d/b/a MOUNTAIN TRANSIT

STUDENT TRANSPORTATION of VT. Inc.

Colchester School District

By: _____ John R Sharrow

Vice President

By: _____ George A. Trieb, Jr. Business and Operations Manager Duly Authorized Agent for the COLCHESTER SCHOOL DISTRICT