

Education Achievement Authority
of Michigan

Equity. Choice. Reinvention.

RESOLUTION 2012-38
APPROVAL OF MASTER SERVICES AGREEMENT WITH THE SCHOOL DISTRICT OF THE
CITY OF DETROIT FOR PUBLIC SAFETY OFFICERS

The Executive Committee of the Education Achievement Authority resolves:

1. That the attached Master Services Agreement with the School District of the City of Detroit to provide public safety officers, and related services and resources, for the EAA of Michigan is approved by the Executive Committee of the Authority as the governing body of the Authority, subject to further negotiations and/or agreements between the parties;
2. That the Chancellor of the Authority is authorized to execute the Master Services Agreement on behalf of the Authority, subject to the conditions set forth above;
3. That the Secretary of the Executive Committee of the Authority shall enter the terms of the Agreement in the minutes of the proceedings of the Executive Committee of the Authority.

Certification:

I certify that this resolution was duly adopted by the Executive Committee of the Education Achievement Authority at a properly-noticed open meeting held with a quorum present on the ____ day of _____.

By: _____
President

By: _____
Secretary



Legal Counsel
Approved as to Form

This **POLICE AGREEMENT** ("PS Agreement") is made this ____ day of _____, 2012 ("Effective Date"), between the **SCHOOL DISTRICT OF THE CITY OF DETROIT**, a body corporate and a Michigan general powers public school district, whose address is 14th Floor, Fisher Bldg., 3011 W. Grand Blvd, Detroit, Michigan 48202 ("DPS") and the **EDUCATION ACHIEVEMENT AUTHORITY**, a Michigan public body corporate and special authority, whose address is 3044 West Grand Boulevard, # 14-550, Detroit, Michigan 48202-3037, ("EAA"). DPS and EAA are referred to in this PS Agreement individually as a "Party" and together as the "Parties." This agreement is an exhibit to and made part of the Master Services Agreement between DPS and EAA dated _____, 2012.

RECITALS

- A. DPS is organized under The Revised School Code, 1976 PA 451 MCL 380.1 *et seq* ("School Code").
- B. DPS entered into an Interlocal Agreement, dated June 24, 2011, with the Board of Regents of Eastern Michigan University ("Interlocal Agreement"), to create the EAA and fulfill the public educational purposes under the Interlocal Agreement, including, but not limited to, the goal of providing flexible, transparent, safe, efficient and effective public educational services.
- C. DPS is authorized under Michigan law to provide police and other law enforcement services through the DPS Department of Police ("Department").
- D. DPS seeks to provide to the EAA and the EAA wishes to receive from DPS, certain police services, including, but not limited to, regular police operations, limited authority police operations under 1968 PA 330, video monitoring, and alarm monitoring.
- E. DPS and EAA are authorized, in part, to enter into this PS Agreement by the Interlocal Agreement and Section 11a of the School Code, which authorizes agreements or cooperative arrangements among public schools and other governmental entities.

AGREEMENT

For valuable consideration detailed in this PS Agreement, the Parties agree to the following terms and conditions:

Section 1. DPS Obligations. Beginning on the Effective Date, in addition to any other obligations of DPS under this PS Agreement and the Master Services Agreement, DPS, through the Department, its personnel, and agents, will be responsible for the provision of police services in school buildings operated by the EAA within the geographic boundaries of DPS, including, but not limited to, all of the following DPS services at a service level substantially similar to police services provided at the school buildings by the Department in the 2011-2012 school year with the objective of provide a safe and secure environment for the provision of public educational services by the EAA in the school buildings:

- (a). Police and security patrol services in the school buildings. The deployment of patrol and security personnel will be determined by the Department through a careful review of historical crime patterns, current crime patterns, and intelligence developed by the Investigative

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Operations Section of the Department. The Department will provide a full range of police patrol services to ensure a safe environment for EAA students, personnel, visitors, and facilities, including traffic enforcement, special operations, canine operations, and safety services for special events.

(b). Police and security response services in response to incidents or other activities at the school buildings.

(c). Video monitoring of the school buildings utilizing equipment previously placed in the school buildings by the District utilizing the Department's centralized monitoring facilities.

(d). Alarm monitoring of alarms at the school buildings utilizing equipment previously placed in school buildings by the District utilizing the Department's centralized monitoring and response to alarms.

(e). Criminal investigation of activities or incidents in the school building indicating a violation of law. The Department, and not the EAA, will be responsible for response to all violations of law or suspected criminal activities within the school buildings.

(f). Reporting violations of the EAA's code of conduct to EAA officials by resolution by the EAA. The EAA, and neither DPS nor the Department, will be responsible for all violations of the EAA's code of conduct.

(g). Providing fourteen (14) campus police officers for police services within the school buildings, anticipated to be assigned on the Effective Date in the following manner: two (2) each at each of the six high school buildings operated by the EAA and one (1) each at each of the Pre-K to grade 8 school buildings operated by the EAA. After the Effective Date, assignment of campus police officers may be adjusted as agreed by the Parties as necessary to assure safety and security at the school buildings.

(i). Performing police services under this PS Agreement in a professional manner in accordance with all applicable laws, rules, regulations, and ordinances, as well as any applicable policies and procedures of EAA.

(j). Coordinating the provision of police services with the provision of related security services by the EAA to assure the provision of all police, law enforcement, and safety and security related services at the school buildings in a coordinated and efficient manner.

Section 2. EAA Obligations. Beginning on the Effective Date, in addition to any other obligations of the EAA under this PS Agreement and the Master Services Agreement, the EAA will be responsible for all of the following relating to the provision of police services by DPS in school buildings operated by the EAA within the geographic boundaries of DPS:

(a). Assembling and providing information to the Department relative to the police services and law enforcement needs within the school buildings.

(b). Providing the Department with access to the school buildings and all equipment within the school building related to police services, including, but not limited to alarms and video monitoring devices.

(c). Maintaining and repairing all equipment in the school buildings relating to law enforcement equipment, including, but not limited to alarm and video monitoring devices. EAA shall promptly notify the Department when the EAA becomes aware that alarm or video monitoring devices are not functioning.

(d). Reporting suspected criminal activity within the school buildings to the Department.

(e). Responding to all suspected violations of the EAA's code of conduct reported to the EAA by the Department.

(f). Providing to DPS student services current enrollment data for EAA school buildings, as requested by DPS.

(g). Coordinating the provision of security services and related services not provided by DPS under this agreement with the provision of police services by DPS under this Agreement to assure the provision of all police, law enforcement, and safety and security related services at the school buildings in a coordinated and efficient manner.

Section 3. Pricing. DPS will provide police services to the EAA under this PS Agreement at an annual cost of \$1,325,396.04, payable in twelve equal installments of \$100,499.67.

Section 4. Performance Review. The Parties agree to meet at least quarterly to the quality of services provided under this PS Agreement, compliance with this PS Agreement, the financial status of this PS Agreement, and any other aspects of this PS Agreement that the Parties deem necessary or advisable.

Section 5. Term and Termination. This PS Agreement shall commence on the Effective Date and shall continue through June 30, 2013 (the "Initial Term"). Either Party may terminate this PS Agreement for any reason by providing thirty (30) days prior written notice to the other Party. This PS Agreement shall automatically renew on an annual basis for periods of one (1) year, commencing on July 1, 2013 unless either Party elects not to renew by giving written notice of intention of non-renewal to the other Party by June 1 of the year at issue.

Section 6. Master Agreement. This PS Agreement is an exhibit to the Master Services Agreement between DPS and the EAA dated _____, 2012 and the provisions of the Master Service Agreement not inconsistent with this PS Agreement shall apply to this PS Agreement.

Section 7. Authorized Signatories. The Parties represent that each has the authority under law to execute, deliver and perform this PS Agreement and to incur the obligations set forth herein, that its actions have been duly and validly authorized, and that it will adopt any and all resolutions or approvals required for execution of this PS Agreement.

The Parties day execute this PS Agreement on the following dates:

SCHOOL DISTRICT OF THE CITY OF DETROIT

By: _____
Roy S. Roberts,
Emergency Manager

Dated: _____

EDUCATION ACHIEVEMENT AUTHORITY

By: _____
John Covington,
Chancellor

Dated: _____

Education Achievement Authority
of Michigan

Equity. Choice. Reinvention.

**RESOLUTION 2012-39 [A-G]
APPROVAL OF PUPIL TRANSPORTATION AGREEMENTS**

The Executive Committee of the Education Achievement Authority resolves:

1. That the attached Pupil Transportation Agreements between the Education Achievement Authority and **A) "ABC Transportation," B) "Safeway Transportation", and "C" First Student, Inc.**, (collectively the "Busing Companies"), to provide busing services for enrolled students at the Education Achievement Authority, are approved by the Executive Committee of the Authority as the governing body of the Authority;
2. That the attached Pupil Transportation Agreements between the Education Achievement Authority and **D) "Checker Cab Company," E) "City Cab Company," F) "Greater Detroit Cab," and G) "Detroit Cab,"** (collectively the "Cab Companies"), to provide cab services for enrolled students at the Education Achievement Authority, are approved by the Executive Committee of the Authority as the governing body of the Authority;
3. That the Chancellor of the Authority is authorized to execute the Pupil Transportation Agreements, between the Education Achievement Authority and the Busing and Cab Companies, on behalf of the Authority;
4. That the Secretary of the Executive Committee of the Authority shall enter the terms of the Agreements in the minutes of the proceedings of the Executive Committee of the Authority.

Certification:

I certify that this resolution was duly adopted by the Executive Committee of the Education Achievement Authority at a properly-noticed open meeting held with a quorum present on the ____ day of _____.

By: _____
President

By: _____
Secretary

Legal Counsel
Approved as to Form

**Bus / Cab Contractors
Not to Exceed**

Contractor	Estimated Cost for Routes	Estimated Cost for Field Trips & Athletics
ABC Transportation	\$ 1,800,000	\$ 100,000
First Student	\$ 2,700,000	\$ 100,000
Safeway Transportation	\$ 1,800,000	\$ 100,000
Total Bus Contracts	\$ 6,300,000	\$ 300,000
Checker Cab	\$ 400,000	
City Cab	\$ 110,000	
Detroit Cab	\$ 110,000	
Greater Detroit Cab	\$ 110,000	
Total Cab Contracts	\$ 730,000	
Total Bus & Cab Contracts	\$ 7,030,000	
Total w/Athletics	\$ 7,330,000	

Resolution 2012-39

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PUPIL TRANSPORTATION AGREEMENT

Between Education Achievement Authority and ABC Student Transportation, Inc.

THIS AGREEMENT is made and entered into as of the first day of August 2012, by and between Education Achievement Authority with principal offices at 3022 West Grand Blvd., Suite 14-652, Detroit, MI 48202 (hereinafter called "Authority"), and ABC Student Transportation, Inc. (hereinafter called "Contractor") with its business headquarters at 12680 Westwood, Detroit, MI 48223. This Pupil Transportation Services Agreement between EAA and ABC Student Transportation, INC. shall herein after be referred to as "Agreement" or "Contract".

WITNESSETH

WHEREAS, Authority has selected Contractor to provide the pupil transportation services described herein; and

WHEREAS, Contractor desires to provide such transportation services,

NOW, THEREFORE, in consideration of the covenants hereinafter contained, the parties agree as follows:

SECTION 1: TERM AND TERMINATION

1.1 The term of this Agreement shall commence August 1, 2012 and shall continue through July 31, 2015 and any extension thereof. Subject to the terms of the subsequent sentence of this paragraph, this Agreement upon approval of the parties may be extended for two (2) additional one year periods. The negotiation process for the extension including the negotiation of new economic terms shall occur on or before March 1st of the year in which the Agreement terminates or expires. For purposes of this Agreement the term "Contract Year" shall mean each one-year period commencing on August 1st, during the term of this Agreement and any extension thereof. In the event the Authority elects to offer contract extensions to any of its current bus transportation Contractors, who shall have entered into agreement with the Authority, simultaneously with the execution of this Agreement which agreement is still in effect as of the date that an extension is contemplated, an offer of contract extension shall be made to Contractor subject to the negotiation requirements of this Section 1.1. Nothing in this Agreement shall prevent the Authority from electing to issue a Request For Proposal or otherwise seek new bus transportation Contractors in lieu of offers of contract extensions of this Agreement.

1.2 EAA may terminate this Agreement hereunder without cause by providing at least 90 days' written notice of such termination to Contractor. Contractor shall be compensated for all services provided up to the effective date of termination.

1.3 This Agreement may be terminated immediately by a party upon the commission of an illegal act, unethical practice, or violation of public policy, including theft or embezzlement, by the other party or as otherwise provided in this Agreement.

SECTION 2: SCOPE OF SERVICES REQUIRED

2.1 Contractor shall, during the term of this Agreement supply, operate and maintain such school buses (in quantity and capacity) and personnel as are required to fulfill Authority's needs for transportation services as described in the EAA Transportation Program Specifications in accordance with the following schedules:

(a) Contractor agrees to operate a portion of the Authority's daily service for its Detroit city student transportation routes for the term of this Agreement. This is to include regular education and special needs transportation services. The Authority intends to utilize at least two Contractors, with no Contractor receiving less than 25% of the allocation. The Authority will allocate its transportation business across those Contractors generally on a school-by-school basis and upon the Authority's desired service parameters and objectives.

(b) Contractor agrees to provide the transportation for Summer School Services for the term of this Agreement within the same allocation methodology referenced for the daily service. The Authority, however, reserves the right to decide if there is to be Summer School at EAA. If Authority decides, in a given year during the term of this Agreement, that it will NOT provide Summer School Services, Authority will be under no obligation to Contractor for transportation or payment for that Summer School period;

2.2 When a school assigned to the Contractor requires transportation for an athletic event, the Contractor who provides the majority of school bus route service to the school requesting the field trip shall provide services for that athletic trip. The Authority reserves the right to assign trips to other Contractors at its sole discretion and such engagement shall not be a violation of this Agreement.

2.21 When a school assigned to the Contractor requires transportation for a field trip, the Contractor who provides the majority of school bus route service to the school requesting the field trip shall provide services for that field trip. The Authority reserves the right to assign trips to other Contractors at its sole discretion and such engagement shall not be a violation of this Agreement.

2.3 Documents are defined as this Agreement, Exhibits to this Agreement, EAA Transportation Program Specifications and Addenda (if any). In the event of a conflict between these documents and the provisions of this Agreement, this, Agreement will control.

2.4 Authority and Contractor will consult on a regular basis concerning the transportation requirements of Authority. In the event of increases or decreases in the number of routes required, the number of buses and the number of spare buses will be adjusted accordingly.

SECTION 3: COMPENSATION AND BILLING

3.1 In consideration for services rendered hereunder. Authority shall pay to Contractor all sums due and owing and calculated in accordance with the rates set forth in Exhibit A, as may be adjusted from time to time by mutual agreement of the parties and evidenced in

writing as provided herein. The Contractor will submit invoices of amounts owed on a monthly basis for its services rendered the previous month. Authority shall pay the amount due to Contractor on or before the 45th day following the date on which the statement has been submitted by mail or email to the designated billing address.

3.2 Contractor and Authority agree that if the Authority fails to pay an invoice in full within the first 90 days after Contractor has submitted the invoice. Authority will not be in default under this Agreement.

3.3 In the event the Authority fails to pay an invoice in full after 120 days after submission of such invoice the Authority shall be in default under this provision. At the end of such 120 day payment period the Contractor may terminate this Agreement by providing notice as follows: within five (5) business days following the last day of the 120 day default period following submission of any invoice, the Contractor shall give the Authority thirty (30) days' written notice of default as to that invoice and the opportunity to remedy the default in payment. If at the end of such 30-day default notice period if the Authority has not remedied the purported default, within five (5) business days following the last day of the 30-day default notice period, the Contractor shall give the Authority 15 days' notice of termination, which termination will occur at Contractor's discretion. Failure of the Contractor to provide notice within these timelines does not waive the Contractor's right to terminate this agreement in accordance with this Section, provided, however, that the Contractor provides the applicable notices and cure periods under this Section in order to proceed to a default and terminate the Agreement in accordance with this Section of the Agreement.

SECTION 4: COMPENSATION AND BILLING --BANKRUPTCY PROCEEDINGS

4.1 In the event of filing by or against the Authority for protection under the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code") or similar state law insolvency statutes, the following terms apply:

(a) Authority acknowledges that continuation of the services to be provided by Contractor pursuant to this Agreement would be essential to the Authority's reorganization, therefore Authority agrees to seek critical Contractor status for Contractor within thirty (30) days of the filing of any petition for relief under the Bankruptcy Code or similar state law insolvency statutes and to seek permission to pay Contractor all outstanding pre-petition amounts in full due to its status as a critical Contractor.

(b) Authority agrees to pay all documented and earned post-petition expenses in full pursuant to the terms and conditions set forth in this Agreement for so long as this Agreement is in effect.

SECTION 5: ESCALATION

5.1 In the event that the Authority makes significant changes in the scope of work or other conditions under which the services are to be provided (for example, changing from a five day week to a four day week) during the term of this Agreement causing the Contractor's costs to increase, the Contractor and Authority shall negotiate in good faith concerning price modifications applicable to cover such changed costs.

SECTION 6: FUEL

6.1 Contractor shall purchase at its own cost, inclusive of all fuel taxes, all fuel required for the operation of buses hereunder.

SECTION 7: ROUTES AND SCHEDULES

7.1 Authority shall designate a representative (hereafter Transportation System Manager) that shall be primarily responsible for planning all routes, stops and schedules; provided, however, that the Authority shall have final and ultimate authority for planning all routes, stops and schedules. Contractor agrees to work in cooperation with the Authority, or its designee to establish the most advantageous routing plan for the safety of students within the guidelines provided for in this Contract and the Authority's policies.

7.2 Authority shall furnish a tentative database of all students' names, addresses, school of attendance, programs, and any special requirements for Special Education students for approximately 90% of all students to be transported by the Contractor by approximately August 15th of each contract year. The Authority will provide weekly updates. A final list must be submitted to the Authority's designee five (5) days prior to the start of school. Contractor shall make a reasonable effort to adjust its operations to incorporate students not included in the final list within five (5) calendar days.

7.3 Authority and its designee shall establish the routes and schedules to be followed and make changes therein from time to time and consult when possible with Contractor on any proposed changes prior to making any route changes. Contractor shall make a reasonable effort to adjust its operations to incorporate such changes following the third (3rd) business day after notice is received from Authority or its designee. In the event Authority or its designee changes routes or schedules once service has begun or been published, Authority or its designee will assist in republication of changes or other notification to those patrons whose service has been changed. Contractor shall consult with Authority and its designee as to stops or portions of routes that Contractor considers to be a safety concern due to traffic patterns or configurations.

7.4 Contractor shall ensure that its vehicles are equipped with GPS and that the Contractor has the ability to monitor its vehicles' activity on a real time bases, and be responsive to EAA and its Transportation System Manager's information needs.

7.5 Bus Run "Tiering" – It is the Authority's objective to establish school bell times and set pupil transportation policies in a manner that allows a majority of buses to perform two bus runs each morning and two bus runs in the afternoon during the "prime time" school start and school end periods. For example a bus might serve a school at 7:30, then a second school at 8:30; this is a double tiered bus. In some cases, a bus may perform three bus runs, for example by adding a school or a program at 9:15. Buses that regularly perform multiple runs during the morning or afternoon are double-tiered, and will be priced at a double tier rate, rather than two single rates. Buses that perform a morning or afternoon prime-time regular education run plus a special needs run will be priced at a double tier rate. The Contractor and System Manager will collaborate to the extent possible to schedule service and package bus runs to achieve the highest number of double and triple tiered buses.

SECTION 8: REPORTS

8.1 Reports Contractor shall maintain such records and submit such reports, as are deemed necessary by the Authority and as negotiated between Contractor and Authority from time to time. All reports required by Authority shall be submitted in a format acceptable to the Authority. Contractor will not be responsible for filing on behalf of Authority any state or regulatory reports concerning ridership or reimbursement.

SECTION 9 RECORD INSPECTIONS AND RETENTION

9.1 General. Upon reasonable notice from EAA, Contractor shall provide EAA and its agents, regulators, accountants and inspectors access to, and any assistance and information that they may reasonably require with respect to the Services to, among other things, verify the security of EAA Confidential Information and examine Contractor's performance of the Services to enable EAA to confirm Contractor's compliance with this Agreement and applicable law.

9.2 Cooperation and Record Retention. Contractor agrees to maintain accurate books and records in connection with Contractor's performance of the Services. Unless returned to EAA, upon its written request, all such books and records (including, without limitation, all papers, correspondence, data, information, reports, records, receipts, and other sources of information relating to the Services and Fees paid to Contractor) will be held and preserved for the duration of this Agreement and for a period of six years after the expiration or termination of this Agreement. Contractor shall make such books and records available to EAA at EAA's request. Further, Contractor shall, and shall cause its agents, employees and Contractors to provide EAA with all assistance required to enable EAA to comply with applicable law and standards pertaining to the disclosure and confidentiality of such books and records.

SECTION 10: INSURANCE

10.1 Contractor shall, at its expense, procure and keep in force during the entire term of this Agreement for claims arising under this Agreement, General Liability and Automobile Liability Insurance to protect Contractor, its drivers and other personnel. Contractor shall provide General Liability limits of not less than \$10,000,000 for each occurrence and aggregate covering all bodily injury and property damage; \$10,000,000 Personal Injury for each occurrence and aggregate; and Automobile Liability limits of not less than \$10,000,000 combined single limit for bodily injury and damage to property for all owned, hired and non-owned autos. Contractor shall a/so maintain uninsured/underinsured motorist coverage and medical payments coverage to the extent required by law. Contractor agrees to provide to Authority a certificate of insurance evidencing such coverage and designating Authority as an additional insured as its interest may appear for both the General and Automobile Liability programs; such certificate to be provided by July 1st of each contract year, or on renewal of such policies. All insurance policies shall provide that no coverage shall be canceled except by thirty (30) days' prior written notice to Contractor and Authority. Contractor shall provide Authority with a certificate of insurance as evidence of having statutory workers' compensation coverage at levels and in forms required by the laws in which Contractor shall operate for this Agreement. The certificate of insurance shall be endorsed to name the Authority, their directors, officers, representatives,

agents and employees as additional insured with respect to the Contractors performance of this contract.

SECTION 11: FORCE MAJEURE

11.1 In the event Contractor is unable to provide the transportation services, as specified in this Agreement because of any act of God, civil disturbance, fire, riot, war, terrorism, picketing, strike, labor dispute, labor shortages, governmental action or any other condition or cause beyond Contractor's control, Authority shall excuse Contractor and Contractor shall excuse Authority from performance under this Agreement including any claims for liquidated damages.

SECTION 12: SCHOOL CLOSINGS OR CHANGES IN SCHEDULE

12.1 Whenever (a) inclement weather or impassability of roads occurs, (b) school is canceled or delayed, (c) the school day is scheduled for other than regular start or end times, or (d) school is dismissed early for any reason, Authority shall notify Contractor not later than 6:00 a.m. on the day of such cancellation or delay or not later than two (2) hours before early dismissal and one (1) hour prior to the cancellation of supplemental transportation. If Authority does not notify Contractor by 6:00 a.m. or time required for supplemental transportation, Authority shall pay Contractor \$50 for each person who reported for work for each assignment provided the Contractor provides documentation suitable to EAA to verify the expense.

12.2 Notwithstanding the foregoing, in the event of circumstances in the operation of any school which necessitate early dismissal for student health or safety reasons, the Contractor and Authority shall cooperate to facilitate orderly transportation of students in the most efficient manner possible in light of the circumstances presented, without additional cost or charge to EAA, except as agreed to by the parties in writing.

SECTION 13: SAFETY PROGRAM

13.1 Contractor shall be responsible for implementing, maintaining, and reviewing annually a comprehensive pupil transportation safety program.

13.2 Contractor's employees shall not be required to perform any medical functions for passengers, except to the extent required by law.

SECTION 14: MANAGEMENT PERSONNEL

14.1 Contractor shall employ management personnel who shall be responsible for the efficient operation of the transportation services furnished hereunder and who shall be Contractor's liaison to Authority. Contractor will designate a crisis management contact person for emergency contact with Authority prior to the start of the school year. Contractor shall inform Authority of the name(s), contact telephone number(s) and addressees) of such management personnel.

14.2 Authority shall employ management personnel who shall be responsible for Coordination of the student transportation requirements of Authority to be furnished under this

Agreement and who shall be Authority's liaison to Contractor. Authority will designate a crisis management contact person for emergency contact with Contractor prior to the start of the school year. Authority shall inform Contractor of the name(s), contact telephone number(s) and addressees) of such management personnel.

SECTION 15: OPERATIONS PERSONNEL & DRIVERS

15.1 Contractor shall employ a sufficient number of qualified drivers, bus monitors and support personnel to assure Authority of continuous, reliable, safe, and on time service.

15.2 Contractor shall take reasonable steps to prevent its employees from exposing any pupil to impropriety of word or conduct. Contractor shall not permit its drivers to smoke on the bus, to drink any intoxicating beverage, or to be under the influence of drugs or alcohol while operating any bus.

15.3 Contractor shall be responsible for hiring and discharging personnel employed by Contractor to perform its obligations hereunder; provided, however, that Authority shall have the right to request Contractor to remove from service to the Authority any employee who, in Authority's sole discretion, is deemed unsuitable for the performance of transportation services for Authority; and provided, further, that Authority shall make such request in writing provided that such request does not violate applicable laws against discrimination.

15.4 Contractor shall provide qualified driver/trainers and qualified drivers, trained and licensed in accordance applicable laws and the rules and regulations of Authority. Not less than sixty (60) days prior to the start of any school year, Authority shall advise Contractor of Authority's requirements for training or qualification for drivers or driver/trainers. Contractor will, to the extent such requirements do not conflict with state or federal laws, implement such requirements into its hiring and training programs for drivers servicing Authority's students. Contractor agrees that each driver shall:

15.4.1 Possess a valid license or permit issued by this State authorizing such person to operate a school bus.

15.4.2 Be certified by a duly licensed medical practitioner as medically qualified and free of medical or physical conditions, which, absent reasonable accommodation, would limit safe operation of a school bus. The physical examination shall be conducted prior to employment and periodically thereafter.

15.4.3 Possess a satisfactory driving record and criminal history record, after review of such records prior to employment and periodically thereafter to the extent permitted or available by law.

15.4.4 Prior to employment and from time-to-time thereafter, to the extent permitted by law, undergo such tests as may reveal, within a reasonable degree of medical or scientific certainty, the presence or absence of drugs or controlled substances in the body and such tests as may clinically reveal alcoholism, alcohol abuse or other drug abuse. Negative findings for such tests shall be a condition of employment.

15.4.5 Meet any other criteria required by law or by Authority's policies, rules or regulations, including but not limited to the requirement for criminal background checks.

15.5 Bus Monitors. Contractor shall provide qualified and trained bus monitors in accordance applicable laws, rules and regulations of the Authority. Bus Monitors must undergo the same criminal background checks and drug testing as required for drivers which includes random drug testing.

15.6 Bus monitors shall be trained to perform the following duties:

15.6.1 Exit the bus at curbside to assist students in loading and unloading; assist students crossing the street.

15.6.2 Help maintain order loading and unloading students at school.

15.6.3 Ensure that IEP transportation instructions are followed.

15.6.4 Work with the bus driver as a team to maintain discipline and ensure a safe environment on the bus; record and report all inappropriate behavior, injuries, accidents, and incidents involving students.

15.6.5 Sit at the back of the bus or behind all students on the bus.

15.6.6 Maintain a current roster with each student's name, address, phone number, and alternate address.

15.7.7 Be familiar with Authority's transportation policies and procedures.

15.7.8 Assist students with activities that some students may not be able to do for themselves, such as fastening seat belts, securing wheel chairs, and any other special devices.

15.7.9 Assist driver and students in the conduct of all emergency evacuation drills.

SECTION 16: TRAINING REQUIREMENTS

16.1 Contractor shall provide thorough instruction to drivers and bus monitors in compliance with federal state, local and EAA regulations.

16.2 Prior to the start of the school year, Contractor will provide time at one of its employee orientation sessions so that Authority administrators may address drivers, bus monitors and other personnel assigned to work under this Agreement on matters relating to the expectations for student conduct and to familiarize staff with members of the school administration and/or Authority requirements. Authority at its sole discretion may have the Contractor provide training regarding the above mentioned items. Such orientation will be at a time and place mutually agreed upon by Contractor and Authority. Authority may distribute materials to drivers and other staff at meetings. All training expenses are to be paid by the contractor.

SECTION 17: EQUIPMENT

17.1 Contractor shall provide the fleet necessary to operate this contract at the Contractor's expense. The fleet shall include all equipment and devices required to transport a diverse Special Education population. Contractor shall maintain an average fleet age of no more than ten (10) years. In lieu of the 10 year average, the Authority may inspect Contractor's buses to determine whether the buses meet the Authority's safety requirements. Contractor shall not use a vehicle that is older than thirteen (13) years to fulfill its contractual requirements. Contractor shall provide for and ensure, at its sole cost and expense, regular upkeep, maintenance, replacement, repair, cleanliness, and appearance of its buses and vehicles, in accordance with law and accepted industry safety and maintenance standards. Contractor shall have or establish a maintenance system with preventative maintenance scheduling and inspections. Contractor shall, upon request by Authority, provide Authority with reports summarizing Contractor's current maintenance program and repairs to its buses and, upon ten (10) business days' notice, and during Contractor's normal business hours, Contractor shall make its full maintenance and repair reports available for inspection by Authority.

17.2 Contractor shall equip all buses with fully operational global positioning satellite (GPS) receivers, electronic vehicle inspection record systems (EVIR), Child Check Mate and Theft Mate safety devices, and Crossing Arms, as provided in the Proposal Documents. Contractor will allow Authority access to the GPS system for monitoring purposes. Contractor will provide various vehicle reports generated through the use of the GPS system.

17.3 The Contractor shall equip every school bus, including spares, used to fulfill this Contract with a fully operational two-way radio communication system capable of reliably maintaining contact with any bus anywhere on the Authority routes. The Contractor shall provide and maintain the radios, adequate radio frequency, and other necessary radio equipment.

17.4 The Contractor may utilize a single bus to service multiple school districts – including Detroit Public Schools – in-so-long as the scheduling of such does not interfere with the transportation needs of the Authority. Buses serving the Authority may not be marked with any other school district's name.

SECTION 18: VIDEO CAMERAS

18.1 Contractor will provide a two camera digital recording system.

18.2 Contractor shall retain ownership of the video monitoring equipment and will be responsible for supplying all digital media, repair, and replacement of the equipment. In addition, Contractor will develop and update as necessary guidelines and procedures for handling, reviewing and disclosure of digital recordings or other digital media and the information they may contain. Such guidelines and procedures will be designed to enable the Authority to meet its internal policies and guidelines as well as any requirements of law.

SECTION 19: PUPIL DISCIPLINE AND VANDALISM

19.1 The ultimate responsibility and authority to suspend or expel any pupil from

transportation services hereunder shall rest with Authority: provided, however, that Authority will consult with Contractor in arriving at its decision. Contractor's drivers are responsible only for such discipline as is required to properly and safely operate Contractor's buses. Each driver shall handle all disciplinary matters in strict accordance with Authority policy. In no case will a driver eject a pupil from a bus for misbehavior except in the event of an extreme emergency endangering the safety of other pupils and then only after radio notice to Contractor's terminal and to the pupil's building or school principal. In all cases of disciplinary ejection, the bus shall remain at the approximate area of student discharge until authorities arrive on site and authorize it to proceed on route. All discipline problems shall be reported in writing as soon as possible and in no event later than the next school day following completion of the route. The Authority and the Contractor will, in the event the Contractor determines that a pupil poses a danger to himself/herself or other passengers cooperate to provide a safe transportation environment prior to the Contractor being required to transport such pupil. Further procedures and regulations for the administration of discipline shall be established by the Authority with input from the Contractor.

19.2 Vandalism, damage to Contractor's equipment or facilities shall be the responsibility of Contractor. Authority shall give Contractor reasonable assistance in obtaining restitution for damaged equipment or facilities where damage is determined to be caused by Authority students or personnel. Contractor may, with the written concurrence by Authority, refuse to provide a pupil with transportation services until vandalism damages caused by such pupil are paid.

SECTION 20: ASSIGNMENT

20.1 This Agreement shall not be assigned by the parties hereto, without the written consent of both the Contractor and the Authority, which consent shall not be unreasonably withheld or delayed.

SECTION 21 CONFIDENTIAL INFORMATION

21.1 Standard of Care. A Contractor acknowledges that it may receive or have access to EAA's "Confidential Information", as that term is defined below. Contractor will protect EAA's Confidential Information with the same degree of care as Contractor uses to avoid unauthorized use, disclosure, publication or dissemination of its own confidential information of a similar nature, but in no event, less than a reasonable degree of care. Contractor shall not disclose or otherwise make available EAA's Confidential Information to any third party without the prior written consent of EAA; provided, however, that Contractor may disclose the Confidential Information to its officers, employees, and Contractors who need access to the Confidential Information to perform their obligations to Contractor or EAA and who are themselves bound by nondisclosure obligations at least as restrictive as those set forth in this Article 21. Further, Contractor shall comply will all confidentiality-related guidelines, standards and law applicable to EAA. Contractor agrees to immediately notify EAA in the event Contractor becomes aware of any loss or unauthorized disclosure of EAA's Confidential Information. The provisions of this Article VI shall survive the termination or expiration of this Agreement.

21.2 Confidential Information “Confidential Information” means any information related to the business, personnel and operations of EAA obtained by Contractor, and may include, but is not limited to, business affairs, data, manuals, financial and accounting data, data and information concerning students, contracts, intellectual property, proprietary information and other operational information. Confidential Information shall not include anything that Contractor can document: (i) was generally available to the public at the time it was received by Contractor, (ii) was known to Contractor, without restriction, at the time of disclosure, or (iii) was independently developed by Contractor without any use of the Confidential Information.

21.3 Return of Confidential Information. Upon expiration or termination of this Agreement, Contractor shall promptly return to EAA all Confidential Information of EAA and all copies, or at EAA’s option, Contractor shall destroy the Confidential Information.

SECTION 22 AUDITS

22.1 General. Upon reasonable notice from EAA, Contractor shall provide EAA and its agents, regulators, accountants and inspectors access to, and any assistance and information that they may reasonably require with respect to the Services to, among other things, verify the security of EAA Confidential Information and examine Contractor’s performance of the Services to enable EAA to confirm Contractor’s compliance with this Agreement and applicable law.

22.2. Cooperation and Record Retention. Contractor agrees to maintain accurate books and records in connection with Contractor’s performance of the Services. Unless returned to EAA, upon its written request, all such books and records (including, without limitation, all papers, correspondence, data, information, reports, records, receipts, and other sources of information relating to the Services and Fees paid to Contractor) will be held and preserved for the duration of this Agreement and for a period of six years after the expiration or termination of this Agreement. Contractor shall make such books and records available to EAA at EAA’s request. Further, Contractor shall, and shall cause its agents, employees and Contractors to provide EAA with all assistance required to enable EAA to comply with applicable law and standards pertaining to the disclosure and confidentiality of such books and records.

SECTION 23 INDEMNIFICATION, DAMAGES, AND WARRANTIES

23.1 Indemnification. Contractor shall indemnify and hold harmless EAA and EAA’s employees, agents, directors and officers against all liability arising out of, or resulting from any third party claim, suit, action or proceeding arising out of or resulting from (i) the failure of Contractor or any of its agents, employees or Contractors, to comply with the terms of this Agreement or any applicable law; or (ii) any injury, loss, claim or damages arising from the actions or omissions of Contractor or an agent, employee, director, officer or Contractor of Contractor.

23.2 Limitation of Liability; No Special Damages. Notwithstanding any other provision of this Agreement, EAA shall not be liable to the Contractor for any damages for loss of profits, loss of revenues, loss of goodwill, loss of anticipated savings, loss of data or cost of purchasing replacement services, or any indirect, incidental, special, consequential, exemplary or punitive damages arising out of the performance or failure to perform under this Agreement or any Service Order. Nothing in this Agreement shall be construed as a waiver of governmental

immunity, where applicable. No such limitation upon Contractor's liability for damages shall exist unless expressly set forth in the Special Terms of the Service Order.

23.3 Disclaimer of Warranties. EXCEPT AS (1) EXPRESSLY SET FORTH IN THIS AGREEMENT, AND, (2) WITH RESPECT TO CONTRACTOR ONLY, AS SET FORTH IN THE SPECIAL TERMS OF A SERVICE ORDER, NEITHER EAA NOR CONTRACTOR MAKES ANY OTHER REPRESENTATION OR WARRANTY REGARDING THE SERVICES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE.

SECTION 24: DISPUTES

24.1 Informal Dispute Resolution. EAA and Contractor will attempt to settle any dispute through informal good faith negotiations. The EAA Transportation Manager will be the final authority in any dispute over which rate applies from the rates listed in Exhibit A. All other disputes will be escalated to appropriate senior level management of the parties, if necessary. If such managers are unable to resolve the dispute within ten business days of referral (or any other mutually agreed upon timeframe), the parties will undertake non-binding mediation as described below in a good faith attempt to resolve such dispute.

24.2 Mediation. There will be a single mediator. If the parties cannot agree upon an acceptable mediator within ten days of termination of the negotiations under Section 24.1 each party will select one mediator from a list of not less than five mediators provided by the other party. These two mediators will select a third mediator who will serve as the sole mediator. Subject to the availability of the mediator, the mediation will occur not more than thirty days after the request for mediation. The mediation process will continue until the dispute (or any part thereof) is resolved or until such time as the mediator makes a finding that there is no possibility of resolution short of referring the parties to final and binding arbitration. The mediation will be held in Detroit, Michigan, unless the mediator, on his or her own initiative, wishes to conduct any mediation proceeding by telephone, facsimile transmission or other means of communication. The cost of mediation, including the mediator's fees and expenses, will be shared equally by the parties. Each party will have the right to be represented by attorneys of their own choosing to advise them before and during the mediation process and their attorneys may review any settlement agreement, or other agreement, which the parties have reached through mediation, prior to the execution of such agreement. The parties agree that the mediator is acting in a neutral capacity and is not serving as an attorney, advocate, representative or fiduciary for either or both of them. Each party will pay its own attorney's fees and costs. In connection with the mediation process, the mediator may meet in confidential "caucus" sessions separately with each party. The mediator will be obligated to treat as confidential and refrain from disclosing to the other party or its counsel any information conveyed to the mediator during the caucus sessions unless the party conveying such information authorized the mediator to disclose it to the other party.

Section 24.3 Binding Arbitration. Should any dispute (or part thereof) remain between the parties after completion of the mediation process described in Section 24.2, such dispute will be submitted to final and binding arbitration in Detroit, Michigan under the Commercial

Arbitration Rules of the American Arbitration Association (“AAA”), except to the extent that the AAA Rules are contrary to the specific terms of this Section 24.3, provided, however, that at the election of EAA, the arbitration may be done privately and not under the auspices of the AAA, although the AAA rules shall still otherwise govern except as herein stated. There will be three arbitrators. Each party will select one arbitrator. The two arbitrators selected by the parties will select a third arbitrator. At least one of the arbitrators will have at least five years of relevant experience. Each party may be represented by an attorney selected by the party. The costs of the arbitration, including the arbitrators’ fees and expenses, will be shared equally by the parties. Each party will pay its own attorney’s fees and costs; provided that, if the arbitrators find either party has acted in bad faith, the arbitrators will have discretion to award attorneys’ fees to the other party. No party may raise new claims against the other party in the arbitration not raised during mediation. The arbitrators will have the power to resolve all disputes between the parties. The arbitrators will apply the law of the state of Michigan. The arbitrators will only interpret and apply the terms and provisions of the Agreement and will not change any such terms or provisions or deprive either party of any right or remedy expressly or impliedly provided for in the Agreement. The arbitrators will not have the power to award damages other than those described in the Agreement. The determination of a majority of the arbitrators will be conclusive upon the parties and will be non-appealable. At least thirty days before the arbitration is scheduled to commence, the parties will exchange lists of witnesses and copies of all exhibits intended to be used in arbitration. The parties will be entitled to limited discovery. A stenographic record of the proceedings will be kept, unless waived by both parties, at the equal expense of the parties. The arbitration will be completed within 120 days of the selection of the third arbitrator. The arbitrators will render a written decision, which contains findings of fact and conclusions of law, within thirty days of the conclusion of the arbitration and will specify a time within which the award will be performed. Judgment upon the award, including specific enforcement of the decision, will be entered in any court of proper jurisdiction. The parties have knowingly chosen arbitration as an alternative to proceedings in court and they specifically waive their rights to proceed by any means before a court otherwise having jurisdiction of any dispute between them, except to the extent necessary for injunctive relief or other equitable relief.

SECTION 25: SURVIVAL

25.1 Except as otherwise provided in this Agreement, the mutual obligations described in Compensation and Billing, Audits, Disputes, and Indemnification hereof and all provisions relating to the protection of confidential information shall survive the termination or expiration of the Agreement.

SECTION 26 STATUS OF CONTRACTOR

26.1 In the interpretation of this Agreement and the relations between Contractor and Authority, Contractor shall be construed as being an independent Contractor employed to provide transportation services only. Further, notwithstanding the provisions of Sections 15, 16 and 17, nothing contained in this Agreement shall be construed to deem this Agreement a joint or co-employer arrangement or to deem the Authority to have employer-like control over the Contractor's employees or agents. Neither Contractor nor any of its employees shall be held or deemed in any way to be an agent, employee or official of Authority. Contractor shall be responsible for, and hold Authority harmless from any liability for unemployment taxes or

contributions, payroll taxes or other federal or state employment taxes.

SECTION 27: SEVERABILITY

27.1 In the event any provision specified herein is held or determined by a court of competent jurisdiction to be illegal, void or in contravention of any applicable law, the remainder of the Agreement shall remain in full force and effect.

SECTION 28: EXTENSION AND MODIFICATION

28.1 Contractor and Authority may extend or otherwise modify the terms of this Agreement in whole or in part as circumstances may justify by mutual written agreement executed by the duly authorized representatives of the parties.

SECTION 29: NOTICE TO PARTIES

29.1 All notices to be given by the parties to this Agreement shall be in writing and served by depositing same in the United States mail, postage prepaid, registered or certified mail.

Notices to Authority shall be addressed to:

Attention: Chancellor
Education Achievement Authority
3022 W. Grand Boulevard
Suite 14-652
Detroit, Michigan 48202

Notices to Contractor shall be addressed to:

ABC Student Transportation, Inc.
12680 Westwood,
Detroit, MI 48223

29.2 Authority or Contractor may change its address of record for receipt of official notice by giving the other written notice of such change and any necessary mailing instructions.

SECTION 30 GENERAL PROVISIONS

Section 30.1 Independent Contractor. The Services of Contractor shall be rendered as an independent Contractor. The relationship between EAA and the Contractor shall not be that of partners, agents, or joint venturers to one another, and nothing contained in this Agreement shall be deemed to constitute a partnership, agency or employment agreement between them for any purposes, including, without limitation, for federal income tax purposes. Contractor assumes full responsibility for the payment of wages, salaries, and other amount due to all persons engaged by Contractor in connection with the Services performed hereunder, and Contractor will be responsible for all taxes, including Social Security, unemployment and

withholding taxes, with respect to such persons. No provision of this contract shall be for the benefit of any party other than the Contractor and the EAA.

Section 30.2 Tax Exempt Status. Contractor acknowledges that EAA is a tax-exempt entity. Contractor may not use any EAA facility for any unauthorized purpose and will not act in any way that might jeopardize EAA's tax-exempt status.

Section 30.3 Entire Agreement and Amendments. This Agreement (including the Service Orders and exhibits), together with the documents delivered pursuant hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, negotiations, representations, discussions and understandings between the parties. This Agreement may be amended only by a written instrument executed by each party.

Section 30.4 Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Michigan without giving effect to other conflicts of laws or principles thereof.

Section 30.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

Section 30.6 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto. No party to this Agreement may assign its rights under this Agreement to any other person without obtaining the written permission of the other parties in advance.

Section 30.7 No Third Party Beneficiaries. Nothing expressed or referred to in this Agreement is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or permitted assigns any legal or equitable right, remedy or claim under or in respect of this Agreement it being the intention of the parties that this Agreement and the transactions contemplated hereby shall be for the sole and exclusive benefit of such parties or such successors and permitted assigns.

Section 30.8 Expenses. Each party shall bear its own expenses incurred in connection with this Agreement and with the performance of its obligations hereunder.

Section 30.9 Emergencies. Each Service Provider must have a plan in place for the following emergencies:

- (a) Bomb Threats
- (b) Suicide Attempts
- (c) Robbery Attempts
- (d) Fire
- (e) Chemical Spills

(f) Other emergencies as deemed appropriate

Section 30.10 Photo Identification Badge. The Contractor shall provide any individual assigned to EAA, a Contractor photo identification badge, which must be worn at all times while on EAA property. The Bus Contractor is required to pay for fingerprinting fees for personnel assigned to work in EAA schools. Upon completion of the service and prior to final payment of invoice, all employees shall turn in their photo identification badges to the Contractor.

Section 30.11 Further Assurances. Each party promptly shall cause to be taken, executed, acknowledged or delivered all such further acts, conveyances, documents and assurances as any other party from time to time reasonably may request in order to carry out and effectuate the intent and purposes of this Agreement.

[signatures on next page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives with effect from the day and year first above written.

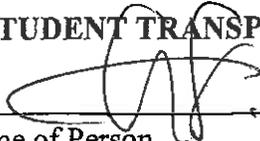
EDUCATION ACHIEVEMENT AUTHORITY

By: _____
J. Wm. Covington, Ed.D.

Title: _____
Chancellor

Date: _____

ABC STUDENT TRANSPORTATION, INC.

By:  _____
Name of Person CHARLIE GRANT JR.

Title: PRESIDENT _____
Title

Date: 7/11/2012 _____

**Education Achievement Authority - Michigan (EAA)
ABC School Bus Student Transportation**

Exhibit A

Pricing Sheet

	3%	3%	
	2012/2013	2013/2014	2014/2015
Regular and Ed, Special Education (5 days per week approximately of 210 regular school days)			
Per Bus Per Day Rates:			
Single Tiered Route Bus	\$230.67	\$237.59	\$244.72
Double Tiered Route Bus	\$311.13	\$320.46	\$330.08
Triple Tiered Route Bus	\$364.77	\$375.71	\$386.98
Driver Hourly Rate (As Required In Excess of Routes)	\$39.00	\$40.17	\$41.38
Monitors			
Per Bus Per Day Rates:			
Single Tiered Route	\$80.00	\$82.40	\$84.87
Double Tiered Route Bus	\$96.00	\$98.88	\$101.85
Triple Tiered Route Bus	\$128.00	\$131.84	\$135.80
Monitor Hourly Rate (As Required In Excess of Routes)	\$16.00	\$16.48	\$16.97
Additional Services:			
CTC Shuttle (One-Way Each)	\$39.00	\$40.17	\$41.38
CTC Shuttle (Round Trip)	\$78.00	\$80.34	\$82.75
Late Activity (One-Way Each)	\$39.00	\$40.17	\$41.38
Early Out Per Bus Per Day . Charge does not apply if all schools dismiss early	\$39.00	\$40.17	\$41.38
Early Out Per Bus with Monitor Per Day . Charge does not apply if all schools dismiss early	\$59.00	\$60.77	\$62.59
Clean Sweep Hourly Rate	\$39.00	\$40.17	\$41.38
Single Tier Dry Run Charge Per Bus Per Day	\$100.00	\$103.00	\$106.09
Double Tier Dry Run Charge Per Day	\$140.00	\$144.20	\$148.53
Triple Tier Dry Run Charge Per Day	\$180.00	\$185.40	\$190.96
Hotline Services Per Hour (Overtime @ time and a half)	\$25.00	\$25.75	\$26.52
Routing Services Per Hour (Overtime @ time and a half)	\$25.00	\$25.75	\$26.52
Athletic and Field Trip Rates:			
\$39 per hour with a minimum 4 hour guarantee. Charges apply from the time of pick up and return to the pick up point. Trips cancelled with less than 24 hours notice are subject to a two hour late cancellation charge.	\$39.00	\$40.17	\$41.38

EAA has the right to add work at no additional cost to any tier where time is available to perform said work prior to the next tier.

Note: The Contractor may not charge more than one single tier minimum rate per bus per day, regardless of whether the bus returns to the terminal, transports children from different schools, programs, out of the district etc.

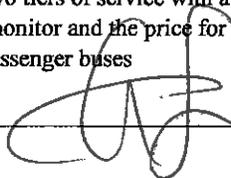
EAA intends to use the most cost effective pricing. If more than one rate can be applied, EAA reserves the right to apply the lower rate.

Definition of Tiered/Paired Runs Payment Calculation: If a run requiring a monitor is paired with a run that does not require a monitor, compensation paid to the Contractor will be based upon the number of tiers each type of service is provided.

(Example: If a bus provides two tiers of service with a monitor .and one tier without a monitor the contractor will paid the 2 tier price for service with a monitor and the price for a 3 tiered regular bus route.

Pricing is based upon 65-71 passenger buses

Contractor Signature _____



PRESIDENT

Date 7/11/2012

Resolution 2012-39

B

PUPIL TRANSPORTATION AGREEMENT

Between Education Achievement Authority and Safeway Transportation, Inc.

THIS AGREEMENT is made and entered into as of the first day of August 2012, by and between Education Achievement Authority with principal offices at 3022 West Grand Blvd., Suite 14-652, Detroit, MI 48202 (hereinafter called "Authority"), and Safeway Transportation, Inc. (hereinafter called "Contractor") with its business headquarters at 13469 Conant Detroit, MI 48212. This Pupil Transportation Services Agreement between EAA and Safeway Transportation Inc. shall herein after be referred to as "Agreement" or "Contract".

WITNESSETH

WHEREAS, Authority has selected Contractor to provide the pupil transportation services described herein; and

WHEREAS, Contractor desires to provide such transportation services,

NOW, THEREFORE, in consideration of the covenants hereinafter contained, the parties agree as follows:

SECTION 1: TERM AND TERMINATION

1.1 The term of this Agreement shall commence August 1, 2012 and shall continue through July 31, 2015 and any extension thereof. Subject to the terms of the subsequent sentence of this paragraph, this Agreement upon approval of the parties may be extended for two (2) additional one year periods. The negotiation process for the extension including the negotiation of new economic terms shall occur on or before March 1st of the year in which the Agreement terminates or expires. For purposes of this Agreement the term "Contract Year" shall mean each one-year period commencing on August 1st, during the term of this Agreement and any extension thereof. In the event the Authority elects to offer contract extensions to any of its current bus transportation Contractors, who shall have entered into agreement with the Authority, simultaneously with the execution of this Agreement which agreement is still in effect as of the date that an extension is contemplated, an offer of contract extension shall be made to Contractor subject to the negotiation requirements of this Section 1.1. Nothing in this Agreement shall prevent the Authority from electing to issue a Request For Proposal or otherwise seek new bus transportation Contractors in lieu of offers of contract extensions of this Agreement.

1.2 EAA may terminate this Agreement hereunder without cause by providing at least 90 days' written notice of such termination to Contractor. Contractor shall be compensated for all services provided up to the effective date of termination.

1.3 This Agreement may be terminated immediately by a party upon the commission of an illegal act, unethical practice, or violation of public policy, including theft or embezzlement, by the other party or as otherwise provided in this Agreement.

SECTION 2: SCOPE OF SERVICES REQUIRED

2.1 Contractor shall, during the term of this Agreement supply, operate and maintain such school buses (in quantity and capacity) and personnel as are required to fulfill Authority's needs for transportation services as described in the EAA Transportation Program Specifications in accordance with the following schedules:

(a) Contractor agrees to operate a portion of the Authority's daily service for its Detroit city student transportation routes for the term of this Agreement. This is to include regular education and special needs transportation services. The Authority intends to utilize at least two Contractors, with no Contractor receiving less than 25% of the allocation. The Authority will allocate its transportation business across those Contractors generally on a school-by-school basis and upon the Authority's desired service parameters and objectives.

(b) Contractor agrees to provide the transportation for Summer School Services for the term of this Agreement within the same allocation methodology referenced for the daily service. The Authority, however, reserves the right to decide if there is to be Summer School at EAA. If Authority decides, in a given year during the term of this Agreement, that it will NOT provide Summer School Services, Authority will be under no obligation to Contractor for transportation or payment for that Summer School period;

2.2 When a school assigned to the Contractor requires transportation for an athletic event, the Contractor who provides the majority of school bus route service to the school requesting the field trip shall provide services for that athletic trip. The Authority reserves the right to assign trips to other Contractors at its sole discretion and such engagement shall not be a violation of this Agreement.

2.21 When a school assigned to the Contractor requires transportation for a field trip, the Contractor who provides the majority of school bus route service to the school requesting the field trip shall provide services for that field trip. The Authority reserves the right to assign trips to other Contractors at its sole discretion and such engagement shall not be a violation of this Agreement.

2.3 Documents are defined as this Agreement, Exhibits to this Agreement, EAA Transportation Program Specifications and Addenda (if any). In the event of a conflict between these documents and the provisions of this Agreement, this, Agreement will control.

2.4 Authority and Contractor will consult on a regular basis concerning the transportation requirements of Authority. In the event of increases or decreases in the number of routes required, the number of buses and the number of spare buses will be adjusted accordingly.

SECTION 3: COMPENSATION AND BILLING

3.1 In consideration for services rendered hereunder. Authority shall pay to Contractor all sums due and owing and calculated in accordance with the rates set forth in Exhibit A, as may be adjusted from time to time by mutual agreement of the parties and evidenced in writing as provided herein. The Contractor will submit invoices of amounts owed on a monthly

basis for its services rendered the previous month. Authority shall pay the amount due to Contractor on or before the 45th day following the date on which the statement has been submitted by mail or email to the designated billing address.

3.2 Contractor and Authority agree that if the Authority fails to pay an invoice in full within the first 90 days after Contractor has submitted the invoice. Authority will not be in default under this Agreement.

3.3 In the event the Authority fails to pay an invoice in full after 120 days after submission of such invoice the Authority shall be in default under this provision. At the end of such 120 day payment period the Contractor may terminate this Agreement by providing notice as follows: within five (5) business days following the last day of the 120 day default period following submission of any invoice, the Contractor shall give the Authority thirty (30) days' written notice of default as to that invoice and the opportunity to remedy the default in payment. If at the end of such 30-day default notice period if the Authority has not remedied the purported default, within five (5) business days following the last day of the 30-day default notice period, the Contractor shall give the Authority 15 days' notice of termination, which termination will occur at Contractor's discretion. Failure of the Contractor to provide notice within these timelines does not waive the Contractor's right to terminate this agreement in accordance with this Section, provided, however, that the Contractor provides the applicable notices and cure periods under this Section in order to proceed to a default and terminate the Agreement in accordance with this Section of the Agreement.

SECTION 4: COMPENSATION AND BILLING --BANKRUPTCY PROCEEDINGS

4.1 In the event of filing by or against the Authority for protection under the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code") or similar state law insolvency statutes, the following terms apply:

(a) Authority acknowledges that continuation of the services to be provided by Contractor pursuant to this Agreement would be essential to the Authority's reorganization, therefore Authority agrees to seek critical Contractor status for Contractor within thirty (30) days of the filing of any petition for relief under the Bankruptcy Code or similar state law insolvency statutes and to seek permission to pay Contractor all outstanding pre-petition amounts in full due to its status as a critical Contractor.

(b) Authority agrees to pay all documented and earned post-petition expenses in full pursuant to the terms and conditions set forth in this Agreement for so long as this Agreement is in effect.

SECTION 5: ESCALATION

5.1 In the event that the Authority makes significant changes in the scope of work or other conditions under which the services are to be provided (for example, changing from a five day week to a four day week) during the term of this Agreement causing the Contractor's costs to increase, the Contractor and Authority shall negotiate in good faith concerning price modifications applicable to cover such changed costs.

SECTION 6: FUEL

6.1 Contractor shall purchase at its own cost, inclusive of all fuel taxes, all fuel required for the operation of buses hereunder.

SECTION 7: ROUTES AND SCHEDULES

7.1 Authority shall designate a representative (hereafter Transportation System Manager) that shall be primarily responsible for planning all routes, stops and schedules; provided, however, that the Authority shall have final and ultimate authority for planning all routes, stops and schedules. Contractor agrees to work in cooperation with the Authority, or its designee to establish the most advantageous routing plan for the safety of students within the guidelines provided for in this Contract and the Authority's policies.

7.2 Authority shall furnish a tentative database of all students' names, addresses, school of attendance, programs, and any special requirements for Special Education students for approximately 90% of all students to be transported by the Contractor by approximately August 15th of each contract year. The Authority will provide weekly updates. A final list must be submitted to the Authority's designee five (5) days prior to the start of school. Contractor shall make a reasonable effort to adjust its operations to incorporate students not included in the final list within five (5) calendar days.

7.3 Authority and its designee shall establish the routes and schedules to be followed and make changes therein from time to time and consult when possible with Contractor on any proposed changes prior to making any route changes. Contractor shall make a reasonable effort to adjust its operations to incorporate such changes following the third (3rd) business day after notice is received from Authority or its designee. In the event Authority or its designee changes routes or schedules once service has begun or been published, Authority or its designee will assist in republication of changes or other notification to those patrons whose service has been changed. Contractor shall consult with Authority and its designee as to stops or portions of routes that Contractor considers to be a safety concern due to traffic patterns or configurations.

7.4 Contractor shall ensure that its vehicles are equipped with GPS and that the Contractor has the ability to monitor its vehicles' activity on a real time bases, and be responsive to EAA and its Transportation System Manager's information needs.

7.5 Bus Run "Tiering" – It is the Authority's objective to establish school bell times and set pupil transportation policies in a manner that allows a majority of buses to perform two bus runs each morning and two bus runs in the afternoon during the "prime time" school start and school end periods. For example a bus might serve a school at 7:30, then a second school at 8:30; this is a double tiered bus. In some cases, a bus may perform three bus runs, for example by adding a school or a program at 9:15. Buses that regularly perform multiple runs during the morning or afternoon are double-tiered, and will be priced at a double tier rate, rather than two single rates. Buses that perform a morning or afternoon prime-time regular education run plus a special needs run will be priced at a double tier rate. The Contractor and System Manager will collaborate to the extent possible to schedule service and package bus runs to achieve the highest number of double and triple tiered buses.

SECTION 8: REPORTS

8.1 Reports Contractor shall maintain such records and submit such reports, as are deemed necessary by the Authority and as negotiated between Contractor and Authority from time to time. All reports required by Authority shall be submitted in a format acceptable to the Authority. Contractor will not be responsible for filing on behalf of Authority any state or regulatory reports concerning ridership or reimbursement.

SECTION 9 RECORD INSPECTIONS AND RETENTION

9.1 General. Upon reasonable notice from EAA, Contractor shall provide EAA and its agents, regulators, accountants and inspectors access to, and any assistance and information that they may reasonably require with respect to the Services to, among other things, verify the security of EAA Confidential Information and examine Contractor's performance of the Services to enable EAA to confirm Contractor's compliance with this Agreement and applicable law.

9.2 Cooperation and Record Retention. Contractor agrees to maintain accurate books and records in connection with Contractor's performance of the Services. Unless returned to EAA, upon its written request, all such books and records (including, without limitation, all papers, correspondence, data, information, reports, records, receipts, and other sources of information relating to the Services and Fees paid to Contractor) will be held and preserved for the duration of this Agreement and for a period of six years after the expiration or termination of this Agreement. Contractor shall make such books and records available to EAA at EAA's request. Further, Contractor shall, and shall cause its agents, employees and Contractors to provide EAA with all assistance required to enable EAA to comply with applicable law and standards pertaining to the disclosure and confidentiality of such books and records.

SECTION 10: INSURANCE

10.1 Contractor shall, at its expense, procure and keep in force during the entire term of this Agreement for claims arising under this Agreement, General Liability and Automobile Liability Insurance to protect Contractor, its drivers and other personnel. Contractor shall provide General Liability limits of not less than \$10,000,000 for each occurrence and aggregate covering all bodily injury and property damage; \$10,000,000 Personal Injury for each occurrence and aggregate; and Automobile Liability limits of not less than \$10,000,000 combined single limit for bodily injury and damage to property for all owned, hired and non-owned autos. Contractor shall a/so maintain uninsured/underinsured motorist coverage and medical payments coverage to the extent required by law. Contractor agrees to provide to Authority a certificate of insurance evidencing such coverage and designating Authority as an additional insured as its interest may appear for both the General and Automobile Liability programs; such certificate to be provided by July 1st of each contract year, or on renewal of such policies. All insurance policies shall provide that no coverage shall be canceled except by thirty (30) days' prior written notice to Contractor and Authority. Contractor shall provide Authority with a certificate of insurance as evidence of having statutory workers' compensation coverage at levels and in forms required by the laws in which Contractor shall operate for this Agreement. The certificate of insurance shall be endorsed to name the Authority, their directors, officers, representatives, agents and employees as additional insured with respect to the Contractors performance of this

contract.

SECTION 11: FORCE MAJEURE

11.1 In the event Contractor is unable to provide the transportation services, as specified in this Agreement because of any act of God, civil disturbance, fire, riot, war, terrorism, picketing, strike, labor dispute, labor shortages, governmental action or any other condition or cause beyond Contractor's control, Authority shall excuse Contractor and Contractor shall excuse Authority from performance under this Agreement including any claims for liquidated damages.

SECTION 12: SCHOOL CLOSINGS OR CHANGES IN SCHEDULE

12.1 Whenever (a) inclement weather or impassability of roads occurs, (b) school is canceled or delayed, (c) the school day is scheduled for other than regular start or end times, or (d) school is dismissed early for any reason, Authority shall notify Contractor not later than 6:00 a.m. on the day of such cancellation or delay or not later than two (2) hours before early dismissal and one (1) hour prior to the cancellation of supplemental transportation. If Authority does not notify Contractor by 6:00 a.m. or time required for supplemental transportation, Authority shall pay Contractor \$50 for each person who reported for work for each assignment provided the Contractor provides documentation suitable to EAA to verify the expense.

12.2 Notwithstanding the foregoing, in the event of circumstances in the operation of any school which necessitate early dismissal for student health or safety reasons, the Contractor and Authority shall cooperate to facilitate orderly transportation of students in the most efficient manner possible in light of the circumstances presented, without additional cost or charge to EAA, except as agreed to by the parties in writing.

SECTION 13: SAFETY PROGRAM

13.1 Contractor shall be responsible for implementing, maintaining, and reviewing annually a comprehensive pupil transportation safety program.

13.2 Contractor's employees shall not be required to perform any medical functions for passengers, except to the extent required by law.

SECTION 14: MANAGEMENT PERSONNEL

14.1 Contractor shall employ management personnel who shall be responsible for the efficient operation of the transportation services furnished hereunder and who shall be Contractor's liaison to Authority. Contractor will designate a crisis management contact person for emergency contact with Authority prior to the start of the school year. Contractor shall inform Authority of the name(s), contact telephone number(s) and addressees) of such management personnel.

14.2 Authority shall employ management personnel who shall be responsible for Coordination of the student transportation requirements of Authority to be furnished under this Agreement and who shall be Authority's liaison to Contractor. Authority will designate a crisis

management contact person for emergency contact with Contractor prior to the start of the school year. Authority shall inform Contractor of the name(s), contact telephone number(s) and addressees) of such management personnel.

SECTION 15: OPERATIONS PERSONNEL & DRIVERS

15.1 Contractor shall employ a sufficient number of qualified drivers, bus monitors and support personnel to assure Authority of continuous, reliable, safe, and on time service.

15.2 Contractor shall take reasonable steps to prevent its employees from exposing any pupil to impropriety of word or conduct. Contractor shall not permit its drivers to smoke on the bus, to drink any intoxicating beverage, or to be under the influence of drugs or alcohol while operating any bus.

15.3 Contractor shall be responsible for hiring and discharging personnel employed by Contractor to perform its obligations hereunder; provided, however, that Authority shall have the right to request Contractor to remove from service to the Authority any employee who, in Authority's sole discretion, is deemed unsuitable for the performance of transportation services for Authority; and provided, further, that Authority shall make such request in writing provided that such request does not violate applicable laws against discrimination.

15.4 Contractor shall provide qualified driver/trainers and qualified drivers, trained and licensed in accordance applicable laws and the rules and regulations of Authority. Not less than sixty (60) days prior to the start of any school year, Authority shall advise Contractor of Authority's requirements for training or qualification for drivers or driver/trainers. Contractor will, to the extent such requirements do not conflict with state or federal laws, implement such requirements into its hiring and training programs for drivers servicing Authority's students. Contractor agrees that each driver shall:

15.4.1 Possess a valid license or permit issued by this State authorizing such person to operate a school bus.

15.4.2 Be certified by a duly licensed medical practitioner as medically qualified and free of medical or physical conditions, which, absent reasonable accommodation, would limit safe operation of a school bus. The physical examination shall be conducted prior to employment and periodically thereafter.

15.4.3 Possess a satisfactory driving record and criminal history record, after review of such records prior to employment and periodically thereafter to the extent permitted or available by law.

15.4.4 Prior to employment and from time-to-time thereafter, to the extent permitted by law, undergo such tests as may reveal, within a reasonable degree of medical or scientific certainty, the presence or absence of drugs or controlled substances in the body and such tests as may clinically reveal alcoholism, alcohol abuse or other drug abuse. Negative findings for such tests shall be a condition of employment.

15.4.5 Meet any other criteria required by law or by Authority's policies, rules or

regulations, including but not limited to the requirement for criminal background checks.

15.5 Bus Monitors. Contractor shall provide qualified and trained bus monitors in accordance applicable laws, rules and regulations of the Authority. Bus Monitors must undergo the same criminal background checks and drug testing as required for drivers which includes random drug testing.

15.6 Bus monitors shall be trained to perform the following duties:

15.6.1 Exit the bus at curbside to assist students in loading and unloading; assist students crossing the street.

15.6.2 Help maintain order loading and unloading students at school.

15.6.3 Ensure that IEP transportation instructions are followed.

15.6.4 Work with the bus driver as a team to maintain discipline and ensure a safe environment on the bus; record and report all inappropriate behavior, injuries, accidents, and incidents involving students.

15.6.5 Sit at the back of the bus or behind all students on the bus.

15.6.6 Maintain a current roster with each student's name, address, phone number, and alternate address.

15.7.7 Be familiar with Authority's transportation policies and procedures.

15.7.8 Assist students with activities that some students may not be able to do for themselves, such as fastening seat belts, securing wheel chairs, and any other special devices.

15.7.9 Assist driver and students in the conduct of all emergency evacuation drills.

SECTION 16: TRAINING REQUIREMENTS

16.1 Contractor shall provide thorough instruction to drivers and bus monitors in compliance with federal state, local and EAA regulations.

16.2 Prior to the start of the school year, Contractor will provide time at one of its employee orientation sessions so that Authority administrators may address drivers, bus monitors and other personnel assigned to work under this Agreement on matters relating to the expectations for student conduct and to familiarize staff with members of the school administration and/or Authority requirements. Authority at its sole discretion may have the Contractor provide training regarding the above mentioned items. Such orientation will be at a time and place mutually agreed upon by Contractor and Authority. Authority may distribute materials to drivers and other staff at meetings. All training expenses are to be paid by the contractor.

SECTION 17: EQUIPMENT

17.1 Contractor shall provide the fleet necessary to operate this contract at the Contractor's expense. The fleet shall include all equipment and devices required to transport a diverse Special Education population. Contractor shall maintain an average fleet age of no more than ten (10) years. In lieu of the 10 year average, the Authority may inspect Contractor's buses to determine whether the buses meet the Authority's safety requirements. Contractor shall not use a vehicle that is older than thirteen (13) years to fulfill its contractual requirements. Contractor shall provide for and ensure, at its sole cost and expense, regular upkeep, maintenance, replacement, repair, cleanliness, and appearance of its buses and vehicles, in accordance with law and accepted industry safety and maintenance standards. Contractor shall have or establish a maintenance system with preventative maintenance scheduling and inspections. Contractor shall, upon request by Authority, provide Authority with reports summarizing Contractor's current maintenance program and repairs to its buses and, upon ten (10) business days' notice, and during Contractor's normal business hours, Contractor shall make its full maintenance and repair reports available for inspection by Authority.

17.2 Contractor shall equip all buses with fully operational global positioning satellite (GPS) receivers, electronic vehicle inspection record systems (EVIR), Child Check Mate and Theft Mate safety devices, and Crossing Arms, as provided in the Proposal Documents. Contractor will allow Authority access to the GPS system for monitoring purposes. Contractor will provide various vehicle reports generated through the use of the GPS system.

17.3 The Contractor shall equip every school bus, including spares, used to fulfill this Contract with a fully operational two-way radio communication system capable of reliably maintaining contact with any bus anywhere on the Authority routes. The Contractor shall provide and maintain the radios, adequate radio frequency, and other necessary radio equipment.

17.4 The Contractor may utilize a single bus to service multiple school districts – including Detroit Public Schools – in-so-long as the scheduling of such does not interfere with the transportation needs of the Authority. Buses serving the Authority may not be marked with any other school district's name.

SECTION 18: VIDEO CAMERAS

18.1 Contractor will provide a two camera digital recording system.

18.2 Contractor shall retain ownership of the video monitoring equipment and will be responsible for supplying all digital media, repair, and replacement of the equipment. In addition, Contractor will develop and update as necessary guidelines and procedures for handling, reviewing and disclosure of digital recordings or other digital media and the information they may contain. Such guidelines and procedures will be designed to enable the Authority to meet its internal policies and guidelines as well as any requirements of law.

SECTION 19: PUPIL DISCIPLINE AND VANDALISM

19.1 The ultimate responsibility and authority to suspend or expel any pupil from transportation services hereunder shall rest with Authority; provided, however, that Authority

will consult with Contractor in arriving at its decision. Contractor's drivers are responsible only for such discipline as is required to properly and safely operate Contractor's buses. Each driver shall handle all disciplinary matters in strict accordance with Authority policy. In no case will a driver eject a pupil from a bus for misbehavior except in the event of an extreme emergency endangering the safety of other pupils and then only after radio notice to Contractor's terminal and to the pupil's building or school principal. In all cases of disciplinary ejection, the bus shall remain at the approximate area of student discharge until authorities arrive on site and authorize it to proceed on route. All discipline problems shall be reported in writing as soon as possible and in no event later than the next school day following completion of the route. The Authority and the Contractor will, in the event the Contractor determines that a pupil poses a danger to himself/herself or other passengers cooperate to provide a safe transportation environment prior to the Contractor being required to transport such pupil. Further procedures and regulations for the administration of discipline shall be established by the Authority with input from the Contractor.

19.2 Vandalism, damage to Contractor's equipment or facilities shall be the responsibility of Contractor. Authority shall give Contractor reasonable assistance in obtaining restitution for damaged equipment or facilities where damage is determined to be caused by Authority students or personnel. Contractor may, with the written concurrence by Authority, refuse to provide a pupil with transportation services until vandalism damages caused by such pupil are paid.

SECTION 20: ASSIGNMENT

20.1 This Agreement shall not be assigned by the parties hereto, without the written consent of both the Contractor and the Authority, which consent shall not be unreasonably withheld or delayed.

SECTION 21 CONFIDENTIAL INFORMATION

21.1 Standard of Care. A Contractor acknowledges that it may receive or have access to EAA's "Confidential Information", as that term is defined below. Contractor will protect EAA's Confidential Information with the same degree of care as Contractor uses to avoid unauthorized use, disclosure, publication or dissemination of its own confidential information of a similar nature, but in no event, less than a reasonable degree of care. Contractor shall not disclose or otherwise make available EAA's Confidential Information to any third party without the prior written consent of EAA; provided, however, that Contractor may disclose the Confidential Information to its officers, employees, and Contractors who need access to the Confidential Information to perform their obligations to Contractor or EAA and who are themselves bound by nondisclosure obligations at least as restrictive as those set forth in this Article 21. Further, Contractor shall comply will all confidentiality-related guidelines, standards and law applicable to EAA. Contractor agrees to immediately notify EAA in the event Contractor becomes aware of any loss or unauthorized disclosure of EAA's Confidential Information. The provisions of this Article VI shall survive the termination or expiration of this Agreement.

21.2 Confidential Information "Confidential Information" means any information related to the business, personnel and operations of EAA obtained by Contractor, and may

include, but is not limited to, business affairs, data, manuals, financial and accounting data, data and information concerning students, contracts, intellectual property, proprietary information and other operational information. Confidential Information shall not include anything that Contractor can document: (i) was generally available to the public at the time it was received by Contractor, (ii) was known to Contractor, without restriction, at the time of disclosure, or (iii) was independently developed by Contractor without any use of the Confidential Information.

21.3 Return of Confidential Information. Upon expiration or termination of this Agreement, Contractor shall promptly return to EAA all Confidential Information of EAA and all copies, or at EAA's option, Contractor shall destroy the Confidential Information.

SECTION 22 AUDITS

22.1 General. Upon reasonable notice from EAA, Contractor shall provide EAA and its agents, regulators, accountants and inspectors access to, and any assistance and information that they may reasonably require with respect to the Services to, among other things, verify the security of EAA Confidential Information and examine Contractor's performance of the Services to enable EAA to confirm Contractor's compliance with this Agreement and applicable law.

22.2. Cooperation and Record Retention. Contractor agrees to maintain accurate books and records in connection with Contractor's performance of the Services. Unless returned to EAA, upon its written request, all such books and records (including, without limitation, all papers, correspondence, data, information, reports, records, receipts, and other sources of information relating to the Services and Fees paid to Contractor) will be held and preserved for the duration of this Agreement and for a period of six years after the expiration or termination of this Agreement. Contractor shall make such books and records available to EAA at EAA's request. Further, Contractor shall, and shall cause its agents, employees and Contractors to provide EAA with all assistance required to enable EAA to comply with applicable law and standards pertaining to the disclosure and confidentiality of such books and records.

SECTION 23 INDEMNIFICATION, DAMAGES, AND WARRANTIES

23.1 Indemnification. Contractor shall indemnify and hold harmless EAA and EAA's employees, agents, directors and officers against all liability arising out of, or resulting from any third party claim, suit, action or proceeding arising out of or resulting from (i) the failure of Contractor or any of its agents, employees or Contractors, to comply with the terms of this Agreement or any applicable law; or (ii) any injury, loss, claim or damages arising from the actions or omissions of Contractor or an agent, employee, director, officer or Contractor of Contractor.

23.2 Limitation of Liability; No Special Damages. Notwithstanding any other provision of this Agreement, EAA shall not be liable to the Contractor for any damages for loss of profits, loss of revenues, loss of goodwill, loss of anticipated savings, loss of data or cost of purchasing replacement services, or any indirect, incidental, special, consequential, exemplary or punitive damages arising out of the performance or failure to perform under this Agreement or any Service Order. Nothing in this Agreement shall be construed as a waiver of governmental immunity, where applicable. No such limitation upon Contractor's liability for damages shall exist unless expressly set forth in the Special Terms of the Service Order.

23.3 Disclaimer of Warranties. EXCEPT AS (1) EXPRESSLY SET FORTH IN THIS AGREEMENT, AND, (2) WITH RESPECT TO CONTRACTOR ONLY, AS SET FORTH IN THE SPECIAL TERMS OF A SERVICE ORDER, NEITHER EAA NOR CONTRACTOR MAKES ANY OTHER REPRESENTATION OR WARRANTY REGARDING THE SERVICES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE.

SECTION 24: DISPUTES

24.1 Informal Dispute Resolution. EAA and Contractor will attempt to settle any dispute through informal good faith negotiations. The EAA Transportation Manager will be the final authority in any dispute over which rate applies from the rates listed in Exhibit A. All other disputes will be escalated to appropriate senior level management of the parties, if necessary. If such managers are unable to resolve the dispute within ten business days of referral (or any other mutually agreed upon timeframe), the parties will undertake non-binding mediation as described below in a good faith attempt to resolve such dispute.

24.2 Mediation. There will be a single mediator. If the parties cannot agree upon an acceptable mediator within ten days of termination of the negotiations under Section 24.1 each party will select one mediator from a list of not less than five mediators provided by the other party. These two mediators will select a third mediator who will serve as the sole mediator. Subject to the availability of the mediator, the mediation will occur not more than thirty days after the request for mediation. The mediation process will continue until the dispute (or any part thereof) is resolved or until such time as the mediator makes a finding that there is no possibility of resolution short of referring the parties to final and binding arbitration. The mediation will be held in Detroit, Michigan, unless the mediator, on his or her own initiative, wishes to conduct any mediation proceeding by telephone, facsimile transmission or other means of communication. The cost of mediation, including the mediator's fees and expenses, will be shared equally by the parties. Each party will have the right to be represented by attorneys of their own choosing to advise them before and during the mediation process and their attorneys may review any settlement agreement, or other agreement, which the parties have reached through mediation, prior to the execution of such agreement. The parties agree that the mediator is acting in a neutral capacity and is not serving as an attorney, advocate, representative or fiduciary for either or both of them. Each party will pay its own attorney's fees and costs. In connection with the mediation process, the mediator may meet in confidential "caucus" sessions separately with each party. The mediator will be obligated to treat as confidential and refrain from disclosing to the other party or its counsel any information conveyed to the mediator during the caucus sessions unless the party conveying such information authorized the mediator to disclose it to the other party.

Section 24.3 Binding Arbitration. Should any dispute (or part thereof) remain between the parties after completion of the mediation process described in Section 24.2, such dispute will be submitted to final and binding arbitration in Detroit, Michigan under the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), except to the extent that the AAA Rules are contrary to the specific terms of this Section 24.3, provided, however, that at the election of EAA, the arbitration may be done privately and not under the auspices of the AAA,

although the AAA rules shall still otherwise govern except as herein stated. There will be three arbitrators. Each party will select one arbitrator. The two arbitrators selected by the parties will select a third arbitrator. At least one of the arbitrators will have at least five years of relevant experience. Each party may be represented by an attorney selected by the party. The costs of the arbitration, including the arbitrators' fees and expenses, will be shared equally by the parties. Each party will pay its own attorney's fees and costs; provided that, if the arbitrators find either party has acted in bad faith, the arbitrators will have discretion to award attorneys' fees to the other party. No party may raise new claims against the other party in the arbitration not raised during mediation. The arbitrators will have the power to resolve all disputes between the parties. The arbitrators will apply the law of the state of Michigan. The arbitrators will only interpret and apply the terms and provisions of the Agreement and will not change any such terms or provisions or deprive either party of any right or remedy expressly or impliedly provided for in the Agreement. The arbitrators will not have the power to award damages other than those described in the Agreement. The determination of a majority of the arbitrators will be conclusive upon the parties and will be non-appealable. At least thirty days before the arbitration is scheduled to commence, the parties will exchange lists of witnesses and copies of all exhibits intended to be used in arbitration. The parties will be entitled to limited discovery. A stenographic record of the proceedings will be kept, unless waived by both parties, at the equal expense of the parties. The arbitration will be completed within 120 days of the selection of the third arbitrator. The arbitrators will render a written decision, which contains findings of fact and conclusions of law, within thirty days of the conclusion of the arbitration and will specify a time within which the award will be performed. Judgment upon the award, including specific enforcement of the decision, will be entered in any court of proper jurisdiction. The parties have knowingly chosen arbitration as an alternative to proceedings in court and they specifically waive their rights to proceed by any means before a court otherwise having jurisdiction of any dispute between them, except to the extent necessary for injunctive relief or other equitable relief.

SECTION 25: SURVIVAL

25.1 Except as otherwise provided in this Agreement, the mutual obligations described in Compensation and Billing, Audits, Disputes, and Indemnification hereof and all provisions relating to the protection of confidential information shall survive the termination or expiration of the Agreement.

SECTION 26 STATUS OF CONTRACTOR

26.1 In the interpretation of this Agreement and the relations between Contractor and Authority, Contractor shall be construed as being an independent Contractor employed to provide transportation services only. Further, notwithstanding the provisions of Sections 15, 16 and 17, nothing contained in this Agreement shall be construed to deem this Agreement a joint or co-employer arrangement or to deem the Authority to have employer-like control over the Contractor's employees or agents. Neither Contractor nor any of its employees shall be held or deemed in any way to be an agent, employee or official of Authority. Contractor shall be responsible for, and hold Authority harmless from any liability for unemployment taxes or contributions, payroll taxes or other federal or state employment taxes.

SECTION 27: SEVERABILITY

27.1 In the event any provision specified herein is held or determined by a court of competent jurisdiction to be illegal, void or in contravention of any applicable law, the remainder of the Agreement shall remain in full force and effect.

SECTION 28: EXTENSION AND MODIFICATION

28.1 Contractor and Authority may extend or otherwise modify the terms of this Agreement in whole or in part as circumstances may justify by mutual written agreement executed by the duly authorized representatives of the parties.

SECTION 29: NOTICE TO PARTIES

29.1 All notices to be given by the parties to this Agreement shall be in writing and served by depositing same in the United States mail, postage prepaid, registered or certified mail.

Notices to Authority shall be addressed to:

Attention: Chancellor
Education Achievement Authority
3022 W. Grand Boulevard
Suite 14-652
Detroit, Michigan 48202

Notices to Contractor shall be addressed to:

Safeway Transportation, Inc.
13469 Conant
Detroit, MI 48212.

29.2 Authority or Contractor may change its address of record for receipt of official notice by giving the other written notice of such change and any necessary mailing instructions.

SECTION 30 GENERAL PROVISIONS

Section 30.1 Independent Contractor. The Services of Contractor shall be rendered as an independent Contractor. The relationship between EAA and the Contractor shall not be that of partners, agents, or joint venturers to one another, and nothing contained in this Agreement shall be deemed to constitute a partnership, agency or employment agreement between them for any purposes, including, without limitation, for federal income tax purposes. Contractor assumes full responsibility for the payment of wages, salaries, and other amount due to all persons engaged by Contractor in connection with the Services performed hereunder, and Contractor will be responsible for all taxes, including Social Security, unemployment and withholding taxes, with respect to such persons. No provision of this contract shall be for the benefit of any party other than the Contractor and the EAA.

Section 30.2 Tax Exempt Status. Contractor acknowledges that EAA is a tax-exempt entity. Contractor may not use any EAA facility for any unauthorized purpose and will not act in any way that might jeopardize EAA's tax-exempt status.

Section 30.3 Entire Agreement and Amendments. This Agreement (including the Service Orders and exhibits), together with the documents delivered pursuant hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, negotiations, representations, discussions and understandings between the parties. This Agreement may be amended only by a written instrument executed by each party.

Section 30.4 Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Michigan without giving effect to other conflicts of laws or principles thereof.

Section 30.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

Section 30.6 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto. No party to this Agreement may assign its rights under this Agreement to any other person without obtaining the written permission of the other parties in advance.

Section 30.7 No Third Party Beneficiaries. Nothing expressed or referred to in this Agreement is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or permitted assigns any legal or equitable right, remedy or claim under or in respect of this Agreement it being the intention of the parties that this Agreement and the transactions contemplated hereby shall be for the sole and exclusive benefit of such parties or such successors and permitted assigns.

Section 30.8 Expenses. Each party shall bear its own expenses incurred in connection with this Agreement and with the performance of its obligations hereunder.

Section 30.9 Emergencies. Each Service Provider must have a plan in place for the following emergencies:

- (a) Bomb Threats
- (b) Suicide Attempts
- (c) Robbery Attempts
- (d) Fire
- (e) Chemical Spills
- (f) Other emergencies as deemed appropriate

Section 30.10 Photo Identification Badge. The Contractor shall provide any individual assigned to EAA, a Contractor photo identification badge, which must be worn at all times while on EAA property. The Bus Contractor is required to pay for fingerprinting fees for personnel assigned to work in EAA schools. Upon completion of the service and prior to final payment of invoice, all employees shall turn in their photo identification badges to the Contractor.

Section 30.11 Further Assurances. Each party promptly shall cause to be taken, executed, acknowledged or delivered all such further acts, conveyances, documents and assurances as any other party from time to time reasonably may request in order to carry out and effectuate the intent and purposes of this Agreement.

[signatures on next page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives with effect from the day and year first above written.

EDUCATION ACHIEVEMENT AUTHORITY

By: _____
J. Wm. Covington, Ed.D.

Title: _____
Chancellor

Date: _____

SAFEWAY TRANSPORTATION, INC.

By: *Patricia Whitman*
Name of Person

Title: *President*
Title

Date: *7/11/12*

Resolution 2012-39

C

PUPIL TRANSPORTATION AGREEMENT

Between Education Achievement Authority and First Student Inc.

THIS AGREEMENT is made and entered into as of the first day of August 2012, by and between Education Achievement Authority with principal offices at 3022 West Grand Blvd., Suite 14-652, Detroit, MI 48202 (hereinafter called "Authority"), and First Student Inc. (hereinafter called "Contractor") with its business headquarters at 600 Vine Street Suite 1400, Cincinnati, Ohio 45202. This Pupil Transportation Services Agreement between Authority and First Student Inc. shall herein after be referred to as "Agreement" or "Contract".

WITNESSETH

WHEREAS, Authority has selected Contractor to provide the pupil transportation services described herein; and

WHEREAS, Contractor desires to provide such transportation services,

NOW, THEREFORE, in consideration of the covenants hereinafter contained, the parties agree as follows:

SECTION 1: TERM AND TERMINATION

1.1 The term of this Agreement shall commence August 1, 2012 and shall continue through July 31, 2015 and any extension thereof. Subject to the terms of the subsequent sentence of this paragraph, this Agreement upon approval of the parties may be extended for two (2) additional one year periods. The negotiation process for the extension including the negotiation of new economic terms shall occur on or before March 1st of the year in which the Agreement terminates or expires. For purposes of this Agreement the term "Contract Year" shall mean each one-year period commencing on August 1st, during the term of this Agreement and any extension thereof. In the event the Authority elects to offer contract extensions to any of its current bus transportation contractors, who shall have entered into an agreement with the Authority simultaneously with the execution of this Agreement and which agreement is still in effect as of the date that an extension is contemplated, an offer of contract extension shall be made to Contractor subject to the negotiation requirements of this Section 1.1. Nothing in this Agreement shall prevent the Authority from electing to issue a Request For Proposal or otherwise seek new bus transportation contractors in lieu of offers of contract extensions of this Agreement.

1.2 The Authority may terminate this Agreement hereunder without cause by providing at least 90 days' written notice of such termination to Contractor. Contractor shall be compensated for all services provided up to the effective date of termination.

1.3 The Contractor may terminate this Agreement hereunder without cause by providing at least 120 days' written notice of such termination to Authority. Contractor shall be compensated for all services provided up to the effective date of termination.

SECTION 2: SCOPE OF SERVICES REQUIRED

2.1 Contractor shall, during the term of this Agreement supply, operate and maintain such school buses (in quantity and capacity) and personnel as are required to fulfill Authority's needs for transportation services as described herein and in accordance with Exhibit A and the following schedules:

(a) Contractor agrees to operate a portion of the Authority's daily service for its Detroit city student transportation routes for the term of this Agreement. This is to include regular education and special needs transportation services. The Authority intends to utilize at least two Contractors, with no Contractor receiving less than 25% of the allocation. The Authority will allocate its transportation business across those Contractors generally on a school-by-school basis and upon the Authority's desired service parameters and objectives.

(b) Contractor agrees to provide the transportation for Summer School Services for the term of this Agreement within the same allocation methodology referenced for the daily service. The Authority, however, reserves the right to decide if there is to be Summer School at Authority. If Authority decides, in a given year during the term of this Agreement, that it will NOT provide Summer School Services, Authority will be under no obligation to Contractor for transportation or payment for that Summer School period;

2.2 When a school assigned to the Contractor requires transportation for an athletic event, the Contractor who provides the majority of school bus route service to the school requesting the field trip shall provide services for that athletic trip. The Authority reserves the right to assign trips to other Contractors at its sole discretion and such engagement shall not be a violation of this Agreement.

2.3 When a school assigned to the Contractor requires transportation for a field trip, the Contractor who provides the majority of school bus route service to the school requesting the field trip shall provide services for that field trip. The Authority reserves the right to assign trips to other Contractors at its sole discretion and such engagement shall not be a violation of this Agreement.

2.4 Documents are defined as this Agreement and the Exhibits to this Agreement.

2.5 Authority and Contractor will consult on a regular basis concerning the transportation requirements of Authority. In the event of increases or decreases in the number of routes required, the number of buses and the number of spare buses will be adjusted accordingly.

SECTION 3: COMPENSATION AND BILLING

3.1 In consideration for services rendered hereunder, Authority shall pay to Contractor all sums due and owing and calculated in accordance with the rates set forth in Exhibit A, as may be adjusted from time to time by mutual agreement of the parties and evidenced in

writing as provided herein. The Contractor will submit invoices of amounts owed on a monthly basis for its services rendered the previous month. Authority shall pay the amount due to Contractor on or before the 45th day following the date on which the statement has been submitted by mail or email to the designated billing address.

3.2 In the event the Authority fails to pay an invoice in full after ninety (60) days after submission of such invoice the Authority shall be in default under this provision. At the end of such ninety (60) day payment period the Contractor may terminate this Agreement by providing notice as follows: within five (5) business days following the last day of the ninety (60) day default period following submission of any invoice, the Contractor shall give the Authority thirty (30) days' written notice of default as to that invoice and the opportunity to remedy the default in payment. If at the end of such thirty (30) day default notice period if the Authority has not remedied the purported default, within five (5) business days following the last day of the thirty (30) day default notice period, the Contractor shall give the Authority fifteen (15) days' notice of termination, which termination will occur at Contractor's discretion. Failure of the Contractor to provide notice within these timelines does not waive the Contractor's right to terminate this agreement in accordance with this Section, provided, however, that the Contractor provides the applicable notices and cure periods under this Section in order to proceed to a default and terminate the Agreement in accordance with this Section of the Agreement. In addition to compensation described in Section 3.1, in the event Contractor is charged to store buses used for service under this Agreement at locations currently leased to Contractor by the Detroit Public Schools, Authority shall pay to Contractor a monthly fee of Two Thousand Dollars (\$2,000.00). Contractor shall add this amount to its monthly invoices and Authority shall pay said amount as described in Section 3.1.

SECTION 4: COMPENSATION AND BILLING --BANKRUPTCY PROCEEDINGS

4.1 In the event of filing by or against the Authority for protection under the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code") or similar state law insolvency statutes, the following terms apply:

(a) Authority acknowledges that continuation of the services to be provided by Contractor pursuant to this Agreement would be essential to the Authority's reorganization, therefore Authority agrees to seek critical Contractor status for Contractor within thirty (30) days of the filing of any petition for relief under the Bankruptcy Code or similar state law insolvency statutes and to seek permission to pay Contractor all outstanding pre-petition amounts in full due to its status as a critical Contractor.

(b) Authority agrees to pay all documented and earned post-petition expenses in full pursuant to the terms and conditions set forth in this Agreement for so long as this Agreement is in effect.

SECTION 5: ESCALATION

5.1 In the event that the Authority makes significant changes in the scope of services or other conditions under which the services are to be provided (for example, changing from a

five day week to a four day week) during the term of this Agreement causing the Contractor's costs to increase, the Contractor and Authority shall negotiate in good faith concerning price modifications applicable to cover such changed costs. If either party fails to engage in good faith negotiations, the non-compliant party will be in default of this Agreement and the other party may terminate this Agreement within sixty (60) days written notice.

SECTION 6: FUEL

6.1 Contractor shall purchase at its own cost, inclusive of all fuel taxes, all fuel required for the operation of buses hereunder.

SECTION 7: ROUTES AND SCHEDULES

7.1 Authority shall designate a representative (hereafter Transportation System Manager) that shall be primarily responsible for planning all routes, stops and schedules; provided, however, that the Authority shall have final and ultimate authority for planning all routes, stops and schedules. Contractor agrees to work in cooperation with the Authority, or its designee to establish the most advantageous routing plan for the safety of students within the guidelines provided for in this Contract and the Authority's policies.

7.2 Authority shall furnish a tentative database of all students' names, addresses, school of attendance, programs, and any special requirements for Special Education students for approximately 90% of all students to be transported by the Contractor by approximately August 15th of each contract year. The Authority will provide weekly updates. A final list must be submitted to the Authority's designee five (5) days prior to the start of school. Contractor shall make a reasonable effort to adjust its operations to incorporate students not included in the final list within five (5) calendar days.

7.3 Authority and its designee shall establish the routes and schedules to be followed and make changes therein from time to time and consult when possible with Contractor on any proposed changes prior to making any route changes. Contractor shall make a reasonable effort to adjust its operations to incorporate such changes following the third (3rd) business day after notice is received from Authority or its designee. In the event Authority or its designee changes routes or schedules once service has begun or been published, Authority or its designee will assist in republication of changes or other notification to those patrons whose service has been changed. Contractor shall consult with Authority and its designee as to stops or portions of routes that Contractor considers to be a safety concern due to traffic patterns or configurations.

7.4 Contractor shall ensure that its vehicles are equipped with GPS and that the Contractor has the ability to monitor its vehicles' activity on a real time bases, and be responsive to Authority and its Transportation System Manager's reasonable information requests.

7.5 Bus Run "Tiering" – It is the Authority's objective to establish school bell times and set pupil transportation policies in a manner that allows a majority of buses to perform two bus runs each morning and two bus runs in the afternoon during the "prime time" school start and school end periods. For example a bus might serve a school at 7:30, then a second school at 8:30; this is a double tiered bus. If a bus performs three bus runs in either the morning or

afternoon, for example if Authority added a school or a program at 9:15, and Contractor shall bill Authority as described in example below. Buses that regularly perform two runs during the morning or afternoon are double-tiered, and will be priced at a double tier rate, rather than two single rates. Buses that perform a morning or afternoon prime-time regular education run plus a special needs run will be priced at a double tier rate. If an imbalance of runs occur between the morning and afternoon routes for a bus, the Contractor will be compensated the appropriate rate for each portion of the day. For example, if a bus has two runs (2) in the morning and one (1) run in the afternoon, the Contractor shall charge half the Per Bus Per Day rate for a Double Tiered Route Bus for the morning run and half the Per Bus Per Day rate for a Single Tiered Route Bus for the afternoon run. Monitor charges are separate. The Contractor and System Manager will collaborate to the extent possible to schedule service and package bus runs to achieve the highest number of double and triple tiered buses.

7.6 The Authority may add work to any tier where time is available to perform said work prior to the next tier provided the Authority and Contractor agree on the appropriate compensation for said work.

SECTION 8: REPORTS

8.1 Reports Contractor shall maintain such records and submit such reports, as are deemed necessary by the Authority and as negotiated between Contractor and Authority from time to time. All reports required by Authority shall be submitted in a format acceptable to the Authority. Contractor will not be responsible for filing on behalf of Authority any state or regulatory reports concerning ridership or reimbursement.

SECTION 9 RECORD INSPECTIONS AND RETENTION

9.1 General. Upon reasonable notice from Authority, Contractor shall provide Authority and its agents, regulators, accountants and inspectors access to, and any assistance and information that they may reasonably require with respect to the Services to, among other things, verify the security of Authority Confidential Information and examine Contractor's performance of the Services to enable Authority to confirm Contractor's compliance with this Agreement and applicable law.

9.2 Cooperation and Record Retention. Contractor agrees to maintain accurate books and records in connection with Contractor's performance of the Services. Unless returned to Authority, upon its written request, all such books and records (including, without limitation, all papers, correspondence, data, information, reports, records, receipts, and other sources of information relating to the Services and Fees paid to Contractor) will be held and preserved for the duration of this Agreement and for a period of six years after the expiration or termination of this Agreement. Contractor shall make such books and records available to at Authority's request. Further, Contractor shall, and shall cause its agents, employees and Contractors to provide Authority with all assistance required to enable Authority to comply with applicable law and standards pertaining to the disclosure and confidentiality of such books and records.

SECTION 10: INSURANCE

10.1 Contractor shall, at its expense, procure and keep in force during the entire term of this Agreement for claims arising under this Agreement, General Liability and Automobile Liability Insurance to protect Contractor, its drivers and other personnel. Contractor shall provide General Liability limits of not less than \$10,000,000 for each occurrence and aggregate covering all bodily injury and property damage; \$10,000,000 Personal Injury for each occurrence and aggregate; and Automobile Liability limits of not less than \$10,000,000 combined single limit for bodily injury and damage to property for all owned, hired and non-owned autos. Contractor shall a/so maintain uninsured/underinsured motorist coverage and medical payments coverage to the extent required by law. Contractor agrees to provide to Authority a certificate of insurance evidencing such coverage and designating Authority as an additional insured as its interest may appear for both the General and Automobile Liability programs; such certificate to be provided by July 1st of each contract year, or on renewal of such policies. All insurance policies shall provide that no coverage shall be canceled except by thirty (30) days' prior written notice to Contractor and Authority. Contractor shall provide Authority with a certificate of insurance as evidence of having statutory workers' compensation coverage at levels and in forms required by the laws in which Contractor shall operate for this Agreement. The certificate of insurance shall be endorsed to name the Authority, their directors, officers, representatives, agents and employees as additional insured with respect to the Contractors performance of this contract.

SECTION 11: FORCE MAJEURE

11.1 In the event Contractor is unable to provide the transportation services, as specified in this Agreement because of any act of God, civil disturbance, fire, riot, war, terrorism, picketing, strike, labor dispute, labor shortages, governmental action or any other condition or cause beyond Contractor's control, Authority shall excuse Contractor and Contractor shall excuse Authority from performance under this Agreement including any claims for liquidated damages.

SECTION 12: SCHOOL CLOSINGS OR CHANGES IN SCHEDULE

12.1 Whenever (a) inclement weather or impassability of roads occurs, (b) school is canceled or delayed, (c) the school day is scheduled for other than regular start or end times, or (d) school is dismissed early for any reason, Authority shall notify Contractor not later than 6:00 a.m. on the day of such cancellation or delay or not later than two (2) hours before early dismissal and one (1) hour prior to the cancellation of supplemental transportation. If Authority does not notify Contractor by 6:00 a.m. or time required for supplemental transportation, Authority shall pay Contractor \$50 for each person who reported for work for each assignment provided the Contractor provides documentation suitable to Authority to verify the expense.

12.2 Notwithstanding the foregoing, in the event of circumstances in the operation of any school which necessitate early dismissal for student health or safety reasons, the Contractor and Authority shall cooperate to facilitate orderly transportation of students in the most efficient manner possible in light of the circumstances presented, without additional cost or charge to Authority, except as agreed to by the parties in writing.

SECTION 13: SAFETY PROGRAM

13.1 Contractor shall be responsible for implementing, maintaining, and reviewing annually a comprehensive pupil transportation safety program.

13.2 Contractor's employees shall not be required to perform any medical functions for passengers, except to the extent required by law.

SECTION 14: MANAGEMENT PERSONNEL

14.1 Contractor shall employ management personnel who shall be responsible for the efficient operation of the transportation services furnished hereunder and who shall be Contractor's liaison to Authority. Contractor will designate a crisis management contact person for emergency contact with Authority prior to the start of the school year. Contractor shall inform Authority of the name(s), contact telephone number(s) and addressees) of such management personnel.

14.2 Authority shall employ management personnel who shall be responsible for Coordination of the student transportation requirements of Authority to be furnished under this Agreement and who shall be Authority's liaison to Contractor. Authority will designate a crisis management contact person for emergency contact with Contractor prior to the start of the school year. Authority shall inform Contractor of the name(s), contact telephone number(s) and addressees) of such management personnel.

SECTION 15: OPERATIONS PERSONNEL & DRIVERS

15.1 Contractor shall employ a sufficient number of qualified drivers, bus monitors and support personnel to assure Authority of continuous, reliable, safe, and on time service.

15.2 Contractor shall take reasonable steps to prevent its employees from exposing any pupil to impropriety of word or conduct. Contractor shall not permit its drivers to smoke on the bus, to drink any intoxicating beverage, or to be under the influence of drugs or alcohol while operating any bus.

15.3 Contractor shall be responsible for hiring and discharging personnel employed by Contractor to perform its obligations hereunder; provided, however, that Authority shall have the right to request Contractor to remove from service to the Authority any employee who, in Authority's sole discretion, is deemed unsuitable for the performance of transportation services for Authority; and provided, further, that Authority shall make such request in writing provided that such request does not violate applicable laws against discrimination.

15.4 Contractor shall provide qualified driver/trainers and qualified drivers, trained and licensed in accordance applicable laws and the rules and regulations of Authority. Not less than sixty (60) days prior to the start of any school year, Authority shall advise Contractor of Authority's requirements for training or qualification for drivers or driver/trainers. Contractor will, to the extent such requirements do not conflict with state or federal laws, implement such requirements into its hiring and training programs for drivers servicing Authority's students.

Contractor agrees that each driver shall:

15.4.1 Possess a valid license or permit issued by this State authorizing such person to operate a school bus.

15.4.2 Be certified by a duly licensed medical practitioner as medically qualified and free of medical or physical conditions, which, absent reasonable accommodation, would limit safe operation of a school bus. The physical examination shall be conducted prior to employment and periodically thereafter.

15.4.3 Possess a satisfactory driving record and criminal history record, after review of such records prior to employment and periodically thereafter to the extent permitted or available by law.

15.4.4 Prior to employment and from time-to-time thereafter, to the extent permitted by law, undergo such tests as may reveal, within a reasonable degree of medical or scientific certainty, the presence or absence of drugs or controlled substances in the body and such tests as may clinically reveal alcoholism, alcohol abuse or other drug abuse. Negative findings for such tests shall be a condition of employment.

15.4.5 Meet any other criteria required by law or by Authority's policies, rules or regulations, including but not limited to the requirement for criminal background checks.

15.5 Bus Monitors. Contractor shall provide qualified and trained bus monitors in accordance applicable laws, rules and regulations of the Authority. Bus Monitors must undergo the same criminal background checks and drug testing as required for drivers which includes random drug testing.

15.6 Bus monitors shall be trained to perform the following duties:

15.6.1 Exit the bus at curbside to assist students in loading and unloading; assist students crossing the street.

15.6.2 Help maintain order loading and unloading students at school.

15.6.3 Ensure that IEP transportation instructions are followed.

15.6.4 Work with the bus driver as a team to maintain discipline and ensure a safe environment on the bus; record and report all inappropriate behavior, injuries, accidents, and incidents involving students.

15.6.5 Sit at the back of the bus or behind all students on the bus.

15.6.6 Maintain a current roster with each student's name, address, phone number, and alternate address.

15.7.7 Be familiar with Authority's transportation policies and procedures.

15.7.8 Assist students with activities that some students may not be able to do for themselves, such as fastening seat belts, securing wheel chairs, and any other special devices.

15.7.9 Assist driver and students in the conduct of all emergency evacuation drills.

SECTION 16: TRAINING REQUIREMENTS

16.1 Contractor shall provide thorough instruction to drivers and bus monitors in compliance with federal state, local and Authority regulations.

16.2 Prior to the start of the school year, Contractor will provide time at one of its employee orientation sessions so that Authority administrators may address drivers, bus monitors and other personnel assigned to work under this Agreement on matters relating to the expectations for student conduct and to familiarize staff with members of the school administration and/or Authority requirements. Authority at its sole discretion may have the Contractor provide training regarding the above mentioned items. Such orientation will be at a time and place mutually agreed upon by Contractor and Authority. Authority may distribute materials to drivers and other staff at meetings. All training expenses are to be paid by the contractor.

SECTION 17: EQUIPMENT

17.1 Contractor shall provide the fleet necessary to operate this contract at the Contractors expense. The fleet shall include all equipment and devices required to transport a diverse Special Education population. Contractor shall maintain an average fleet age of no more than ten (10) years. In lieu of the 10 year average, the Authority may inspect Contractor's buses to determine whether the buses meet the Authority's safety requirements. Contractor shall not use a vehicle that is older than thirteen (13) years to fulfill its contractual requirements. Contractor shall provide for and ensure, at its sole cost and expense, regular upkeep, maintenance, replacement, repair, cleanliness, and appearance of its buses and vehicles, in accordance law and accepted industry safety and maintenance standards. Contractor shall have or establish a maintenance system with preventative maintenance scheduling and Inspections. Contractor shall, upon request by Authority, provide Authority with reports summarizing Contractor's current maintenance program and repairs to its buses and, upon ten (10) business days' notice, and during Contractor's normal business hours, Contractor shall make its full maintenance and repair reports available for inspection by Authority.

17.2 Contractor shall equip all buses with fully operational global positioning satellite (GPS) receivers, electronic vehicle inspection record systems (EVIR), Child Check Mate and Theft Mate safety devices, and Crossing Arms. Contractor will allow Authority access to the GPS system for monitoring purposes. Contractor will provide various vehicle reports generated through the use of the GPS system.

17.3 The Contractor shall equip every school bus, including spares, used to fulfill this Contract with a fully operational two-way radio communication system capable of reliably

maintaining contact with any bus anywhere on the Authority routes. The Contractor shall provide and maintain the radios, adequate radio frequency, and other necessary radio equipment.

17.4 The Contractor may utilize a single bus to service multiple school districts – including Detroit Public Schools – in-so-long as the scheduling of such does not interfere with the transportation needs of the Authority. Buses serving the Authority may not be marked with any other school district's name.

SECTION 18: VIDEO CAMERAS

18.1 Contractor will provide a two camera digital recording system.

18.2 Contractor shall retain ownership of the video monitoring equipment and will be responsible for supplying all digital media, repair, and replacement of the equipment. In addition, Contractor will develop and update as necessary guidelines and procedures for handling, reviewing and disclosure of digital recordings or other digital media and the information they may contain. Such guidelines and procedures will be designed to enable the Authority to meet its internal policies and guidelines as well as any requirements of law.

SECTION 19: PUPIL DISCIPLINE AND VANDALISM

19.1 The ultimate responsibility and authority to suspend or expel any pupil from transportation services hereunder shall rest with Authority: provided, however, that Authority will consult with Contractor in arriving at its decision. Contractor's drivers are responsible only for such discipline as is required to properly and safely operate Contractor's buses. Each driver shall handle all disciplinary matters in strict accordance with Authority policy. In no case will a driver eject a pupil from a bus for misbehavior except in the event of an extreme emergency endangering the safety of other pupils and then only after radio notice to Contractor's terminal and to the pupil's building or school principal. In all cases of disciplinary ejection, the bus shall remain at the approximate area of student discharge until authorities arrive on site and authorize it to proceed on route. All discipline problems shall be reported in writing as soon as possible and in no event later than the next school day following completion of the route. The Authority and the Contractor will, in the event the Contractor determines that a pupil poses a danger to himself/herself or other passengers cooperate to provide a safe transportation environment prior to the Contractor being required to transport such pupil. Further procedures and regulations for the administration of discipline shall be established by the Authority with input from the Contractor.

19.2 Vandalism, damage to Contractor's equipment or facilities shall be the responsibility of Contractor. Authority shall give Contractor reasonable assistance in obtaining restitution for damaged equipment or facilities where damage is determined to be caused by Authority students or personnel. Contractor may, with the written concurrence by Authority, refuse to provide a pupil with transportation services until vandalism damages caused by such pupil are paid.

SECTION 20: ASSIGNMENT

20.1 This Agreement shall not be assigned by the parties hereto, without the written

consent of both the Contractor and the Authority, which consent shall not be unreasonably withheld or delayed.

SECTION 21 CONFIDENTIAL INFORMATION

21.1 Standard of Care. A Contractor acknowledges that it may receive or have access to Authority's "Confidential Information", as that term is defined below. Contractor will protect Authority's Confidential Information with the same degree of care as Contractor uses to avoid unauthorized use, disclosure, publication or dissemination of its own confidential information of a similar nature, but in no event, less than a reasonable degree of care. Contractor shall not disclose or otherwise make available Authority's Confidential Information to any third party without the prior written consent of Authority; provided, however, that Contractor may disclose the Confidential Information to its officers, employees, and Contractors who need access to the Confidential Information to perform their obligations to Contractor or Authority and who are themselves bound by nondisclosure obligations at least as restrictive as those set forth in this Article 21. Further, Contractor shall comply with all confidentiality-related guidelines, standards and law applicable to Authority. Contractor agrees to immediately notify Authority in the event Contractor becomes aware of any loss or unauthorized disclosure of Authority's Confidential Information. The provisions of this Article VI shall survive the termination or expiration of this Agreement.

21.2 Confidential Information "Confidential Information" means any information related to the business, personnel and operations of Authority obtained by Contractor, and may include, but is not limited to, business affairs, data, manuals, financial and accounting data, data and educational records concerning students, contracts, intellectual property, proprietary information and other operational information. Confidential Information shall not include anything that Contractor can document: (i) was generally available to the public at the time it was received by Contractor, (ii) was known to Contractor, without restriction, at the time of disclosure, or (iii) was independently developed by Contractor without any use of the Confidential Information.

21.3 Return of Confidential Information. Upon expiration or termination of this Agreement, Contractor shall promptly return to Authority all Confidential Information of Authority and all copies, or at Authority's option, Contractor shall destroy the Confidential Information.

SECTION 22 AUDITS

22.1 General. Upon reasonable notice from Authority, Contractor shall provide Authority and its agents, regulators, accountants and inspectors access to, and any assistance and information that they may reasonably require with respect to the Services to, among other things, verify the security of Authority Confidential Information and examine Contractor's performance of the Services to enable Authority to confirm Contractor's compliance with this Agreement and applicable law.

22.2. Cooperation and Record Retention. Contractor agrees to maintain accurate books and records in connection with Contractor's performance of the Services. Unless returned to Authority, upon its written request, all such books and records (including, without limitation, all papers, correspondence, data, information, reports, records, receipts, and other sources of

information relating to the Services and Fees paid to Contractor) will be held and preserved for the duration of this Agreement and for a period of six years after the expiration or termination of this Agreement. Contractor shall make such books and records available to Authority at Authority's request. Further, Contractor shall, and shall cause its agents, employees and Contractors to provide Authority with all assistance required to enable Authority to comply with applicable law and standards pertaining to the disclosure and confidentiality of such books and records.

SECTION 23 INDEMNIFICATION, DAMAGES, AND WARRANTIES

23.1 Indemnification. Contractor shall indemnify and hold harmless Authority and Authority's employees, agents, directors and officers against all liability arising out of, or resulting from any third party claim, suit, action or proceeding arising out of or resulting from (i) the failure of Contractor or any of its agents, employees or Contractors, to comply with the terms of this Agreement or any applicable law; or (ii) any injury, loss, claim or damages arising from the actions or omissions of Contractor or an agent, employee, director, officer or Contractor of Contractor except to the extent that such claim or demand arises from or is caused by the negligence or willful misconduct of Authority, its agents or employees .

To the extent permitted by law, Authority agrees to indemnify, hold harmless and defend Contractor, its directors, officers, employees and agents from and against every claim or demand which may be made by any person, firm, or corporation, or any other entity arising from or caused by any act of neglect, default or omission of Authority in the performance of this Agreement, except to the extent that such claim or demand arises from or is caused by the negligence or willful misconduct of Contractor, its agents or employees.

23.2 Limitation of Liability; No Special Damages. Notwithstanding any other provision of this Agreement, EAA shall not be liable to the Contractor for any damages for loss of profits, loss of revenues, loss of goodwill, loss of anticipated savings, loss of data or cost of purchasing replacement services, or any indirect, incidental, special, consequential, exemplary or punitive damages arising out of the performance or failure to perform under this Agreement or any Service Order. Nothing in this Agreement shall be construed as a waiver of governmental immunity, where applicable. No such limitation upon Contractor's liability for damages shall exist unless expressly set forth in the Special Terms of the Service Order.

23.3 Disclaimer of Warranties. EXCEPT AS (1) EXPRESSLY SET FORTH IN THIS AGREEMENT, AND, (2) WITH RESPECT TO CONTRACTOR ONLY, AS SET FORTH IN THE SPECIAL TERMS OF A SERVICE ORDER, NEITHER AUTHORITY NOR CONTRACTOR MAKES ANY OTHER REPRESENTATION OR WARRANTY REGARDING THE SERVICES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE.

SECTION 24: DISPUTES

24.1 Informal Dispute Resolution. Authority and Contractor will attempt to settle any dispute through informal good faith negotiations. All disputes will be escalated to appropriate senior level management of the parties, if necessary. If such managers are unable to resolve the dispute within ten business days of referral (or any other mutually agreed upon timeframe), the parties will undertake non-binding mediation as described below in a good faith attempt to resolve such dispute.

24.2 Mediation. There will be a single mediator. If the parties cannot agree upon an acceptable mediator within ten days of termination of the negotiations under Section 24.1 each party will select one mediator from a list of not less than five mediators provided by the other party. These two mediators will select a third mediator who will serve as the sole mediator. Subject to the availability of the mediator, the mediation will occur not more than thirty days after the request for mediation. The mediation process will continue until the dispute (or any part thereof) is resolved or until such time as the mediator makes a finding that there is no possibility of resolution short of referring the parties to final and binding arbitration. The mediation will be held in Detroit, Michigan, unless the mediator, on his or her own initiative, wishes to conduct any mediation proceeding by telephone, facsimile transmission or other means of communication. The cost of mediation, including the mediator's fees and expenses, will be shared equally by the parties. Each party will have the right to be represented by attorneys of their own choosing to advise them before and during the mediation process and their attorneys may review any settlement agreement, or other agreement, which the parties have reached through mediation, prior to the execution of such agreement. The parties agree that the mediator is acting in a neutral capacity and is not serving as an attorney, advocate, representative or fiduciary for either or both of them. Each party will pay its own attorney's fees and costs. In connection with the mediation process, the mediator may meet in confidential "caucus" sessions separately with each party. The mediator will be obligated to treat as confidential and refrain from disclosing to the other party or its counsel any information conveyed to the mediator during the caucus sessions unless the party conveying such information authorized the mediator to disclose it to the other party.

SECTION 25: SURVIVAL

25.1 Except as otherwise provided in this Agreement, the mutual obligations described in Compensation and Billing, Audits, Disputes, and Indemnification hereof and all provisions relating to the protection of confidential information shall survive the termination or expiration of the Agreement.

SECTION 26 STATUS OF CONTRACTOR

26.1 In the interpretation of this Agreement and the relations between Contractor and Authority, Contractor shall be construed as being an independent Contractor employed to provide transportation services only. Further, notwithstanding the provisions of Sections 15, 16 and 17, nothing contained in this Agreement shall be construed to deem this Agreement a joint or co-employer arrangement or to deem the Authority to have employer-like control over the Contractor's employees or agents. Neither Contractor nor any of its employees shall be held or deemed in any way to be an agent, employee or official of Authority. Contractor shall be responsible for, and hold Authority harmless from any liability for unemployment taxes or

contributions, payroll taxes or other federal or state employment taxes.

SECTION 27: SEVERABILITY

27.1 In the event any provision specified herein is held or determined by a court of competent jurisdiction to be illegal, void or in contravention of any applicable law, the remainder of the Agreement shall remain in full force and effect.

SECTION 28: EXTENSION AND MODIFICATION

28.1 Contractor and Authority may extend or otherwise modify the terms of this Agreement in whole or in part as circumstances may justify by mutual written agreement executed by the duly authorized representatives of the parties.

SECTION 29: NOTICE TO PARTIES

29.1 All notices to be given by the parties to this Agreement shall be in writing and served by depositing same in the United States mail, postage prepaid, registered or certified mail.

Notices to Authority shall be addressed to:

Attention: Chancellor
Education Achievement Authority
3022 W. Grand Boulevard
Suite 14-652
Detroit, Michigan 48202

Notices to Contractor shall be addressed to:

Attention:
First Student Inc.
600 Vine Street, Suite 1400
Cincinnati, OH 45202

With copy to:

First Student, Inc.
Office of the General Counsel
600 Vine Street, Suite 1400
Cincinnati, OH 45202

29.2 Authority or Contractor may change its address of record for receipt of official notice by giving the other written notice of such change and any necessary mailing instructions.

SECTION 30 GENERAL PROVISIONS

Section 30.1 Independent Contractor. The Services of Contractor shall be rendered as an independent Contractor. The relationship between Authority and the Contractor shall not be that of partners, agents, or joint venturers to one another, and nothing contained in this Agreement shall be deemed to constitute a partnership, agency or employment agreement between them for any purposes, including, without limitation, for federal income tax purposes. Contractor assumes full responsibility for the payment of wages, salaries, and other amount due to all persons engaged by Contractor in connection with the Services performed hereunder, and Contractor will be responsible for all taxes, including Social Security, unemployment and withholding taxes, with respect to such persons. No provision of this contract shall be for the benefit of any party other than the Contractor and the Authority.

Section 30.2 Tax Exempt Status. Contractor acknowledges that Authority is a tax-exempt entity. Contractor may not use any Authority facility for any unauthorized purpose and will not act in any way that might jeopardize Authority's tax-exempt status.

Section 30.3 Entire Agreement and Amendments. This Agreement (including the Service Orders and exhibits), together with the documents delivered pursuant hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, negotiations, representations, discussions and understandings between the parties. This Agreement may be amended only by a written instrument executed by each party.

Section 30.4 Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Michigan without giving effect to other conflicts of laws or principles thereof.

Section 30.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

Section 30.6 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto. No party to this Agreement may assign its rights under this Agreement to any other person without obtaining the written permission of the other parties in advance.

Section 30.7 No Third Party Beneficiaries. Nothing expressed or referred to in this Agreement is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or permitted assigns any legal or equitable right, remedy or claim under or in respect of this Agreement it being the intention of the parties that this Agreement and the transactions contemplated hereby shall be for the sole and exclusive benefit of such parties or such successors and permitted assigns.

Section 30.8 Expenses. Each party shall bear its own expenses incurred in connection with this Agreement and with the performance of its obligations hereunder.

Section 30.9 Emergencies. Each party must have a plan in place for the following emergencies:

- (a) Bomb Threats

- (b) Suicide Attempts
- (c) Robbery Attempts
- (d) Fire
- (e) Chemical Spills
- (f) Other emergencies as deemed appropriate

Section 30.10 Photo Identification Badge. The Contractor shall provide any individual assigned to Authority, a Contractor photo identification badge, which must be worn at all times while on Authority property. The Bus Contractor is required to pay for fingerprinting fees for personnel assigned to work in Authority schools. Upon completion of the service and prior to final payment of invoice, all employees shall turn in their photo identification badges to the Contractor.

Section 30.11 Further Assurances. Each party promptly shall cause to be taken, executed, acknowledged or delivered all such further acts, conveyances, documents and assurances as any other party from time to time reasonably may request in order to carry out and effectuate the intent and purposes of this Agreement.

[signatures on next page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives with effect from the day and year first above written.

EDUCATION ACHIEVEMENT AUTHORITY

By: _____
J. Wm. Covington, Ed.D.

Title: _____
Chancellor

Date: _____

FIRST STUDENT INC.

By: _____
Name of Person

Title: _____
Title

Date: _____

Resolution 2012-39

D

PUPIL TRANSPORTATION AGREEMENT

Between Education Achievement Authority and Checker Cab Company

THIS AGREEMENT is made and entered into as of the _____ day of July, 2012 by and between Education Achievement Authority of the State of Michigan with principal offices at 3022 West Grand Blvd., Suite 14-652, Detroit, MI 48202 (hereinafter called the "EAA" or "Authority"), and SW Transport Co., LLC d/b/a Checker Cab Company, hereinafter called "Contractor", with its business headquarters at 2128 Trumbull, Detroit, MI 48216. This Pupil Transportation Services Agreement between EAA and Checker Cab Company shall herein after be referred to as "Agreement" or "Contract".

WITNESSETH

WHEREAS, Authority has selected Contractor to provide the pupil transportation services described herein; and

WHEREAS, Contractor desires to provide such transportation services,

NOW, THEREFORE, in consideration of the covenants hereinafter contained, the parties agree as follows:

SECTION 1: TERM AND TERMINATION

1.1 The term of this Agreement shall commence August 15, 2012 and shall continue through August 14, 2015 and any extension thereof. Subject to the terms of the subsequent sentence of this paragraph, this Agreement upon approval of the parties may be extended for two (2) additional year periods. The negotiation process for the extension including the negotiation of new economic terms shall occur on or before March 1st of the year in which the Agreement terminates or expires. For purposes of this Agreement the term "Contract Year" shall mean each one-year period commencing on August 1st, during the term of this Agreement and any extension thereof. In the event the Authority elects to offer contract extensions to any of its current bus transportation contractors, who shall have entered into agreement with the Authority, simultaneously with the execution of this Agreement which agreement is still in effect as of the date that an extension is contemplated, an offer of contract extension shall be made to Contractor subject to the negotiation requirements of this Section 1.1. Nothing in this Agreement shall prevent the Authority from electing to issue a Request for Proposal or otherwise seek new bus transportation contractors in lieu of offers of contract extensions of this Agreement.

1.2 EAA may terminate this Agreement hereunder without cause by providing at least 90 days' written notice of such termination to Contractor. Contractor shall be compensated for all services provided up to the effective date of termination.

1.3 This Agreement may be terminated immediately by a party upon the commission of an illegal act, unethical practice, or violation of public policy, including theft or embezzlement, by the other party or as otherwise provided in this Agreement.

SECTION 2: SCOPE OF SERVICES REQUIRED (Taxi Cab Specific)

2.1 Contractor shall, during the term of this Agreement supply, operate and maintain or cause to be supplied, operated and maintained such taxi-cabs (in quantity and capacity) and personnel as are required to fulfill Authority's needs for transportation services as described in the EAA Transportation Program Specifications in accordance with the following schedules:

2.2 Contractor agrees to operate or cause to be operated a portion of the Authority's daily service for its Detroit city student taxi-cab routes for the term of this Agreement. This is to include special needs transportation, homeless (McKinney-Vento Act) transportation, and some regular education transportation services. The Authority intends to utilize at least two Contractors. The Authority will allocate its transportation business across those Contractors generally on a case by case basis and upon the Authority's desired service parameters and objectives. THERE IS NO MINIMUM AMOUNT OF ROUTES GUARANTEED.

2.3 Contractor agrees to provide the transportation for Summer School Services for the term of this Agreement within the same allocation methodology referenced for the daily service. The Authority, however, reserves the right to decide if there is to be Summer School at EAA. If Authority decides, in a given year during the term of this Agreement, that it will NOT provide Summer School Services, Authority will be under no obligation to Contractor for transportation or payment for that Summer School period;

2.4 Contractor agrees to regular audits and evaluations, which may lead to a decrease or increase in the number of routes. Contractor agrees to make suggestions to Authority annually, with supporting documentation that will result in cost reductions to the Authority.

2.5 Contractor agrees to Quality Assurance audits that will consist of, but not limited to the following:

A. Contractor's cabs, driver records, vehicle maintenance records or those of its subcontractors and other documentation to insure contract compliance, increased student safety, and improved service levels.

B. Provide quantitative/qualitative data from which to fairly evaluate and assign cabs/routes to "Service Provider's" and improve performance.

2.6 Contractor agrees to the following items and information must be submitted to Authority within 10 days after the Execution Date and by August 20 of each subsequent year of the agreement (hereinafter the "Disclosure Date"):

A. Contractor must provide a listing of all vehicles (including spare vehicles), indicating mileage, age, City of Detroit inspection dates, together with a listing of all bond plates held by Contractor and a copy of the certificate of license issued by the City of Detroit for each bond plate. This listing must include all vehicles the Contractor will use in providing service for Authority. Failure by Contractor to provide listings and bond plates verification by the date identified herein shall constitute a material breach of this Contract and Authority

shall have no obligation to allocate or assign any routes or runs to Contractor for the corresponding school year.

B. The Contractor shall be fully responsible for maintaining current certificates of insurance on file at the Authority's Transportation Office. Failure to do so shall in no way relieve the Contractor of its insurance responsibilities and liabilities. Authority shall bear no responsibility of reminding the Contractor to renew certificates. In the event Contractor allows insurance coverage to lapse, the Contractor shall be totally responsible for payment of all costs associated with any or all claims that may arise as a result of any or all accident(s) during the period coverage was not in place. Authority shall have the sole right to terminate Contractor's contract if coverage is permitted to lapse at any time.

C. The Contractor must provide copies of the State of Michigan certificate showing ownership of vehicles.

D. All City of Detroit vehicle inspections must be complete and a current sticker affixed to the vehicle prior to vehicle use in transporting students. (Inspection records must be maintained by the Provider and subject to Authority inspection).

E. Contractor shall provide any and all labor, equipment, material, and supplies necessary to fulfill the requirements of the agreement.

F. Contractor shall, at the expense of the Contractor, pay all required taxes and obtain, pay for, and keep current all business licenses and permits required for the lawful performance of the Student Transportation service contract.

G. Contractor is not considered to be an agent of the Authority.

H. Contractor shall be fully responsible for making sure that they are in compliance with all applicable federal, state, and city laws, rules, regulations, ordinances, statutes, etc., which impact the agreement.

I. Contractor shall indemnify, defend, and save harmless Authority against or from all cost, expenses, damages, injury or loss to which said Authority might be subjected by reason of any wrongdoing, misconduct, skill, negligence, or default in the execution or performance of the contract.

J. Authority shall have the right, at its discretion on a case-by-case basis, to immediately take away any and all routes if the Contractor permits any of the following sample situations or conditions to occur:

1. Any required insurance is allowed to lapse.
2. A child is forgotten and left in a cab.
3. A cab is late or if a run or route is missed completely.

4. The driver was not directed to take a drug/alcohol test when there is probable cause.
5. The driver is permitted to continue to service a school run following the confirmation of a positive drug/alcohol test.
6. The driver refuses to take a scheduled drug/alcohol test.
7. The Authority must be notified of all driver roster changes on a quarterly basis.
8. The driver has an avoidable accident, or accidents are not reported in a timely manner. (Immediate phone call and an accident report submitted within 24 hours.)
9. The driver has not passed all drive requirements.
10. The cab does not meet the vehicle equipment and maintenance requirements.
11. The vehicle maintenance records are falsified or not current.
12. Invoices are falsified or excessive charges submitted.
13. Agreement requirements are not properly performed.
14. Non-compliance with laws and regulations which causes the Contractor to be unable to legally perform the service.
15. Non-compliance with the policies and procedures established by Authority.
16. The Contractor fails to comply with the student safety requirements as specified in this agreement.

The above list is not to be considered all-inclusive, but rather, a partial sample listing of issues that are considered grounds for termination of the contract or driver in whole or in part.

2.7 On or before the Disclosure Date the following items or information must be submitted to the Authority:

- A. Outline of maintenance program with the detailed maintenance schedule.
- B. Contractor must submit a preliminary listing of drivers.
- C. Contractor must submit a preliminary list of supervisors.
- D. Contractor must have available in each vehicle at the time of inspection all equipment agreed upon to provide safe and efficient transportation.

- E. Contractor must submit evidence, which certifies that his/her drivers and vehicles meet all the state requirements with respect to transporting students.
- F. Contractor must submit evidence, which verifies criminal background checks have been procured, and that, all drivers used for the purpose of transporting Authority students have acceptable clearance to transport students.
- G. Outline of maintenance program.

2.8 The Contractor must submit evidence that a drug/alcohol program is in place and identify the testing provider.

- A. Breach of the agreement may be regarded as a material breach and grounds for termination of the agreement.

2.9 Contractor must conduct orientation and training at the time the drivers are issued their routes concerning the policies and procedures of Authority in transporting students. Drivers will receive an informational handbook developed by Authority which the driver will be required to sign and acknowledge his receipt thereof. The Authority will provide to the Contractor any changes in the handbook via e-mail communication.

2.10 From time to time Authority may also provide to Contractor in-service training sessions. Training may include but is not limited to the following subjects:

- A. Familiarization with EAA policies and procedures
- B. Loading and unloading procedures
- C. Railroad crossing procedures
- D. Hazard/accident avoidance
- E. Passenger management

2.11 It will be the Contractor's responsibility to create and place into regular operation a complete preventive maintenance program based on a specific mileage and interval for each vehicle, including spare vehicles. Each vehicle is to be brought into the garage on a schedule so that the Contractor performs inspections and related services at a time that will not conflict with the Authority's daily transportation services. Contractors are encouraged (but not mandated) to use Fleet Management Software programs for maintaining accurate records. These records are subject to Authority inspection at any time for any reason.

2.12 Contractor is to establish a system whereby all of their assigned cabs to Authority

are clean and in the best mechanical condition possible. This system must include but is not limited to, establishing written procedures and directions for all employees involved, daily reporting, and monitoring the system on a periodic basis. Authority inspections consist but are not limited to the following items:

- A. Clean the cab each day
- B. Clean windows
- C. Clean the driver compartment
- D. Wipe down cab interior
- E. Empty trash in approved location
- F. Establish a process whereby the vehicle exterior is washed on a regular basis

2.13 Vehicles used to transport Authority students shall not be more than seven (7) years old. If cars are older than seven (7) years, Authority has right to reject a vehicle from being used under this contract if such vehicle does not meet performance standards necessary to transport students safely to their destination. The vehicles must be four (4) door sedans equipped with safety locks and seat belts to accommodate up to four (4) students.

2.14 For each incident or serious accident which includes (but is not limited to) an injury to a passenger, pedestrian or occupant of another vehicle, or the suspected injury of such persons an immediate report must be made to the Authority by the Contractor by telephone, including a statement of corrective action taken, where required. In addition, all incidents or accidents reported by telephone must also be followed-up by a detailed written report of the incident or accident on the designated form. Chronic or willful failure to report any accident involving the above conditions shall entitle the Authority's Transportation Management Provider to penalize the Contractor with financial penalties or the removal of route(s).

2.15 For any disruptive incident involving students, a Student Incident Report must be completed by a cab driver following such incidents. All acts of misconduct shall be reported to the school principal. At no time shall a driver take a student out of the cab other than the designated pick-up or drop off location. Cab drivers are not allowed to physically discipline students at any time.

- A. The use of corporal punishment will not be tolerated and will result in termination of contract.

2.16 Routes are designated, written, and assigned by Authority. This includes all changes, etc. The initial assignment of routes to Contractor will be made by Authority and sent to the Contractor via email by the "Assignment Date".

2.17 The Authority reserves the exclusive right to tier taxi cab runs into routes:

- A. Routes will be assigned as needed. Any adjustment after initial assignment may result in a decrease or an increase in the number of routes.
- B. At any time during the period of the contract the number of vehicles required might be reduced and the schedules may be adjusted due to change in student population, consolidation of routes, changes in schools of attendance, etc.
- C. When route reductions occur, compensation to the Contractor shall be reduced to the number of vehicles/miles actually used in the performance of the agreement, and Authority shall not be liable for payments for any vehicles/miles eliminated.
- D. Authority's Transportation Management reserves the right to increase or reduce the number of vehicles, as service requires.
- E. Authority's Transportation Management shall notify the Contractor of all changes in the pickups, or new pickups by mail or fax by 1:00 pm of the day prior to the change. The Contractor shall confirm these changes in writing the day following such notification.
- F. Final driver route assignments shall be completed and finalized by the 10th day after execution the Assignment Date. Changes and driver route assignments shall be kept to a minimum throughout the operating period of the contract.
- G. When the regular driver is absent and can't cover their regular route the sub-driver (cab) must be able to keep the same pickup and drop-off times as scheduled.

2.18 The Contractor must ensure direct telephone access to their garage(s), staff, and dispatching center during the hours of operation. Answering services and answering machines shall not qualify as direct telephone access. The dispatching center shall be staffed to receive telephone calls from the Authority's Transportation Management daily between the hours of 6:00 a.m. and 6:00 p.m. and have on duty, at all times within those hours, personnel authorized to discuss and correct problems, which may arise in the fulfillment of the agreement. Failure to do so shall be cause for default and may result in the loss of routes or constitute breach of contract. Throughout the duration of the contract, the Authority's Transportation Management shall be kept informed as to the name of the person(s) responsible for the operation.

2.19 The Authority shall not guarantee a minimum number of days of service; however, Contractor may use the estimate of 210 school days per year as a planning guide for service during the normal school year. The Contractor must conform to the school calendar and time schedules of all the different schools involved, including daily time schedules. These time schedules are the sole responsibility of the Authority.

A. The school calendar shall be furnished in the summer prior to the opening of each school year. It is the responsibility of the "Service Provider" to adhere to this calendar at all times unless notified otherwise by Authority's Transportation Management. This shall include responsibility for adhering to any special schedules, shortened schedules, half days, etc.

2.20 Vehicles must arrive at the assigned school within 15 minutes prior to the start time. Students must not be discharged from the cab before their designated time unless authorized by the principal of the school or the Authority's Transportation Management. Hours of service may have to be adjusted due to special programmatic considerations. Late pickup in excess of 15-30 minutes in a.m. or the p.m. may result in penalties or loss of routes.

A. No vehicles shall leave the school at dismissal time until all students are aboard.

2.21 Contractor must have a plan for their cabs in place for the following emergencies:

A. Robbery attempts

B. Fire

C. Other emergencies as deemed appropriate

D. Bomb threats

2.22 Special Education students who will require transportation under the contract shall be provided with portal to portal service as determined by Authority. In the unusual case where, because the student lives on a dead-end street or because of traffic regulations, it is impossible for the vehicle to pick up at the curb in front of the pupil's home, the pickup and drop-off point will be at the nearest intersecting street on which the student resides. On the homeward trip, the student will be discharged from the vehicle at the same point from which the student was picked up unless instructed otherwise by the Authority's Transportation Management. In all instances, student pickup and drop-off locations are the sole determination of the Authority's Transportation Management.

2.23 Drivers must insure that their assigned students are seen entering the school and into their home before departing. The Authority will not tolerate any student being left in an unsafe environment. Failure to comply with this provision will result in penalties, loss of routes and/or loss of contract.

2.24 Except in an emergency, no student will be required to transfer from one vehicle to another vehicle either on the trip to school or home. Only students listed on the route sheets will be allowed to ride school cabs. Only authorized school personnel will be permitted to ride on Contractor's cabs. The Authority's Transportation Management must approve any exceptions.

2.25 Each driver must possess a valid public vehicle license with no more than seven (7) points on their driving record. Any driver with more than seven (7) points will be reviewed by the Authority's Transportation Management for use under this contract. The Authority reserves the right to reject any driver with more than seven (7) points. Other requirements are:

A. Cab drivers transporting Authority students must not have been convicted of criminal sexual conduct in any degree, assault with intent to commit criminal sexual conduct, an attempt to commit criminal sexual conduct in a degree, felonious assault on a child, child abuse, cruelty, torture or indecent exposure involving a child. (MI P.A. #187) Also, drivers must have not been convicted of an act of a violent nature. If any driver has been convicted of an offense, other than the criminal section conduct offenses listed above, within the last five (5) years Authority reserves the right to reject such driver for use under this contract.

2.26 The Contractor shall be fully responsible for the cost of obtaining these reports and delivery to Authority. Failure to comply shall be grounds for immediate dismissal of the driver and/or forfeiture of route(s) or loss of contract.

2.27 Documents are defined as this Agreement, Exhibits to this Agreement, EAA Transportation Program Specifications and Addenda (if any). In the event of a conflict between these documents and the provisions of this Agreement, this, Agreement will control.

2.28 Authority and Contractor will consult on a regular basis concerning the transportation requirements of Authority. In the event of increases or decreases in the number of routes or taxi cabs required, the number of taxi cabs and the number of spare taxi cabs will be adjusted accordingly.

SECTION 3: COMPENSATION AND BILLING

3.1 In consideration for services rendered hereunder. Authority shall pay to Contractor all sums due and owing and calculated in accordance with the rates set forth in Exhibit A, as may be adjusted from time to time by mutual agreement of the parties and evidenced in writing as provided herein. The Contractor will submit invoices of amounts owed on a monthly basis for its services rendered the previous month. Authority shall pay the amount due to Contractor on or before the 45th day following the date on which the statement has been submitted by mail or email to the designated billing address.

3.2 Contractor and Authority agree that if the Authority fails to pay an invoice in full within the first 120 days after Contractor has submitted the invoice. Authority will not be in default under this Agreement.

3.3 In the event the Authority fails to pay an invoice in full after 120 days after

submission of such invoice the Authority shall be in default under this provision. At the end of such 120 day payment period the Contractor may terminate this Agreement by providing notice as follows: within five (5) business days following the last day of the 120 day default period following submission of any invoice, the Contractor shall give the Authority thirty (30) days' written notice of default as to that invoice and the opportunity to remedy the default in payment. If at the end of such 30-day default notice period if the Authority has not remedied the purported default, within five (5) business days following the last day of the 30-day default notice period, the Contractor shall give the Authority 15 days' notice of termination, which termination will occur at Contractor's discretion. Failure of the Contractor to provide notice within these timelines does not waive the Contractor's right to terminate this agreement in accordance with this Section, provided, however, that the Contractor provides the applicable notices and cure periods under this Section in order to proceed to a default and terminate the Agreement in accordance with this Section of the Agreement.

SECTION 4: COMPENSATION AND BILLING --BANKRUPTCY PROCEEDINGS

4.1 In the event of filing by or against the Authority for protection under the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code") or similar state law insolvency statutes, the following terms apply:

(a) Authority acknowledges that continuation of the services to be provided by Contractor pursuant to this Agreement would be essential to the Authority's reorganization, therefore Authority agrees to seek critical Contractor status for Contractor within thirty (30) days of the filing of any petition for relief under the Bankruptcy Code or similar state law insolvency statutes and to seek permission to pay Contractor all outstanding pre-petition amounts in full due to its status as a critical Contractor.

(b) Authority agrees to pay all documented and earned post-petition expenses in full pursuant to the terms and conditions set forth in this Agreement for so long as this Agreement is in effect.

SECTION 5: ESCALATION

5.1 In the event that the Authority makes significant changes in the scope of work or other conditions under which the services are to be provided (for example, changing from a five day week to a four day week) during the term of this Agreement causing the Contractor's costs to increase, the Contractor and Authority shall negotiate in good faith concerning price modifications applicable to cover such changed costs.

SECTION 6: FUEL

6.1 Contractor shall purchase at its own cost, inclusive of all fuel taxes, all fuel required for the operation of taxi cabs hereunder.

SECTION 7: ROUTES AND SCHEDULES

7.1 Authority shall designate a representative (hereafter Transportation System Manager) that shall be primarily responsible for planning all routes, stops and schedules;

provided, however, that the Authority shall have final and ultimate authority for planning all routes, stops and schedules. Contractor agrees to work in cooperation with the Authority, or its designee to establish the most advantageous routing plan for the safety of students within the guidelines provided for in this Contract and the Authority's policies.

7.2 Authority shall furnish a tentative database of all students' names, addresses, and schools of attendance, programs, and any special requirements for Special Education students by approximately August 15th so that the Authority's designee can begin developing routes for the coming school year. The Authority will provide weekly updates. A final list must be submitted to the Authority's designee five (5) days prior to the start of school. Contractor shall make a reasonable effort to adjust its operations to incorporate students not included in the final list within five (5) calendar days.

7.3 Authority and its designee shall establish the routes and schedules to be followed and make changes therein from time to time and consult when possible with Contractor on any proposed changes prior to making any route changes. Contractor shall make a reasonable effort to adjust its operations to incorporate such changes after notice is received from Authority or its designee. In the event Authority or its designee changes routes or schedules once service has begun or been published, Authority or its designee will assist in republication of changes or other notification to those patrons whose service has been changed. Contractor shall consult with Authority and its designee as to stops or portions of routes that Contractor considers to be a safety concern due to traffic patterns or configurations.

SECTION 8: REPORTS

8.1 Contractor shall maintain such records and submit such reports, as are deemed necessary by the Authority and as negotiated between Contractor and Authority from time to time. All reports required by Authority shall be submitted in a format acceptable to the Authority. Contractor will not be responsible for filing on behalf of Authority any state or regulatory reports concerning ridership or reimbursement.

SECTION 9 RECORD INSPECTIONS AND RETENTION

9.1 General. Upon reasonable notice from EAA, Contractor shall provide EAA and its agents, regulators, accountants and inspectors access to, and any assistance and information that they may reasonably require with respect to the Services to, among other things, verify the security of EAA Confidential Information and examine Contractor's performance of the Services to enable EAA to confirm Contractor's compliance with this Agreement and applicable law.

9.2 Cooperation and Record Retention. Contractor agrees to maintain accurate books and records in connection with Contractor's performance of the Services. Unless returned to EAA, upon its written request, all such books and records (including, without limitation, all papers, correspondence, data, information, reports, records, receipts, and other sources of information relating to the Services and Fees paid to Contractor) will be held and preserved for the duration of this Agreement and for a period of six years after the expiration or termination of this Agreement. Contractor shall make such books and records available to EAA at EAA's request. Further, Contractor shall, and shall cause its agents, employees and contractors to

provide EAA with all assistance required to enable EAA to comply with applicable law and standards pertaining to the disclosure and confidentiality of such books and records.

SECTION 10: INSURANCE

10.1 Contractor shall, at its expense, procure and keep in force during the entire term of this Agreement for claims arising under this Agreement, General Liability and Automobile Liability Insurance to protect Contractor, its drivers and other personnel. Contractor shall provide General Liability limits of not less than \$10,000,000 for each occurrence and aggregate covering all bodily injury and property damage; \$10,000,000 Personal Injury for each occurrence and aggregate; and Automobile Liability limits of not less than \$10,000,000 combined single limit for bodily injury and damage to property for all owned, hired and non-owned autos. Contractor shall also maintain uninsured/underinsured motorist coverage and medical payments coverage to the extent required by law. Contractor agrees to provide to Authority a certificate of insurance evidencing such coverage and designating Authority as an additional insured as its interest may appear for both the General and Automobile Liability programs; such certificate to be provided by July 1st of each contract year, or on renewal of such policies. All insurance policies shall provide that no coverage shall be canceled except by thirty (30) days' prior written notice to Contractor and Authority. Contractor shall provide Authority with a certificate of insurance as evidence of having statutory workers' compensation coverage at levels and in forms required by the laws in which Contractor shall operate for this Agreement. The certificate of insurance shall be endorsed to name the Authority, their directors, officers, representatives, agents and employees as additional insured with respect to the Contractors performance of this contract.

SECTION 11: FORCE MAJEURE

11.1 In the event Contractor is unable to provide the transportation services. as specified in this Agreement because of any act of God, civil disturbance, fire, riot, war, terrorism, picketing, strike, labor dispute, labor shortages, governmental action or any other condition or cause beyond Contractor's control, Authority shall excuse Contractor and Contractor shall excuse Authority from performance under this Agreement including any claims for liquidated damages.

SECTION 12: SCHOOL CLOSINGS OR CHANGES IN SCHEDULE

12.1 Whenever (a) inclement weather or impassability of roads occurs, (b) school is canceled or delayed, (c) the school day is scheduled for other than regular start or end times, or (d) school is dismissed early for any reason, Authority shall notify Contractor not later than 6:00 a.m. on the day of such cancellation or delay or not later than two (2) hours before early dismissal and one (1) hour prior to the cancellation of supplemental transportation. If Authority does not notify Contractor by 6:00 a.m. or time required for supplemental transportation, Authority shall pay Contractor \$50 for each person who reported for work for each assignment provided the Contractor provides documentation suitable to EAA to verify the expense.

12.2 Notwithstanding the foregoing. in the event of circumstances in the operation of any school which necessitate early dismissal for student health or safety reasons, the Contractor

and Authority shall cooperate to facilitate orderly transportation of students in the most efficient manner possible in light of the circumstances presented, without additional cost or charge to EAA, except as agreed to by the parties in writing.

SECTION 13: SAFETY PROGRAM

13.1 Contractor shall be responsible for implementing, maintaining, and reviewing annually a comprehensive pupil transportation safety program.

13.2 Contractor's employees shall not be required to perform any medical functions for passengers, except to the extent required by law.

SECTION 14: MANAGEMENT PERSONNEL

14.1 Contractor shall employ management personnel who shall be responsible for the efficient operation of the transportation services furnished hereunder and who shall be Contractor's liaison to Authority. Contractor will designate a crisis management contact person for emergency contact with Authority prior to the start of the school year. Contractor shall inform Authority of the name(s), contact telephone number(s) and addressees) of such management personnel.

14.2 Authority shall employ management personnel who shall be responsible for Coordination of the student transportation requirements of Authority to be furnished under this Agreement and who shall be Authority's liaison to Contractor. Authority will designate a crisis management contact person for emergency contact with Contractor prior to the start of the school year. Authority shall inform Contractor of the name(s), contact telephone number(s) and addressees) of such management personnel.

SECTION 15: OPERATIONS PERSONNEL & DRIVERS

15.1 Contractor shall employ a sufficient number of qualified drivers and support personnel to assure Authority of continuous, reliable, safe, and on time service.

15.2 Contractor shall take reasonable steps to prevent its employees from exposing any pupil to impropriety of word or conduct. Contractor shall not permit its drivers to smoke on the bus, to drink any intoxicating beverage, or to be under the influence of drugs or alcohol while operating any bus.

15.3 Contractor shall be responsible for hiring and discharging personnel employed by Contractor to perform its obligations hereunder; provided, however, that Authority shall have the right to request Contractor to remove from service to the Authority any employee who, in Authority's sole discretion, is deemed unsuitable for the performance of transportation services for Authority; and provided, further, that Authority shall make such request in writing provided that such request does not violate applicable laws against discrimination.

15.4 Contractor shall provide qualified driver/trainers and qualified drivers, trained and licensed in accordance applicable laws and the rules and regulations of Authority. Not less than sixty (60) days prior to the start of any school year, Authority shall advise Contractor of

Authority's requirements for training or qualification for drivers or driver/trainers. Contractor will, to the extent such requirements do not conflict with state or federal laws; implement such requirements into its hiring and training programs for drivers servicing Authority's students. Contractor agrees that each driver shall:

15.4.1 Possess a valid license or permit issued by this State authorizing such person to operate a taxi cab.

15.4.2 Possess a satisfactory driving record and criminal history record, after review of such records prior to employment and periodically thereafter to the extent permitted or available by law.

15.4.3 Prior to employment and from time-to-time thereafter, to the extent permitted by law, undergo such tests as may reveal, within a reasonable degree of medical or scientific certainty, the presence or absence of drugs or controlled substances in the body and such tests as may clinically reveal alcoholism, alcohol abuse or other drug abuse. Negative findings for such tests shall be a condition of employment.

15.4.4 Meet any other criteria required by law or by Authority's policies, rules or regulations, including but not limited to the requirement for criminal background checks.

SECTION 16: TRAINING REQUIREMENTS

16.1 Contractor shall provide thorough instruction to drivers in compliance with state and federal safety and operations guidelines and regulations.

16.2 Prior to the start of the school year, Contractor will provide time at one of its employee orientation sessions so that Authority administrators may address drivers and other personnel assigned to work under this Agreement on matters relating to the expectations for student conduct and to familiarize staff with members of the school administration and/or Authority requirements. Authority at its sole discretion may have the Contractor provide training regarding the above mentioned items. Such orientation will be at a time and place mutually agreed upon by Contractor and Authority. Authority may distribute materials to drivers and other staff at meetings.

SECTION 17: EQUIPMENT

17.1 Contractor shall provide the fleet necessary to operate this contract at the Contractor's expense. The fleet shall include all equipment and devices required to transport a diverse Special Education population. Contractor shall provide for and ensure, at its sole cost and expense, regular upkeep, maintenance, replacement, repair, cleanliness, and appearance of its vehicles, in accordance with law and accepted industry safety and maintenance standards. Contractor shall have or establish a maintenance system with preventative maintenance scheduling and inspections. Contractor shall, upon request by Authority, provide Authority with reports summarizing Contractor's current maintenance program and repairs to its buses and, upon ten (10) business days' notice, and during Contractor's normal business hours, Contractor shall make its full maintenance and repair reports available for inspection by Authority.

17.2 The Contractor shall equip every taxi cab, including spares, used to fulfill this Contract with a fully operational two-way radio communication system capable of reliably maintaining contact with any bus anywhere on the Authority routes. The Contractor shall provide and maintain the radios, adequate radio frequency, and other necessary radio equipment.

17.3 The Contractor may utilize a single taxi cab to service multiple school districts – including Detroit Public Schools – in-so-long as the scheduling of such does not interfere with the transportation needs of the Authority.

SECTION 18: PUPIL DISCIPLINE AND VANDALISM

19.1 The ultimate responsibility and authority to suspend or expel any pupil from transportation services hereunder shall rest with Authority: provided, however, that Authority will consult with Contractor in arriving at its decision. Contractor's drivers are responsible only for such discipline as is required to properly and safely operate Contractor's taxi cabs. Each driver shall handle all disciplinary matters in strict accordance with Authority policy. In no case will a driver eject a pupil from a bus for misbehavior except in the event of an extreme emergency endangering the safety of other pupils and then only after radio notice to Contractor's terminal and to the pupil's building or school principal. In all cases of disciplinary ejection, the taxi cab shall remain at the approximate area of student discharge until authorities arrive on site and authorize it to proceed on route. All discipline problems shall be reported in writing as soon as possible and in no event later than the next school day following completion of the route. The Authority and the Contractor will, in the event the contractor determines that a pupil poses a danger to himself/herself or other passengers cooperate to provide a safe transportation environment prior to the Contractor being required to transport such pupil. Further procedures and regulations for the administration of discipline shall be established by the Authority with input from the Contractor.

19.2 Vandalism, damage to Contractor's equipment or facilities shall be the responsibility of Contractor. Authority shall give Contractor reasonable assistance in obtaining restitution for damaged equipment or facilities where damage is determined to be caused by Authority students or personnel. Contractor may, with the written concurrence by Authority, refuse to provide a pupil with transportation services until vandalism damages caused by such pupil are paid.

SECTION 20: ASSIGNMENT

20.1 This Agreement shall not be assigned by the parties hereto, without the written consent of both the Contractor and the Authority, which consent shall not be unreasonably withheld or delayed.

SECTION 21: CONFIDENTIAL INFORMATION

21.1 Standard of Care. A Contractor acknowledges that it may receive or have access to EAA's "Confidential Information", as that term is defined below. Contractor will protect EAA's Confidential Information with the same degree of care as Contractor uses to avoid unauthorized use, disclosure, publication or dissemination of its own confidential information of a similar nature, but in no event, less than a reasonable degree of care. Contractor shall not

disclose or otherwise make available EAA's Confidential Information to any third party without the prior written consent of EAA; provided, however, that Contractor may disclose the Confidential Information to its officers, employees, and contractors who need access to the Confidential Information to perform their obligations to Contractor or EAA and who are themselves bound by nondisclosure obligations at least as restrictive as those set forth in this Section 21. Further, Contractor shall comply with all confidentiality-related guidelines, standards and law applicable to EAA. Contractor agrees to immediately notify EAA in the event Contractor becomes aware of any loss or unauthorized disclosure of EAA's Confidential Information. The provisions of this Section 21 shall survive the termination or expiration of this Agreement.

21.2 Confidential Information "Confidential Information" means any information related to the business, personnel and operations of EAA obtained by Contractor, and may include, but is not limited to, business affairs, data, manuals, financial and accounting data, data and information concerning students, contracts, intellectual property, proprietary information and other operational information. Confidential Information shall not include anything that Contractor can document: (i) was generally available to the public at the time it was received by Contractor, (ii) was known to Contractor, without restriction, at the time of disclosure, or (iii) was independently developed by Contractor without any use of the Confidential Information.

Section 21.3 Return of Confidential Information. Upon expiration or termination of this Agreement, Contractor shall promptly return to EAA all Confidential Information of EAA and all copies, or at EAA's option, Contractor shall destroy the Confidential Information.

SECTION 22 AUDITS

22.1 General. Upon reasonable notice from EAA, Contractor shall provide EAA and its agents, regulators, accountants and inspectors access to, and any assistance and information that they may reasonably require with respect to the Services to, among other things, verify the security of EAA Confidential Information and examine Contractor's performance of the Services to enable EAA to confirm Contractor's compliance with this Agreement and applicable law.

22.2. Cooperation and Record Retention. Contractor agrees to maintain accurate books and records in connection with Contractor's performance of the Services. Unless returned to EAA, upon its written request, all such books and records (including, without limitation, all papers, correspondence, data, information, reports, records, receipts, and other sources of information relating to the Services and Fees paid to Contractor) will be held and preserved for the duration of this Agreement and for a period of six years after the expiration or termination of this Agreement. Contractor shall make such books and records available to EAA at EAA's request. Further, Contractor shall, and shall cause its agents, employees and contractors to provide EAA with all assistance required to enable EAA to comply with applicable law and standards pertaining to the disclosure and confidentiality of such books and records.

SECTION 23 INDEMNIFICATION, DAMAGES, AND WARRANTIES

23.1 Indemnification. Contractor shall indemnify and hold harmless EAA and EAA's employees, agents, directors and officers against all liability arising out of, or resulting from any third party claim, suit, action or proceeding arising out of or resulting from (i) the failure of Contractor or any of its agents, employees or contractors, to comply with the terms of this

Agreement or any applicable law; or (ii) any injury, loss, claim or damages arising from the actions or omissions of Contractor or an agent, employee, director, officer or contractor of Contractor.

23.2 Limitation of Liability; No Special Damages. Notwithstanding any other provision of this Agreement, EAA shall not be liable to the Contractor for any damages for loss of profits, loss of revenues, loss of goodwill, loss of anticipated savings, loss of data or cost of purchasing replacement services, or any indirect, incidental, special, consequential, exemplary or punitive damages arising out of the performance or failure to perform under this Agreement or any Service Order. Nothing in this Agreement shall be construed as a waiver of governmental immunity, where applicable. No such limitation upon Contractor's liability for damages shall exist unless expressly set forth in the Special Terms of the Service Order.

23.3 Disclaimer of Warranties. EXCEPT AS (1) EXPRESSLY SET FORTH IN THIS AGREEMENT, AND, (2) WITH RESPECT TO CONTRACTOR ONLY, AS SET FORTH IN THE SPECIAL TERMS OF A SERVICE ORDER, NEITHER EAA NOR CONTRACTOR MAKES ANY OTHER REPRESENTATION OR WARRANTY REGARDING THE SERVICES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE.

SECTION 24: DISPUTES

24.1 Informal Dispute Resolution. EAA and Contractor will attempt to settle any dispute through informal good faith negotiations. The EAA Transportation Manger will be the final authority in any dispute over which rate applies from the rates listed in Exhibit A. All other disputes will be escalated to appropriate senior level management of the parties, if necessary. If such managers are unable to resolve the dispute within ten business days of referral (or any other mutually agreed upon timeframe), the parties will undertake non-binding mediation as described below in a good faith attempt to resolve such dispute.

24.2 Mediation. There will be a single mediator. If the parties cannot agree upon an acceptable mediator within ten days of termination of the negotiations under Section 24.1 each party will select one mediator from a list of not less than five mediators provided by the other party. These two mediators will select a third mediator who will serve as the sole mediator. Subject to the availability of the mediator, the mediation will occur not more than thirty days after the request for mediation. The mediation process will continue until the dispute (or any part thereof) is resolved or until such time as the mediator makes a finding that there is no possibility of resolution short of referring the parties to final and binding arbitration. The mediation will be held in Detroit, Michigan, unless the mediator, on his or her own initiative, wishes to conduct any mediation proceeding by telephone, facsimile transmission or other means of communication. The cost of mediation, including the mediator's fees and expenses, will be shared equally by the parties. Each party will have the right to be represented by attorneys of their own choosing to advise them before and during the mediation process and their attorneys may review any settlement agreement, or other agreement, which the parties have reached through mediation, prior to the execution of such agreement. The parties agree that the mediator is acting in a neutral capacity and is not serving as an attorney, advocate, representative or

fiduciary for either or both of them. Each party will pay its own attorney's fees and costs. In connection with the mediation process, the mediator may meet in confidential "caucus" sessions separately with each party. The mediator will be obligated to treat as confidential and refrain from disclosing to the other party or its counsel any information conveyed to the mediator during the caucus sessions unless the party conveying such information authorized the mediator to disclose it to the other party.

Section 24.3 Binding Arbitration. Should any dispute (or part thereof) remain between the parties after completion of the mediation process described in Section 24.2, such dispute will be submitted to final and binding arbitration in Detroit, Michigan under the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), except to the extent that the AAA Rules are contrary to the specific terms of this Section 24.3, provided, however, that at the election of EAA, the arbitration may be done privately and not under the auspices of the AAA, although the AAA rules shall still otherwise govern except as herein stated. There will be three arbitrators. Each party will select one arbitrator. The two arbitrators selected by the parties will select a third arbitrator. At least one of the arbitrators will have at least five years of relevant experience. Each party may be represented by an attorney selected by the party. The costs of the arbitration, including the arbitrators' fees and expenses, will be shared equally by the parties. Each party will pay its own attorney's fees and costs; provided that, if the arbitrators find either party has acted in bad faith, the arbitrators will have discretion to award attorneys' fees to the other party. No party may raise new claims against the other party in the arbitration not raised during mediation. The arbitrators will have the power to resolve all disputes between the parties. The arbitrators will apply the law of the state of Michigan. The arbitrators will only interpret and apply the terms and provisions of the Agreement and will not change any such terms or provisions or deprive either party of any right or remedy expressly or impliedly provided for in the Agreement. The arbitrators will not have the power to award damages other than those described in the Agreement. The determination of a majority of the arbitrators will be conclusive upon the parties and will be non-appealable. At least thirty days before the arbitration is scheduled to commence, the parties will exchange lists of witnesses and copies of all exhibits intended to be used in arbitration. The parties will be entitled to limited discovery. A stenographic record of the proceedings will be kept, unless waived by both parties, at the equal expense of the parties. The arbitration will be completed within 120 days of the selection of the third arbitrator. The arbitrators will render a written decision, which contains findings of fact and conclusions of law, within thirty days of the conclusion of the arbitration and will specify a time within which the award will be performed. Judgment upon the award, including specific enforcement of the decision, will be entered in any court of proper jurisdiction. The parties have knowingly chosen arbitration as an alternative to proceedings in court and they specifically waive their rights to proceed by any means before a court otherwise having jurisdiction of any dispute between them, except to the extent necessary for injunctive relief or other equitable relief.

SECTION 25: SURVIVAL

25.1 Except as otherwise provided in this Agreement, the mutual obligations described in Compensation and Billing, Audits, Disputes, and Indemnification hereof and all provisions relating to the protection of confidential information shall survive the termination or expiration of the Agreement.

SECTION 26 STATUS OF CONTRACTOR

26.1 In the interpretation of this Agreement and the relations between Contractor and Authority, Contractor shall be construed as being an independent contractor employed to provide transportation services only. Further, notwithstanding the provisions of Sections 15, 16 and 17, nothing contained in this Agreement shall be construed to deem this Agreement a joint or co-employer arrangement or to deem the Authority to have employer-like control over the Contractor's employees or agents. Neither Contractor nor any of its employees shall be held or deemed in any way to be an agent, employee or official of Authority. Contractor shall be responsible for, and hold Authority harmless from any liability for unemployment taxes or contributions, payroll taxes or other federal or state employment taxes.

SECTION 27: SEVERABILITY

27.1 In the event any provision specified herein is held or determined by a court of competent jurisdiction to be illegal, void or in contravention of any applicable law, the remainder of the Agreement shall remain in full force and effect.

SECTION 28: EXTENSION AND MODIFICATION

28.1 Contractor and Authority may extend or otherwise modify the terms of this Agreement in whole or in part as circumstances may justify by mutual written agreement executed by the duly authorized representatives of the parties.

SECTION 29: NOTICE TO PARTIES

29.1 Notices. All written notices, consents, approvals, requests and other communications (“Notices”) required or permitted under this Agreement shall be personally delivered with receipt obtained, or mailed by overnight mail or registered or certified first-class mail, return receipt requested, addressed as follows:

If to the Contractor, to:

Don Piotrowski
Checker Cab Company
2128 Trumbull
Detroit, Michigan 48216

If to the EAA, to:

Education Achievement Authority
3022 W. Grand Boulevard
Suite 14-652
Detroit, Michigan 48202
Attention: Chancellor’s Office

All Notices shall be deemed given on the day when hand delivered or, if mailed, on the day following the day of mailing. Either party to this Agreement may change its address for the receipt of Notices at any time by giving Notice to the other party as provided in this Section.

SECTION 30 GENERAL PROVISIONS

Section 30.1 Independent Contractor. The Services of Contractor shall be rendered as an independent contractor. The relationship between EAA and the Contractor shall not be that of partners, agents, or joint venturers to one another, and nothing contained in this Agreement shall be deemed to constitute a partnership, agency or employment agreement between them for any purposes, including, without limitation, for federal income tax purposes. Contractor assumes full responsibility for the payment of wages, salaries, and other amount due to all persons engaged by Contractor in connection with the Services performed hereunder, and Contractor will be responsible for all taxes, including Social Security, unemployment and withholding taxes, with respect to such persons. No provision of this contract shall be for the benefit of any party other than the Contractor and the EAA.

Section 30.2 Tax Exempt Status. Contractor acknowledges that EAA is a tax-exempt entity. Contractor may not use any EAA facility for any unauthorized purpose and will not act in any way that might jeopardize EAA's tax-exempt status.

Section 30.3 Entire Agreement and Amendments. This Agreement (including the Service Orders and exhibits), together with the documents delivered pursuant hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, negotiations, representations, discussions and understandings between the parties. This Agreement may be amended only by a written instrument executed by each party.

Section 30.4 Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Michigan without giving effect to other conflicts of laws or principles thereof.

Section 30.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

Section 30.6 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto. No party to this Agreement may assign its rights under this Agreement to any other person without obtaining the written permission of the other parties in advance.

Section 30.7 No Third Party Beneficiaries. Nothing expressed or referred to in this Agreement is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or permitted assigns any legal or equitable right, remedy or claim under or in respect of this Agreement it being the intention of the parties that this

Agreement and the transactions contemplated hereby shall be for the sole and exclusive benefit of such parties or such successors and permitted assigns.

Section 30.8 Expenses. Each party shall bear its own expenses incurred in connection with this Agreement and with the performance of its obligations hereunder.

Section 30.9 Further Assurances. Each party promptly shall cause to be taken, executed, acknowledged or delivered all such further acts, conveyances, documents and assurances as any other party from time to time reasonably may request in order to carry out and effectuate the intent and purposes of this Agreement.

[signatures on next page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives with effect from the day and year first above written.

EDUCATION ACHIEVEMENT AUTHORITY

By: _____

J. Wm. Covington, Ed.D.

Title: _____

Chancellor

Date: _____

CHECKER CAB COMPANY

By: _____

Name of Person

Title: _____

Title

Date: _____

Exhibit A - Pricing

Year 1

All taxi cabs for approximately 210 school days per year, special need service

Single Tier (10-33%)

Double Tier (25-90%)

Triple Tier (0-10%)

Adds:

Bus Attendant (as required by Authority)

Single Tier

Double Tier

Triple Tier

Video Camera System – per bus per day

Field & Athletic Trips – Cost per Hour

Year 2

All rates increase 3%

Year 3

All rates increase 3%

Year 4

To be determined

Resolution 2012-39

E

PUPIL TRANSPORTATION AGREEMENT

Between Education Achievement Authority and City Cab Company

THIS AGREEMENT is made and entered into as of the _____ day of _____, by and between Education Achievement Authority of the State of Michigan with principal offices at 3022 West Grand Blvd., Suite 14-652, Detroit, MI 48202 (hereinafter called "Authority"), and City Cab Company, hereinafter called "Contractor", with its business headquarters at 7404 Woodward Ave. Detroit, MI 48216. This Pupil Transportation Services Agreement between EAA and City Cab Company shall herein after be referred to as "Agreement" or "Contract".

WITNESSETH

WHEREAS, Authority has selected Contractor to provide the pupil transportation services described herein; and

WHEREAS, Contractor desires to provide such transportation services,

NOW, THEREFORE, in consideration of the covenants hereinafter contained, the parties agree as follows:

SECTION 1: TERM AND TERMINATION

1.1 The term of this Agreement shall commence August 1, 2012 and shall continue through July 31, 2015 and any extension thereof. Subject to the terms of the subsequent sentence of this paragraph, this Agreement upon approval of the parties may be extended for two (2) additional year periods. The negotiation process for the extension including the negotiation of new economic terms shall occur on or before March 1st of the year in which the Agreement terminates or expires. For purposes of this Agreement the term "Contract Year" shall mean each one-year period commencing on August 1st, during the term of this Agreement and any extension thereof. In the event the Authority elects to offer contract extensions to any of its current bus transportation contractors, who shall have entered into agreement with the Authority, simultaneously with the execution of this Agreement which agreement is still in effect as of the date that an extension is contemplated, an offer of contract extension shall be made to Contractor subject to the negotiation requirements of this Section 1.1. Nothing in this Agreement shall prevent the Authority from electing to issue a Request for Proposal or otherwise seek new bus transportation contractors in lieu of offers of contract extensions of this Agreement.

1.2 EAA may terminate this Agreement hereunder without cause by providing at least 90 days' written notice of such termination to Contractor. Contractor shall be compensated for all services provided up to the effective date of termination.

1.3 This Agreement may be terminated immediately by a party upon the commission of an illegal act, unethical practice, or violation of public policy, including theft or embezzlement, by the other party or as otherwise provided in this Agreement.

SECTION 2: SCOPE OF SERVICES REQUIRED (Taxi Cab Specific)

2.1 Contractor shall, during the term of this Agreement supply, operate and maintain such taxi-cabs (in quantity and capacity) and personnel as are required to fulfill Authority's needs for transportation services as described in the EAA Transportation Program Specifications in accordance with the following schedules:

2.2 Contractor agrees to operate a portion of the Authority's daily service for its Detroit city student taxi-cab routes for the term of this Agreement. This is to include special needs transportation, homeless (McKinney-Vento Act) transportation, and some regular education transportation services. The Authority intends to utilize at least two Contractors. The Authority will allocate its transportation business across those Contractors generally on a case by case basis and upon the Authority's desired service parameters and objectives. THERE IS NO MINIMUM AMOUNT OF ROUTES GUARANTEED. Also, it is noted that this contract is for the purpose of "Contracting the Vendor" and is no-wise a guarantee that cab routes will be issued to the Contractor.

2.3 Contractor agrees to provide the transportation for Summer School Services for the term of this Agreement within the same allocation methodology referenced for the daily service. The Authority, however, reserves the right to decide if there is to be Summer School at EAA. If Authority decides, in a given year during the term of this Agreement, that it will NOT provide Summer School Services, Authority will be under no obligation to Contractor for transportation or payment for that Summer School period;

2.4 Contractor agrees to regular audits and evaluations, which may lead to a decrease or increase in the number of routes. Contractor agrees to make suggestions to Authority annually, with supporting documentation that will result in cost reductions to the Authority.

2.5 Contractor agrees to Quality Assurance audits that will consist of, but not limited to the following:

A. Contractor's cabs, driver records, vehicle maintenance records and other documentation to insure contract compliance, increased student safety, and improved service levels.

B. Provide quantitative/qualitative data from which to fairly evaluate and assign cabs/routes to "Service Provider's" and improve performance.

2.6 Contractor agrees to the following items and information must be submitted to Authority within 10 days after the Execution Date and by August 20 of each subsequent year of the agreement (hereinafter the "Disclosure Date"):

A. Contractor must provide a listing of all vehicles (including spare vehicles), indicating mileage, age, City of Detroit inspection dates, together with a listing of all bond plates held by Contractor and a copy of the certificate of license issued by the City of Detroit for each bond plate. This listing must include all vehicles the Contractor will use in providing service for Authority. Failure by Contractor to provide listings and bond plates verification by the date identified herein shall constitute a material breach of this Contract and Authority

shall have no obligation to allocate or assign any routes or runs to Contractor for the corresponding school year.

B. The Contractor shall be fully responsible for maintaining current certificates of insurance on file at the Authority's Transportation Office. Failure to do so shall in no way relieve the Contractor of its insurance responsibilities and liabilities. Authority shall bear no responsibility of reminding the Contractor to renew certificates. In the event Contractor allows insurance coverage to lapse, the Contractor shall be totally responsible for payment of all costs associated with any or all claims that may arise as a result of any or all accident(s) during the period coverage was not in place. Authority shall have the sole right to terminate Contractor's contract if coverage is permitted to lapse at any time.

C. The Contractor must provide copies of the State of Michigan certificate showing ownership of vehicles.

D. All City of Detroit vehicle inspections must be complete and a current sicker affixed to the vehicle prior to vehicle use in transporting students. (Inspection records must be maintained by the Provider and subject to Authority inspection).

E. Contractor shall provide any and all labor, equipment, material, and supplies necessary to fulfill the requirements of the agreement.

F. Contractor shall, at the expense of the Contractor, pay all required taxes and obtain, pay for, and keep current all business licenses and permits required for the lawful performance of the Student Transportation service contract.

G. Contractor is not considered to be an agent of the Authority.

H. Contractor shall be fully responsible for making sure that they are in compliance with all applicable federal, state, and city laws, rules, regulations, ordinances, statutes, etc., which impact the agreement.

I. Contractor shall indemnify, defend, and save harmless Authority against or from all cost, expenses, damages, injury or loss to which said Authority might be subjected by reason of any wrongdoing, misconduct, skill, negligence, or default in the execution or performance of the contract.

J. Authority shall have the right, at its discretion, to immediately take away any and all routes if the Contractor permits any of the following sample situations or conditions to occur:

1. Any required insurance is allowed to lapse.
2. A child is forgotten and left in a cab.

3. A cab is late or if a run or route is missed completely.
4. The driver was not directed to take a drug/alcohol test when there is probable cause.
5. The driver is permitted to continue to service a school run following the confirmation of a positive drug/alcohol test.
6. The driver refuses to take a scheduled drug/alcohol test.
7. The Authority must be notified of all driver roster changes on a quarterly basis.
8. The driver has an avoidable accident, or accidents are not reported in a timely manner. (Immediate phone call and an accident report submitted within 24 hours.)
9. The driver has not passed all drive requirements.
10. The cab does not meet the vehicle equipment and maintenance requirements.
11. The vehicle maintenance records are falsified or not current.
12. Invoices are falsified or excessive charges submitted.
13. Agreement requirements are not properly performed.
14. Non-compliance with laws and regulations which causes the Contractor to be unable to legally perform the service.
15. Non-compliance with the policies and procedures established by Authority.
16. The Contractor fails to comply with the student safety requirements as specified in this agreement.

The above list is not to be considered all-inclusive, but rather, a partial sample listing of issues that are considered grounds for termination of the contract or driver in whole or in part.

2.7 On or before the Disclosure Date the following items or information must be submitted to the Authority:

- A. Outline of maintenance program with the detailed maintenance schedule.
- B. Contractor must submit a preliminary listing of drivers.
- C. Contractor must submit a preliminary list of supervisors.
- D. Contractor must have available in each vehicle at the time of inspection all

equipment agreed upon to provide safe and efficient transportation.

E. Contractor must submit evidence, which certifies that his/her drivers and vehicles meet all the state requirements with respect to transporting students.

F. Contractor must submit evidence, which verifies criminal background checks have been procured, and that, all drivers used for the purpose of transporting Authority students have acceptable clearance to transport students.

G. Outline of maintenance program.

2.8 The Contractor must submit evidence that a drug/alcohol program is in place and identify the testing provider.

A. Breach of the agreement may be regarded as a material breach and grounds for termination of the agreement.

2.9 Contractor must conduct orientation and training of the transportation policies and transportation procedures of Authority. 2.10 From time to time Authority may also require the Contractor to provide in-service training sessions. Training may include but is not limited to the following subjects:

A. Familiarization with EAA policies and procedures

B. Loading and unloading procedures

C. Railroad crossing procedures

D. Hazard/accident avoidance

E. Passenger management

2.11 It will be the Contractor's responsibility to create and place into regular operation a complete preventive maintenance program based on a specific mileage and interval for each vehicle, including spare vehicles. Each vehicle is to be brought into the garage on a schedule so that the Contractor performs inspections and related services at a time that will not conflict with the Authority's daily transportation services. Contractors are encouraged (but not mandated) to use Fleet Management Software programs for maintaining accurate records. These records are subject to Authority inspection at any time for any reason.

2.12 Contractor is to establish a system whereby all of their assigned cabs to Authority are clean and in the best mechanical condition possible. This system must include but is not limited to, establishing written procedures and directions for all employees involved, daily reporting, and monitoring the system on a periodic basis. Authority inspections consist but are

not limited to the following items:

- A. Clean the cab each day
- B. Clean windows
- C. Clean the driver compartment
- D. Wipe down cab interior
- E. Empty trash in approved location
- F. Establish a process whereby the vehicle exterior is washed on a regular basis

2.13 Vehicles used to transport Authority students shall not be more than seven (7) years old. If cars are older than seven (7) years, Authority has right to reject a vehicle from being used under this contract if such vehicle does not meet performance standards necessary to transport students safely to their destination. The vehicles must be four (4) door sedans equipped with safety locks and seat belts to accommodate up to four (4) students.

2.14 For each incident or serious accident which includes (but is not limited to) an injury to a passenger, pedestrian or occupant of another vehicle, or the suspected injury of such persons an immediate report must be made to the Authority by the Contractor by telephone, including a statement of corrective action taken, where required. In addition, all incidents or accidents reported by telephone must also be followed-up by a detailed written report of the incident or accident on the designated form. Chronic or willful failure to report any accident involving the above conditions shall entitle the Authority's Transportation Management Provider to penalize the Contractor with financial penalties or the removal of route(s).

2.15 For any disruptive incident involving students, a Student Incident Report must be completed by a cab driver following such incidents. All acts of misconduct shall be reported to the school principal. At no time shall a driver take a student out of the cab other than the designated pick-up or drop off location. Cab drivers are not allowed to physically discipline students at any time.

- A. The use of corporal punishment will not be tolerated and will result in termination of contract.

2.16 Routes are designated, written, and assigned by Authority. This includes all changes, etc. The initial assignment of routes to Contractor will be made by Authority and sent to the Contractor via email by the "Assignment Date".

2.17 The Authority reserves the exclusive right to tier taxi cab runs into routes:

- A. Routes will be assigned as needed. Any adjustment after initial assignment may result in a decrease or an increase in the number of routes.

- B. At any time during the period of the contract the number of vehicles required might be reduced and the schedules may be adjusted due to change in student population, consolidation of routes, changes in schools of attendance, etc.
- C. When route reductions occur, compensation to the Contractor shall be reduced to the number of vehicles/miles actually used in the performance of the agreement, and Authority shall not be liable for payments for any vehicles/miles eliminated.
- D. Authority's Transportation Management reserves the right to increase or reduce the number of vehicles, as service requires.
- E. Authority's Transportation Management shall notify the Contractor of all changes in the pickups, or new pickups by mail or fax by 1:00 pm of the day prior to the change. The Contractor shall confirm these changes in writing the day following such notification.
- F. Final driver route assignments shall be completed and finalized by the 10th day after execution the Assignment Date. Changes and driver route assignments shall be kept to a minimum throughout the operating period of the contract.
- G. When the regular driver is absent and can't cover their regular route the sub-driver (cab) must be able to keep the same pickup and drop-off times as scheduled.

2.18 The Contractor must ensure direct telephone access to their garage(s), staff, and dispatching center during the hours of operation. Answering services and answering machines shall not qualify as direct telephone access. The dispatching center shall be staffed to receive telephone calls from the Authority's Transportation Management daily between the hours of 6:00 a.m. and 6:00 p.m. and have on duty, at all times within those hours, personnel authorized to discuss and correct problems, which may arise in the fulfillment of the agreement. Failure to do so shall be cause for default and may result in the loss of routes or constitute breach of contract. Throughout the duration of the contract, the Authority's Transportation Management shall be kept informed as to the name of the person(s) responsible for the operation.

2.19 The Authority shall not guarantee a minimum number of days of service; however, Contractor may use the estimate of 210 school days per year as a planning guide for service during the normal school year. The Contractor must conform to the school calendar and time schedules of all the different schools involved, including daily time schedules. These time schedules are the sole responsibility of the Authority.

- A. The school calendar shall be furnished in the summer prior to the opening of each school year. It is the responsibility of the "Service Provider" to adhere to this calendar at all times unless notified otherwise by Authority's Transportation Management. This shall include responsibility for adhering to any

special schedules, shortened schedules, half days, etc.

2.20 Vehicles must arrive at the assigned school within 15 minutes prior to the start time. Students must not be discharged from the cab before their designated time unless authorized by the principal of the school or the Authority's Transportation Management. Hours of service may have to be adjusted due to special programmatic considerations. Late pickup in excess of 15-30 minutes in a.m. or the p.m. may result in penalties or loss of routes.

A. No vehicles shall leave the school at dismissal time until all students are aboard.

2.21 Contractor must have a plan for their cabs in place for the following emergencies:

A. Robbery attempts

B. Fire

C. Other emergencies as deemed appropriate

D. Bomb threats

2.22 Special Education students who will require transportation under the contract shall be provided with portal to portal service as determined by Authority, but ultimately, final destination (both pick up and drop off location) is determined by the student's IEP process. In the unusual case where, because the student lives on a dead-end street or because of traffic regulations, it is impossible for the vehicle to pick up at the curb in front of the pupil's home, the pickup and drop-off point will be at the nearest intersecting street on which the student resides. On the homeward trip, the student will be discharged from the vehicle at the same point from which the student was picked up unless instructed otherwise by the Authority's Transportation Management. In all instances, student pickup and drop-off locations are the sole determination of the Authority's Transportation Management.

2.23 Drivers must insure that their assigned students are seen entering the school and into their home before departing. The Authority will not tolerate any student being left in an unsafe environment. Failure to comply with this provision will result in penalties, loss of routes and/or loss of contract.

2.24 Except in an emergency, no student will be required to transfer from one vehicle to another vehicle either on the trip to school or home. Only students listed on the route sheets will be allowed to ride school cabs. Only authorized school personnel will be permitted to ride on Contractor's cabs. The Authority's Transportation Management must approve any exceptions.

2.25 Each driver must possess a valid public vehicle license with no more than seven (7) points on their driving record. Any driver with more than seven (7) points will be reviewed by

the Authority's Transportation Management for use under this contract. The Authority reserves the right to reject any driver with more than seven (7) points. Other requirements are:

A. Cab drivers transporting Authority students must not have been convicted of criminal sexual conduct in any degree, assault with intent to commit criminal sexual conduct, an attempt to commit criminal sexual conduct in a degree, felonious assault on a child, child abuse, cruelty, torture or indecent exposure involving a child. (MI P.A. #187) Also, drivers must have not been convicted of an act of a violent nature. If any driver has been convicted of an offense, other than the criminal section conduct offenses listed above, within the last five (5) years Authority reserves the right to reject such driver for use under this contract.

2.26 The Contractor shall be fully responsible for the cost of obtaining these reports and delivery to Authority. Failure to comply shall be grounds for immediate dismissal of the driver and/or forfeiture of route(s) or loss of contract.

2.27 Documents are defined as this Agreement, Exhibits to this Agreement, EAA Transportation Program Specifications and Addenda (if any). In the event of a conflict between these documents and the provisions of this Agreement, this, Agreement will control.

2.28 Authority and Contractor will consult on a regular basis concerning the transportation requirements of Authority. In the event of increases or decreases in the number of routes or taxi cabs required, the number of taxi cabs and the number of spare taxi cabs will be adjusted accordingly.

SECTION 3: COMPENSATION AND BILLING

3.1 In consideration for services rendered hereunder. Authority shall pay to Contractor all sums due and owing and calculated in accordance with the rates set forth in Exhibit A, as may be adjusted from time to time by mutual agreement of the parties and evidenced in writing as provided herein. The Contractor will submit invoices of amounts owed on a monthly basis for its services rendered the previous month. Authority shall pay the amount due to Contractor on or before the 45th day following the date on which the statement has been submitted by mail or email to the designated billing address.

3.2 Contractor and Authority agree that if the Authority fails to pay an invoice in full within the first 120 days after Contractor has submitted the invoice. Authority will not be in default under this Agreement.

3.3 In the event the Authority fails to pay an invoice in full after 120 days after submission of such invoice the Authority shall be in default under this provision. At the end of such 120 day payment period the Contractor may terminate this Agreement by providing notice as follows: within five (5) business days following the last day of the 120 day default period

following submission of any invoice, the Contractor shall give the Authority thirty (30) days' written notice of default as to that invoice and the opportunity to remedy the default in payment. If at the end of such 30-day default notice period if the Authority has not remedied the purported default, within five (5) business days following the last day of the 30-day default notice period, the Contractor shall give the Authority 15 days' notice of termination, which termination will occur at Contractor's discretion. Failure of the Contractor to provide notice within these timelines does not waive the Contractor's right to terminate this agreement in accordance with this Section, provided, however, that the Contractor provides the applicable notices and cure periods under this Section in order to proceed to a default and terminate the Agreement in accordance with this Section of the Agreement.

SECTION 4: COMPENSATION AND BILLING --BANKRUPTCY PROCEEDINGS

4.1 In the event of filing by or against the Authority for protection under the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code") or similar state law insolvency statutes, the following terms apply:

(a) Authority acknowledges that continuation of the services to be provided by Contractor pursuant to this Agreement would be essential to the Authority's reorganization, therefore Authority agrees to seek critical Contractor status for Contractor within thirty (30) days of the filing of any petition for relief under the Bankruptcy Code or similar state law insolvency statutes and to seek permission to pay Contractor all outstanding pre-petition amounts in full due to its status as a critical Contractor.

(b) Authority agrees to pay all documented and earned post-petition expenses in full pursuant to the terms and conditions set forth in this Agreement for so long as this Agreement is in effect.

SECTION 5: ESCALATION

5.1 In the event that the Authority makes significant changes in the scope of work or other conditions under which the services are to be provided (for example, changing from a five day week to a four day week) during the term of this Agreement causing the Contractor's costs to increase, the Contractor and Authority shall negotiate in good faith concerning price modifications applicable to cover such changed costs.

SECTION 6: FUEL

6.1 Contractor shall purchase at its own cost, inclusive of all fuel taxes, all fuel required for the operation of taxi cabs hereunder.

SECTION 7: ROUTES AND SCHEDULES

7.1 Authority shall designate a representative (hereafter Transportation System Manager) that shall be primarily responsible for planning all routes, stops and schedules; provided, however, that the Authority shall have final and ultimate authority for planning all routes, stops and schedules. Contractor agrees to work in cooperation with the Authority, or its designee to establish the most advantageous routing plan for the safety of students within the

guidelines provided for in this Contract and the Authority's policies.

7.2 Authority shall furnish a tentative database of all students' names, addresses, and schools of attendance, programs, and any special requirements for Special Education students by approximately August 15th so that the Authority's designee can begin developing routes for the coming school year. The Authority will provide weekly updates. A final list must be submitted to the Authority's designee five (5) days prior to the start of school. Contractor shall make a reasonable effort to adjust its operations to incorporate students not included in the final list within five (5) calendar days.

7.3 Authority and its designee shall establish the routes and schedules to be followed and make changes therein from time to time and consult when possible with Contractor on any proposed changes prior to making any route changes. Contractor shall make a reasonable effort to adjust its operations to incorporate such changes after notice is received from Authority or its designee. In the event Authority or its designee changes routes or schedules once service has begun or been published, Authority or its designee will assist in republication of changes or other notification to those patrons whose service has been changed. Contractor shall consult with Authority and its designee as to stops or portions of routes that Contractor considers to be a safety concern due to traffic patterns or configurations.

SECTION 8: REPORTS

8.1 Contractor shall maintain such records and submit such reports, as are deemed necessary by the Authority and as negotiated between Contractor and Authority from time to time. All reports required by Authority shall be submitted in a format acceptable to the Authority. Contractor will not be responsible for filing on behalf of Authority any state or regulatory reports concerning ridership or reimbursement.

SECTION 9 RECORD INSPECTIONS AND RETENTION

9.1 General. Upon reasonable notice from EAA, Contractor shall provide EAA and its agents, regulators, accountants and inspectors access to, and any assistance and information that they may reasonably require with respect to the Services to, among other things, verify the security of EAA Confidential Information and examine Contractor's performance of the Services to enable EAA to confirm Contractor's compliance with this Agreement and applicable law.

9.2 Cooperation and Record Retention. Contractor agrees to maintain accurate books and records in connection with Contractor's performance of the Services. Unless returned to EAA, upon its written request, all such books and records (including, without limitation, all papers, correspondence, data, information, reports, records, receipts, and other sources of information relating to the Services and Fees paid to Contractor) will be held and preserved for the duration of this Agreement and for a period of six years after the expiration or termination of this Agreement. Contractor shall make such books and records available to EAA at EAA's request. Further, Contractor shall, and shall cause its agents, employees and contractors to provide EAA with all assistance required to enable EAA to comply with applicable law and standards pertaining to the disclosure and confidentiality of such books and records.

SECTION 10: INSURANCE

10.1 The Contractor shall furnish to EAA a certified copy of the policy/policies or Certificate of Insurance covering the work as required in the specifications as evidence that the insurance required will be maintained in force for the entire duration of the contract with EAA.

Insurance: Before commencing execution of this contract, the Contractor shall submit a Certificate of Insurance satisfactory to the EAA at the following address:

Transportation Department
Education Achievement Authority of Michigan
3022 West Grand Boulevard, Suite 14-652
Detroit, MI 48202

a. Worker's Compensation (if applicable) coverage limits in the statutory amount as required in the State of Michigan and Employer's Liability coverage limits in the amount of \$100,000.00 (One Hundred Thousand Dollars) each accident, each disease and each employee.

b. Commercial General Liability Insurance coverage limits in the amount of \$2,000,000.00 (Two Million Dollars) per occurrence for the loss or damage resulting from bodily injury to, or the death of, one or more persons, and for the loss or damage to property and \$4,000,000.00 (Four Million Dollars) aggregate.

c. Automobile Liability Insurance (covering all owned, hired, and non-owned vehicles with personal and property protection insurance including residual liability insurance under Michigan No Fault Insurance Law coverage limits in an amount not less than \$100,000.00 (One Hundred Thousand Dollars).

d. Excess Liability Insurance coverage limits in the amount of \$1,000,000.00 (One Million Dollars).

10.2 Approval of Forms and Companies. The Certificate of Insurance must state the Policy Number, date of expiration and limits of liability there under. All coverage described in this contract shall be in a form and content satisfactory to the Contracting Officer. No party subject to the provisions of this contract shall violate or knowingly permit to be violated any of the provisions of the policies of insurance described herein. All insurance should be provided by insurance companies licensed to do business in the State of Michigan with a Best's Service Rating of B+.

10.3 Additional Insurance Endorsement. The policy or policies providing Commercial General Liability, Automobile Liability and as otherwise required above shall be endorsed to name the EAA, their directors, officers, representatives, agents, and employees as Additional Insured's as respects operations performed by or on behalf of the Contractor in performance of this contract. The policy shall also be endorsed to name other interests as directed by the EAA.

10.4 Notice of Cancellation or Material Changes. Policies and/or Certificates shall specifically provide that a thirty (30) day notice of cancellation, non-renewal, or material change be sent to the EAA.

10.5 Multiple Policies. The limits of liability as required above may be provided by a single policy of insurance or a combination of primary, excess or umbrella liability policies. But in no event shall the total limit of liability of any one occurrence or accident be less than the amount above.

10.6 Deductibles. Companies issuing the insurance policies and the Contractor shall have no recourse against the EAA for payment of any premiums or assessments for any deductibles, as all such premiums and deductibles are the sole responsibility and risk of the Contractor.

10.7 Subcontractors. If any part of the work is sublet, Contractor shall require any and all subcontractors performing work under this contract to carry worker's compensation insurance and other types of insurance with limits of liability as Contractor shall deem appropriate and adequate. In the event a subcontractor is unable to furnish adequate insurance required under the contract, the Contractor shall endorse the subcontractor as an Additional Insured and/or become an Alternate Employer. The Contractor shall obtain and furnish to the EAA Certificates of Insurance evidencing subcontractor's worker's compensation insurance coverage. If a subcontractor's certificate of worker's compensation insurance expires during the period of performance, Contractor shall obtain a renewal certificate. The Contractor must maintain all certificates of worker's compensation insurance for a period of not less than 1 year. All other insurance certificates for subcontractors shall be furnished to the EAA.

10.8 The selected Contractor shall not hold the EAA liable for any personal injury incurred by its employee, agent or consultant, Contractor or subcontractor while working on this project. The Contractor agrees to hold EAA harmless from any such claim by its employees, agents, consultants, Contractor or subcontractor.

SECTION 11: FORCE MAJEURE

11.1 In the event Contractor is unable to provide the transportation services, as specified in this Agreement because of any act of God, civil disturbance, fire, riot, war, terrorism, picketing, strike, labor dispute, labor shortages, governmental action or any other condition or cause beyond Contractor's control, Authority shall excuse Contractor and Contractor shall excuse Authority from performance under this Agreement including any claims for liquidated damages.

SECTION 12: SCHOOL CLOSINGS OR CHANGES IN SCHEDULE

12.1 Whenever (a) inclement weather or impassability of roads occurs, (b) school is canceled or delayed, (c) the school day is scheduled for other than regular start or end times, or (d) school is dismissed early for any reason, Authority shall notify Contractor not later than 6:00 a.m. on the day of such cancellation or delay or not later than two (2) hours before early dismissal and one (1) hour prior to the cancellation of supplemental transportation. If Authority does not notify Contractor by 6:00 a.m. or time required for supplemental transportation, Authority shall pay Contractor \$50 for each person who reported for work for each assignment provided the Contractor provides documentation suitable to EAA to verify the expense.

12.2 Notwithstanding the foregoing, in the event of circumstances in the operation of any school which necessitate early dismissal for student health or safety reasons, the Contractor and Authority shall cooperate to facilitate orderly transportation of students in the most efficient manner possible in light of the circumstances presented, without additional cost or charge to EAA, except as agreed to by the parties in writing.

SECTION 13: SAFETY PROGRAM

13.1 Contractor shall be responsible for implementing, maintaining, and reviewing annually a comprehensive pupil transportation safety program.

13.2 Contractor's employees shall not be required to perform any medical functions for passengers, except to the extent required by law.

SECTION 14: MANAGEMENT PERSONNEL

14.1 Contractor shall employ management personnel who shall be responsible for the efficient operation of the transportation services furnished hereunder and who shall be Contractor's liaison to Authority. Contractor will designate a crisis management contact person for emergency contact with Authority prior to the start of the school year. Contractor shall inform Authority of the name(s), contact telephone number(s) and addressees) of such management personnel.

14.2 Authority shall employ management personnel who shall be responsible for Coordination of the student transportation requirements of Authority to be furnished under this Agreement and who shall be Authority's liaison to Contractor. Authority will designate a crisis management contact person for emergency contact with Contractor prior to the start of the school year. Authority shall inform Contractor of the name(s), contact telephone number(s) and addressees) of such management personnel.

SECTION 15: OPERATIONS PERSONNEL & DRIVERS

15.1 Contractor shall employ a sufficient number of qualified drivers and support personnel to assure Authority of continuous, reliable, safe, and on time service.

15.2 Contractor shall take reasonable steps to prevent its employees from exposing any pupil to impropriety of word or conduct. Contractor shall not permit its drivers to smoke on the bus, to drink any intoxicating beverage, or to be under the influence of drugs or alcohol while operating any bus.

15.3 Contractor shall be responsible for hiring and discharging personnel employed by Contractor to perform its obligations hereunder; provided, however, that Authority shall have the right to request Contractor to remove from service to the Authority any employee who, in Authority's sole discretion, is deemed unsuitable for the performance of transportation services for Authority; and provided, further, that Authority shall make such request in writing provided that such request does not violate applicable laws against discrimination.

15.4 Contractor shall provide qualified driver/trainers and qualified drivers, trained and licensed in accordance applicable laws and the rules and regulations of Authority. Not less than sixty (60) days prior to the start of any school year, Authority shall advise Contractor of Authority's requirements for training or qualification for drivers or driver/trainers. Contractor will, to the extent such requirements do not conflict with state or federal laws; implement such requirements into its hiring and training programs for drivers servicing Authority's students. Contractor agrees that each driver shall:

15.4.1 Possess a valid license or permit issued by this State authorizing such person to operate a taxi cab.

15.4.2 Possess a satisfactory driving record and criminal history record, after review of such records prior to employment and periodically thereafter to the extent permitted or available by law.

15.4.3 Prior to employment and from time-to-time thereafter, to the extent permitted by law, undergo such tests as may reveal, within a reasonable degree of medical or scientific certainty, the presence or absence of drugs or controlled substances in the body and such tests as may clinically reveal alcoholism, alcohol abuse or other drug abuse. Negative findings for such tests shall be a condition of employment.

15.4.4 Meet any other criteria required by law or by Authority's policies, rules or regulations, including but not limited to the requirement for criminal background checks.

SECTION 16: TRAINING REQUIREMENTS

16.1 Contractor shall provide thorough instruction to drivers in compliance with state and federal safety and operations guidelines and regulations.

16.2 Prior to the start of the school year, Contractor will provide time at one of its employee orientation sessions so that Authority administrators may address drivers and other personnel assigned to work under this Agreement on matters relating to the expectations for student conduct and to familiarize staff with members of the school administration and/or Authority requirements. Authority at its sole discretion may have the Contractor provide training regarding the above mentioned items. Such orientation will be at a time and place mutually agreed upon by Contractor and Authority. Authority may distribute materials to drivers and other staff at meetings.

SECTION 17: EQUIPMENT

17.1 Contractor shall provide the fleet necessary to operate this contract at the Contractors expense. The fleet shall include all equipment and devices required to transport a diverse Special Education population. Contractor shall provide for and ensure, at its sole cost and expense, regular upkeep, maintenance, replacement, repair, cleanliness, and appearance of its vehicles, in accordance law and accepted industry safety and maintenance standards. Contractor shall have or establish a maintenance system with preventative maintenance scheduling and Inspections. Contractor shall, upon request by Authority, provide Authority with reports summarizing Contractor's current maintenance program and repairs to its buses and, upon ten

(10) business days' notice, and during Contractor's normal business hours, Contractor shall make its full maintenance and repair reports available for inspection by Authority.

17.2 The Contractor shall equip every taxi cab, including spares, used to fulfill this Contract with a fully operational two-way radio communication system capable of reliably maintaining contact with any bus anywhere on the Authority routes. The Contractor shall provide and maintain the radios, adequate radio frequency, and other necessary radio equipment.

17.3 The Contractor may utilize a single taxi cab to service multiple school districts -- including Detroit Public Schools -- in-so-long as the scheduling of such does not interfere with the transportation needs of the Authority.

SECTION 18: PUPIL DISCIPLINE AND VANDALISM

19.1 The ultimate responsibility and authority to suspend or expel any pupil from transportation services hereunder shall rest with Authority: provided, however, that Authority will consult with Contractor in arriving at its decision. Contractor's drivers are responsible only for such discipline as is required to properly and safely operate Contractor's taxi cabs. Each driver shall handle all disciplinary matters in strict accordance with Authority policy. In no case will a driver eject a pupil from a bus for misbehavior except in the event of an extreme emergency endangering the safety of other pupils and then only after radio notice to Contractor's terminal and to the pupil's building or school principal. In all cases of disciplinary ejection, the taxi cab shall remain at the approximate area of student discharge until authorities arrive on site and authorize it to proceed on route. All discipline problems shall be reported in writing as soon as possible and in no event later than the next school day following completion of the route. The Authority and the Contractor will, in the event the contractor determines that a pupil poses a danger to himself/herself or other passengers cooperate to provide a safe transportation environment prior to the Contractor being required to transport such pupil. Further procedures and regulations for the administration of discipline shall be established by the Authority with input from the Contractor.

19.2 Vandalism, damage to Contractor's equipment or facilities shall be the responsibility of Contractor. Authority shall give Contractor reasonable assistance in obtaining restitution for damaged equipment or facilities where damage is determined to be caused by Authority students or personnel. Contractor may, with the written concurrence by Authority, refuse to provide a pupil with transportation services until vandalism damages caused by such pupil are paid.

SECTION 20: ASSIGNMENT

20.1 This Agreement shall not be assigned by the parties hereto, without the written consent of both the Contractor and the Authority, which consent shall not be unreasonably withheld or delayed.

SECTION 21: CONFIDENTIAL INFORMATION

21.1 Standard of Care. A Contractor acknowledges that it may receive or have access to EAA's "Confidential Information", as that term is defined below. Contractor will protect EAA's Confidential Information with the same degree of care as Contractor uses to avoid

unauthorized use, disclosure, publication or dissemination of its own confidential information of a similar nature, but in no event, less than a reasonable degree of care. Contractor shall not disclose or otherwise make available EAA's Confidential Information to any third party without the prior written consent of EAA; provided, however, that Contractor may disclose the Confidential Information to its officers, employees, and contractors who need access to the Confidential Information to perform their obligations to Contractor or EAA and who are themselves bound by nondisclosure obligations at least as restrictive as those set forth in this Section 21. Further, Contractor shall comply with all confidentiality-related guidelines, standards and law applicable to EAA. Contractor agrees to immediately notify EAA in the event Contractor becomes aware of any loss or unauthorized disclosure of EAA's Confidential Information. The provisions of this Section 21 shall survive the termination or expiration of this Agreement.

21.2 Confidential Information "Confidential Information" means any information related to the business, personnel and operations of EAA obtained by Contractor, and may include, but is not limited to, business affairs, data, manuals, financial and accounting data, data and information concerning students, contracts, intellectual property, proprietary information and other operational information. Confidential Information shall not include anything that Contractor can document: (i) was generally available to the public at the time it was received by Contractor, (ii) was known to Contractor, without restriction, at the time of disclosure, or (iii) was independently developed by Contractor without any use of the Confidential Information.

Section 21.3 Return of Confidential Information. Upon expiration or termination of this Agreement, Contractor shall promptly return to EAA all Confidential Information of EAA and all copies, or at EAA's option, Contractor shall destroy the Confidential Information.

SECTION 22 AUDITS

22.1 General. Upon reasonable notice from EAA, Contractor shall provide EAA and its agents, regulators, accountants and inspectors access to, and any assistance and information that they may reasonably require with respect to the Services to, among other things, verify the security of EAA Confidential Information and examine Contractor's performance of the Services to enable EAA to confirm Contractor's compliance with this Agreement and applicable law.

22.2. Cooperation and Record Retention. Contractor agrees to maintain accurate books and records in connection with Contractor's performance of the Services. Unless returned to EAA, upon its written request, all such books and records (including, without limitation, all papers, correspondence, data, information, reports, records, receipts, and other sources of information relating to the Services and Fees paid to Contractor) will be held and preserved for the duration of this Agreement and for a period of six years after the expiration or termination of this Agreement. Contractor shall make such books and records available to EAA at EAA's request. Further, Contractor shall, and shall cause its agents, employees and contractors to provide EAA with all assistance required to enable EAA to comply with applicable law and standards pertaining to the disclosure and confidentiality of such books and records.

SECTION 23 INDEMNIFICATION, DAMAGES, AND WARRANTIES

23.1 Indemnification. Contractor shall indemnify and hold harmless EAA and EAA's employees, agents, directors and officers against all liability arising out of, or resulting from any third party claim, suit, action or proceeding arising out of or resulting from (i) the failure of

Contractor or any of its agents, employees or contractors, to comply with the terms of this Agreement or any applicable law; or (ii) any injury, loss, claim or damages arising from the actions or omissions of Contractor or an agent, employee, director, officer or contractor of Contractor.

23.2 Limitation of Liability; No Special Damages. Notwithstanding any other provision of this Agreement, EAA shall not be liable to the Contractor for any damages for loss of profits, loss of revenues, loss of goodwill, loss of anticipated savings, loss of data or cost of purchasing replacement services, or any indirect, incidental, special, consequential, exemplary or punitive damages arising out of the performance or failure to perform under this Agreement or any Service Order. Nothing in this Agreement shall be construed as a waiver of governmental immunity, where applicable. No such limitation upon Contractor's liability for damages shall exist unless expressly set forth in the Special Terms of the Service Order.

23.3 Disclaimer of Warranties. EXCEPT AS (1) EXPRESSLY SET FORTH IN THIS AGREEMENT, AND, (2) WITH RESPECT TO CONTRACTOR ONLY, AS SET FORTH IN THE SPECIAL TERMS OF A SERVICE ORDER, NEITHER EAA NOR CONTRACTOR MAKES ANY OTHER REPRESENTATION OR WARRANTY REGARDING THE SERVICES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE.

SECTION 24: DISPUTES

24.1 Informal Dispute Resolution. EAA and Contractor will attempt to settle any dispute through informal good faith negotiations. The EAA Transportation Manager will be the final authority in any dispute over which rate applies from the rates listed in Exhibit A. All other disputes will be escalated to appropriate senior level management of the parties, if necessary. If such managers are unable to resolve the dispute within ten business days of referral (or any other mutually agreed upon timeframe), the parties will undertake non-binding mediation as described below in a good faith attempt to resolve such dispute.

24.2 Mediation. There will be a single mediator. If the parties cannot agree upon an acceptable mediator within ten days of termination of the negotiations under Section 24.1 each party will select one mediator from a list of not less than five mediators provided by the other party. These two mediators will select a third mediator who will serve as the sole mediator. Subject to the availability of the mediator, the mediation will occur not more than thirty days after the request for mediation. The mediation process will continue until the dispute (or any part thereof) is resolved or until such time as the mediator makes a finding that there is no possibility of resolution short of referring the parties to final and binding arbitration. The mediation will be held in Detroit, Michigan, unless the mediator, on his or her own initiative, wishes to conduct any mediation proceeding by telephone, facsimile transmission or other means of communication. The cost of mediation, including the mediator's fees and expenses, will be shared equally by the parties. Each party will have the right to be represented by attorneys of their own choosing to advise them before and during the mediation process and their attorneys may review any settlement agreement, or other agreement, which the parties have reached through mediation, prior to the execution of such agreement. The parties agree that the mediator is acting in a neutral capacity and is not serving as an attorney, advocate, representative or

fiduciary for either or both of them. Each party will pay its own attorney's fees and costs. In connection with the mediation process, the mediator may meet in confidential "caucus" sessions separately with each party. The mediator will be obligated to treat as confidential and refrain from disclosing to the other party or its counsel any information conveyed to the mediator during the caucus sessions unless the party conveying such information authorized the mediator to disclose it to the other party.

Section 24.3 Binding Arbitration. Should any dispute (or part thereof) remain between the parties after completion of the mediation process described in Section 24.2, such dispute will be submitted to final and binding arbitration in Detroit, Michigan under the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), except to the extent that the AAA Rules are contrary to the specific terms of this Section 24.3, provided, however, that at the election of EAA, the arbitration may be done privately and not under the auspices of the AAA, although the AAA rules shall still otherwise govern except as herein stated. There will be three arbitrators. Each party will select one arbitrator. The two arbitrators selected by the parties will select a third arbitrator. At least one of the arbitrators will have at least five years of relevant experience. Each party may be represented by an attorney selected by the party. The costs of the arbitration, including the arbitrators' fees and expenses, will be shared equally by the parties. Each party will pay its own attorney's fees and costs; provided that, if the arbitrators find either party has acted in bad faith, the arbitrators will have discretion to award attorneys' fees to the other party. No party may raise new claims against the other party in the arbitration not raised during mediation. The arbitrators will have the power to resolve all disputes between the parties. The arbitrators will apply the law of the state of Michigan. The arbitrators will only interpret and apply the terms and provisions of the Agreement and will not change any such terms or provisions or deprive either party of any right or remedy expressly or impliedly provided for in the Agreement. The arbitrators will not have the power to award damages other than those described in the Agreement. The determination of a majority of the arbitrators will be conclusive upon the parties and will be non-appealable. At least thirty days before the arbitration is scheduled to commence, the parties will exchange lists of witnesses and copies of all exhibits intended to be used in arbitration. The parties will be entitled to limited discovery. A stenographic record of the proceedings will be kept, unless waived by both parties, at the equal expense of the parties. The arbitration will be completed within 120 days of the selection of the third arbitrator. The arbitrators will render a written decision, which contains findings of fact and conclusions of law, within thirty days of the conclusion of the arbitration and will specify a time within which the award will be performed. Judgment upon the award, including specific enforcement of the decision, will be entered in any court of proper jurisdiction. The parties have knowingly chosen arbitration as an alternative to proceedings in court and they specifically waive their rights to proceed by any means before a court otherwise having jurisdiction of any dispute between them, except to the extent necessary for injunctive relief or other equitable relief.

SECTION 25: SURVIVAL

25.1 Except as otherwise provided in this Agreement, the mutual obligations described in Compensation and Billing, Audits, Disputes, and Indemnification hereof and all provisions relating to the protection of confidential information shall survive the termination or expiration of the Agreement.

SECTION 26 STATUS OF CONTRACTOR

26.1 In the interpretation of this Agreement and the relations between Contractor and Authority, Contractor shall be construed as being an independent contractor employed to provide transportation services only. Further, notwithstanding the provisions of Sections 15, 16 and 17, nothing contained in this Agreement shall be construed to deem this Agreement a joint or co-employer arrangement or to deem the Authority to have employer-like control over the Contractor's employees or agents. Neither Contractor nor any of its employees shall be held or deemed in any way to be an agent, employee or official of Authority. Contractor shall be responsible for, and hold Authority harmless from any liability for unemployment taxes or contributions, payroll taxes or other federal or state employment taxes.

SECTION 27: SEVERABILITY

27.1 In the event any provision specified herein is held or determined by a court of competent jurisdiction to be illegal, void or in contravention of any applicable law, the remainder of the Agreement shall remain in full force and effect.

SECTION 28: EXTENSION AND MODIFICATION

28.1 Contractor and Authority may extend or otherwise modify the terms of this Agreement in whole or in part as circumstances may justify by mutual written agreement executed by the duly authorized representatives of the parties.

SECTION 29: NOTICE TO PARTIES

29.1 Notices. All written notices, consents, approvals, requests and other communications ("Notices") required or permitted under this Agreement shall be personally delivered with receipt obtained, or mailed by overnight mail or registered or certified first-class mail, return receipt requested, addressed as follows:

If to the Contractor, to:

Patrica Harvey
City Cab Company
7404 Woodward Ave.
Detroit, Michigan 48216

If to the EAA, to:

Education Achievement Authority
3022 W. Grand Boulevard
Suite 14-652
Detroit, Michigan 48202
Attention: Chancellor's Office

All Notices shall be deemed given on the day when hand delivered or, if mailed, on the day following the day of mailing. Either party to this Agreement may change its address for the receipt of Notices at any time by giving Notice to the other party as provided in this Section.

SECTION 30 GENERAL PROVISIONS

Section 30.1 Independent Contractor. The Services of Contractor shall be rendered as an independent contractor. The relationship between EAA and the Contractor shall not be that of partners, agents, or joint venturers to one another, and nothing contained in this Agreement shall be deemed to constitute a partnership, agency or employment agreement between them for any purposes, including, without limitation, for federal income tax purposes. Contractor assumes full responsibility for the payment of wages, salaries, and other amount due to all persons engaged by Contractor in connection with the Services performed hereunder, and Contractor will be responsible for all taxes, including Social Security, unemployment and withholding taxes, with respect to such persons. No provision of this contract shall be for the benefit of any party other than the Contractor and the EAA.

Section 30.2 Tax Exempt Status. Contractor acknowledges that EAA is a tax-exempt entity. Contractor may not use any EAA facility for any unauthorized purpose and will not act in any way that might jeopardize EAA's tax-exempt status.

Section 30.3 Entire Agreement and Amendments. This Agreement (including the Service Orders and exhibits), together with the documents delivered pursuant hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, negotiations, representations, discussions and understandings between the parties. This Agreement may be amended only by a written instrument executed by each party.

Section 30.4 Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Michigan without giving effect to other conflicts of laws or principles thereof.

Section 30.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

Section 30.6 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto. No party to this Agreement may assign its rights under this Agreement to any other person without obtaining the written permission of the other parties in advance.

Section 30.7 No Third Party Beneficiaries. Nothing expressed or referred to in this Agreement is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or permitted assigns any legal or equitable right, remedy or claim under or in respect of this Agreement it being the intention of the parties that this Agreement and the transactions contemplated hereby shall be for the sole and exclusive benefit of such parties or such successors and permitted assigns.

Section 30.8 Expenses. Each party shall bear its own expenses incurred in connection with this Agreement and with the performance of its obligations hereunder.

Section 30.9 Further Assurances. Each party promptly shall cause to be taken, executed, acknowledged or delivered all such further acts, conveyances, documents and assurances as any other party from time to time reasonably may request in order to carry out and effectuate the intent and purposes of this Agreement.

[signatures on next page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives with effect from the day and year first above written.

EDUCATION ACHIEVEMENT AUTHORITY

By: _____

J. Wm. Covington, Ed.D.

Title: _____

Chancellor

Date: _____

CITY CAB COMPANY

By: _____

Name of Person

Title: _____

Title

Date: _____

**Education Achievement Authority - Michigan (EAA)
Taxi Cab Company**

Exhibit A

Pricing Sheet

	2012/2013	2013/2014	2014/2015
Taxi Cab Routes (5 days per week approximately of 210 regular school days)			
Per Taxi Cab, Per Day Rates:			
Daily cost for providing to and from school transportation on a per cab, per day basis	\$55.00	\$56.65	\$58.35
Cost for emergency, sick child, per trip*	\$35.00	\$36.05	\$37.13
Cost for transporting non deliverable child to designated EAA drop off point	\$25.00	\$25.75	\$26.52

EAA intends to use the most cost effective pricing. If more than one rate can be applied, EAA reserves the right to apply the lower rate

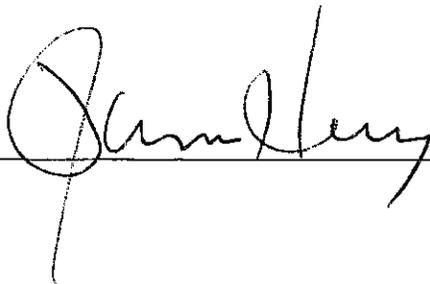
* It is the EAA policy that if students are sick or have emergency, parents are to pick up students from school. If student's school orders this service, then they (the school) will be responsible for the payment of the service provided by the Contractor.

Definition of Taxi Cab Route: A route may consist of 1 student, or up to 4 students, with each student having a different address. Also, if there are two schools in a close geographical area with same or similar bell times, the route may have two different school drop off and pickup locations.

Each taxi cab route will be compensated on a per route rate, which means the rate paid can be for multiple addresses, the EAA only compensates the taxi cab company on a per route basis, not on a per address basis.

It is noted that this contract is for the purpose of "Contracting the Vendor" and is no-wise a guarantee that cab routes will be issued to the Contractor.

Contractor
Signature



Date

July 11 2012

Resolution 2012-39

F

PUPIL TRANSPORTATION AGREEMENT

Between Education Achievement Authority and Greater Detroit Cab Company

THIS AGREEMENT is made and entered into as of the _____ day of _____, by and between Education Achievement Authority of the State of Michigan with principal offices at 3022 West Grand Blvd., Suite 14-652, Detroit, MI 48202 (hereinafter called "Authority"), and Greater Detroit Cab Company, hereinafter called "Contractor", with its business headquarters at 138 W Fisher Fwy. Detroit, MI 48201. This Pupil Transportation Services Agreement between EAA and Greater Detroit Cab Company shall herein after be referred to as "Agreement" or "Contract".

WITNESSETH

WHEREAS, Authority has selected Contractor to provide the pupil transportation services described herein; and

WHEREAS, Contractor desires to provide such transportation services,

NOW, THEREFORE, in consideration of the covenants hereinafter contained, the parties agree as follows:

SECTION 1: TERM AND TERMINATION

1.1 The term of this Agreement shall commence August 1, 2012 and shall continue through July 31, 2015 and any extension thereof. Subject to the terms of the subsequent sentence of this paragraph, this Agreement upon approval of the parties may be extended for two (2) additional year periods. The negotiation process for the extension including the negotiation of new economic terms shall occur on or before March 1st of the year in which the Agreement terminates or expires. For purposes of this Agreement the term "Contract Year" shall mean each one-year period commencing on August 1st, during the term of this Agreement and any extension thereof. In the event the Authority elects to offer contract extensions to any of its current bus transportation contractors, who shall have entered into agreement with the Authority, simultaneously with the execution of this Agreement which agreement is still in effect as of the date that an extension is contemplated, an offer of contract extension shall be made to Contractor subject to the negotiation requirements of this Section 1.1. Nothing in this Agreement shall prevent the Authority from electing to issue a Request for Proposal or otherwise seek new bus transportation contractors in lieu of offers of contract extensions of this Agreement.

1.2 EAA may terminate this Agreement hereunder without cause by providing at least 90 days' written notice of such termination to Contractor. Contractor shall be compensated for all services provided up to the effective date of termination.

1.3 This Agreement may be terminated immediately by a party upon the commission of an illegal act, unethical practice, or violation of public policy, including theft or embezzlement, by the other party or as otherwise provided in this Agreement.

SECTION 2: SCOPE OF SERVICES REQUIRED (Taxi Cab Specific)

2.1 Contractor shall, during the term of this Agreement supply, operate and maintain such taxi-cabs (in quantity and capacity) and personnel as are required to fulfill Authority's needs for transportation services as described in the EAA Transportation Program Specifications in accordance with the following schedules:

2.2 Contractor agrees to operate a portion of the Authority's daily service for its Detroit city student taxi-cab routes for the term of this Agreement. This is to include special needs transportation, homeless (McKinney-Vento Act) transportation, and some regular education transportation services. The Authority intends to utilize at least two Contractors. The Authority will allocate its transportation business across those Contractors generally on a case by case basis and upon the Authority's desired service parameters and objectives. THERE IS NO MINIMUM AMOUNT OF ROUTES GUARANTEED. Also, it is noted that this contract is for the purpose of "Contracting the Vendor" and is no-wise a guarantee that cab routes will be issued to the Contractor.

2.3 Contractor agrees to provide the transportation for Summer School Services for the term of this Agreement within the same allocation methodology referenced for the daily service. The Authority, however, reserves the right to decide if there is to be Summer School at EAA. If Authority decides, in a given year during the term of this Agreement, that it will NOT provide Summer School Services, Authority will be under no obligation to Contractor for transportation or payment for that Summer School period;

2.4 Contractor agrees to regular audits and evaluations, which may lead to a decrease or increase in the number of routes. Contractor agrees to make suggestions to Authority annually, with supporting documentation that will result in cost reductions to the Authority.

2.5 Contractor agrees to Quality Assurance audits that will consist of, but not limited to the following:

A. Contractor's cabs, driver records, vehicle maintenance records and other documentation to insure contract compliance, increased student safety, and improved service levels.

B. Provide quantitative/qualitative data from which to fairly evaluate and assign cabs/routes to "Service Provider's" and improve performance.

2.6 Contractor agrees to the following items and information must be submitted to Authority within 10 days after the Execution Date and by August 20 of each subsequent year of the agreement (hereinafter the "Disclosure Date"):

A. Contractor must provide a listing of all vehicles (including spare vehicles), indicating mileage, age, City of Detroit inspection dates, together with a listing of all bond plates held by Contractor and a copy of the certificate of license issued by the City of Detroit for each bond plate. This listing must include all vehicles the Contractor will use in providing service for Authority. Failure by Contractor to provide listings and bond plates verification by the date

identified herein shall constitute a material breach of this Contract and Authority shall have no obligation to allocate or assign any routes or runs to Contractor for the corresponding school year.

B. The Contractor shall be fully responsible for maintaining current certificates of insurance on file at the Authority's Transportation Office. Failure to do so shall in no way relieve the Contractor of its insurance responsibilities and liabilities. Authority shall bear no responsibility of reminding the Contractor to renew certificates. In the event Contractor allows insurance coverage to lapse, the Contractor shall be totally responsible for payment of all costs associated with any or all claims that may arise as a result of any or all accident(s) during the period coverage was not in place. Authority shall have the sole right to terminate Contractors contract if coverage is permitted to lapse at any time.

C. The Contractor must provide copies of the State of Michigan certificate showing ownership of vehicles.

D. All City of Detroit vehicle inspections must be complete and a current s ticker affixed to the vehicle prior to vehicle use in transporting students. (Inspection records must be maintained by the Provider and subject to Authority inspection).

E. Contractor shall provide any and all labor, equipment, material, and supplies necessary to fulfill the requirements of the agreement.

F. Contractor shall, at the expense of the Contractor, pay all required taxes and obtain, pay for, and keep current all business licenses and permits required for the lawful performance of the Student Transportation service contract.

G. Contractor is not considered to be an agent of the Authority.

H. Contractor shall be fully responsible for making sure that they are in compliance with all applicable federal, state, and city laws, rules, regulations, ordinances, statutes, etc., which impact the agreement.

I. Contractor shall indemnify, defend, and save harmless Authority against or from all cost, expenses, damages, injury or loss to which said Authority might be subjected by reason of any wrongdoing, misconduct, skill, negligence, or default in the execution or performance of the contract.

J. Authority shall have the right, at its discretion, to immediately take away any and all routes if the Contractor permits any of the following sample situations or conditions to occur:

1. Any required insurance is allowed to lapse.
2. A child is forgotten and left in a cab.

3. A cab is late or if a run or route is missed completely.
4. The driver was not directed to take a drug/alcohol test when there is probable cause.
5. The driver is permitted to continue to service a school run following the confirmation of a positive drug/alcohol test.
6. The driver refuses to take a scheduled drug/alcohol test.
7. The Authority must be notified of all driver roster changes on a quarterly basis.
8. The driver has an avoidable accident, or accidents are not reported in a timely manner. (Immediate phone call and an accident report submitted within 24 hours.)
9. The driver has not passed all drive requirements.
10. The cab does not meet the vehicle equipment and maintenance requirements.
11. The vehicle maintenance records are falsified or not current.
12. Invoices are falsified or excessive charges submitted.
13. Agreement requirements are not properly performed.
14. Non-compliance with laws and regulations which causes the Contractor to be unable to legally perform the service.
15. Non-compliance with the policies and procedures established by Authority.
16. The Contractor fails to comply with the student safety requirements as specified in this agreement.

The above list is not to be considered all-inclusive, but rather, a partial sample listing of issues that are considered grounds for termination of the contract or driver in whole or in part.

2.7 On or before the Disclosure Date the following items or information must be submitted to the Authority:

- A. Outline of maintenance program with the detailed maintenance schedule.
- B. Contractor must submit a preliminary listing of drivers.
- C. Contractor must submit a preliminary list of supervisors.
- D. Contractor must have available in each vehicle at the time of inspection all

equipment agreed upon to provide safe and efficient transportation.

E. Contractor must submit evidence, which certifies that his/her drivers and vehicles meet all the state requirements with respect to transporting students.

F. Contractor must submit evidence, which verifies criminal background checks have been procured, and that, all drivers used for the purpose of transporting Authority students have acceptable clearance to transport students.

G. Outline of maintenance program.

2.8 The Contractor must submit evidence that a drug/alcohol program is in place and identify the testing provider.

A. Breach of the agreement may be regarded as a material breach and grounds for termination of the agreement.

2.9 Contractor must conduct orientation and training of the transportation policies and transportation procedures of Authority. 2.10 From time to time Authority may also require the Contractor to provide in-service training sessions. Training may include but is not limited to the following subjects:

A. Familiarization with EAA policies and procedures

B. Loading and unloading procedures

C. Railroad crossing procedures

D. Hazard/accident avoidance

E. Passenger management

2.11 It will be the Contractor's responsibility to create and place into regular operation a complete preventive maintenance program based on a specific mileage and interval for each vehicle, including spare vehicles. Each vehicle is to be brought into the garage on a schedule so that the Contractor performs inspections and related services at a time that will not conflict with the Authority's daily transportation services. Contractors are encouraged (but not mandated) to use Fleet Management Software programs for maintaining accurate records. These records are subject to Authority inspection at any time for any reason.

2.12 Contractor is to establish a system whereby all of their assigned cabs to Authority are clean and in the best mechanical condition possible. This system must include but is not limited to, establishing written procedures and directions for all employees involved, daily reporting, and monitoring the system on a periodic basis. Authority inspections consist but are

not limited to the following items:

- A. Clean the cab each day
- B. Clean windows
- C. Clean the driver compartment
- D. Wipe down cab interior
- E. Empty trash in approved location
- F. Establish a process whereby the vehicle exterior is washed on a regular basis

2.13 Vehicles used to transport Authority students shall not be more than seven (7) years old. If cars are older than seven (7) years, Authority has right to reject a vehicle from being used under this contract if such vehicle does not meet performance standards necessary to transport students safely to their destination. The vehicles must be four (4) door sedans equipped with safety locks and seat belts to accommodate up to four (4) students.

2.14 For each incident or serious accident which includes (but is not limited to) an injury to a passenger, pedestrian or occupant of another vehicle, or the suspected injury of such persons an immediate report must be made to the Authority by the Contractor by telephone, including a statement of corrective action taken, where required. In addition, all incidents or accidents reported by telephone must also be followed-up by a detailed written report of the incident or accident on the designated form. Chronic or willful failure to report any accident involving the above conditions shall entitle the Authority's Transportation Management Provider to penalize the Contractor with financial penalties or the removal of route(s).

2.15 For any disruptive incident involving students, a Student Incident Report must be completed by a cab driver following such incidents. All acts of misconduct shall be reported to the school principal. At no time shall a driver take a student out of the cab other than the designated pick-up or drop off location. Cab drivers are not allowed to physically discipline students at any time.

- A. The use of corporal punishment will not be tolerated and will result in termination of contract.

2.16 Routes are designated, written, and assigned by Authority. This includes all changes, etc. The initial assignment of routes to Contractor will be made by Authority and sent to the Contractor via email by the "Assignment Date".

2.17 The Authority reserves the exclusive right to tier taxi cab runs into routes:

- A. Routes will be assigned as needed. Any adjustment after initial assignment may result in a decrease or an increase in the number of routes.

B. At any time during the period of the contract the number of vehicles required might be reduced and the schedules may be adjusted due to change in student population, consolidation of routes, changes in schools of attendance, etc.

C. When route reductions occur, compensation to the Contractor shall be reduced to the number of vehicles/miles actually used in the performance of the agreement, and Authority shall not be liable for payments for any vehicles/miles eliminated.

D. Authority's Transportation Management reserves the right to increase or reduce the number of vehicles, as service requires.

E. Authority's Transportation Management shall notify the Contractor of all changes in the pickups, or new pickups by mail or fax by 1:00 pm of the day prior to the change. The Contractor shall confirm these changes in writing the day following such notification.

F. Final driver route assignments shall be completed and finalized by the 10th day after execution the Assignment Date. Changes and driver route assignments shall be kept to a minimum throughout the operating period of the contract.

G. When the regular driver is absent and can't cover their regular route the sub-driver (cab) must be able to keep the same pickup and drop-off times as scheduled.

2.18 The Contractor must ensure direct telephone access to their garage(s), staff, and dispatching center during the hours of operation. Answering services and answering machines shall not qualify as direct telephone access. The dispatching center shall be staffed to receive telephone calls from the Authority's Transportation Management daily between the hours of 6:00 a.m. and 6:00 p.m. and have on duty, at all times within those hours, personnel authorized to discuss and correct problems, which may arise in the fulfillment of the agreement. Failure to do so shall be cause for default and may result in the loss of routes or constitute breach of contract. Throughout the duration of the contract, the Authority's Transportation Management shall be kept informed as to the name of the person(s) responsible for the operation.

2.19 The Authority shall not guarantee a minimum number of days of service; however, Contractor may use the estimate of 210 school days per year as a planning guide for service during the normal school year. The Contractor must conform to the school calendar and time schedules of all the different schools involved, including daily time schedules. These time schedules are the sole responsibility of the Authority.

A. The school calendar shall be furnished in the summer prior to the opening of each school year. It is the responsibility of the "Service Provider" to adhere to this calendar at all times unless notified otherwise by Authority's Transportation Management. This shall include responsibility for adhering to any

special schedules, shortened schedules, half days, etc.

2.20 Vehicles must arrive at the assigned school within 15 minutes prior to the start time. Students must not be discharged from the cab before their designated time unless authorized by the principal of the school or the Authority's Transportation Management. Hours of service may have to be adjusted due to special programmatic considerations. Late pickup in excess of 15-30 minutes in a.m. or the p.m. may result in penalties or loss of routes.

A. No vehicles shall leave the school at dismissal time until all students are aboard.

2.21 Contractor must have a plan for their cabs in place for the following emergencies:

A. Robbery attempts

B. Fire

C. Other emergencies as deemed appropriate

D. Bomb threats

2.22 Special Education students who will require transportation under the contract shall be provided with portal to portal service as determined by Authority, but ultimately, final destination (both pick up and drop off location) is determined by the student's IEP process. In the unusual case where, because the student lives on a dead-end street or because of traffic regulations, it is impossible for the vehicle to pick up at the curb in front of the pupil's home, the pickup and drop-off point will be at the nearest intersecting street on which the student resides. On the homeward trip, the student will be discharged from the vehicle at the same point from which the student was picked up unless instructed otherwise by the Authority's Transportation Management. In all instances, student pickup and drop-off locations are the sole determination of the Authority's Transportation Management.

2.23 Drivers must insure that their assigned students are seen entering the school and into their home before departing. The Authority will not tolerate any student being left in an unsafe environment. Failure to comply with this provision will result in penalties, loss of routes and/or loss of contract.

2.24 Except in an emergency, no student will be required to transfer from one vehicle to another vehicle either on the trip to school or home. Only students listed on the route sheets will be allowed to ride school cabs. Only authorized school personnel will be permitted to ride on Contractor's cabs. The Authority's Transportation Management must approve any exceptions.

2.25 Each driver must possess a valid public vehicle license with no more than seven (7) points on their driving record. Any driver with more than seven (7) points will be reviewed by

the Authority's Transportation Management for use under this contract. The Authority reserves the right to reject any driver with more than seven (7) points. Other requirements are:

A. Cab drivers transporting Authority students must not have been convicted of criminal sexual conduct in any degree, assault with intent to commit criminal sexual conduct, an attempt to commit criminal sexual conduct in a degree, felonious assault on a child, child abuse, cruelty, torture or indecent exposure involving a child. (MI P.A. #187) Also, drivers must have not been convicted of an act of a violent nature. If any driver has been convicted of an offense, other than the criminal section conduct offenses listed above, within the last five (5) years Authority reserves the right to reject such driver for use under this contract.

2.26 The Contractor shall be fully responsible for the cost of obtaining these reports and delivery to Authority. Failure to comply shall be grounds for immediate dismissal of the driver and/or forfeiture of route(s) or loss of contract.

2.27 Documents are defined as this Agreement, Exhibits to this Agreement, EAA Transportation Program Specifications and Addenda (if any). In the event of a conflict between these documents and the provisions of this Agreement, this, Agreement will control.

2.28 Authority and Contractor will consult on a regular basis concerning the transportation requirements of Authority. In the event of increases or decreases in the number of routes or taxi cabs required, the number of taxi cabs and the number of spare taxi cabs will be adjusted accordingly.

SECTION 3: COMPENSATION AND BILLING

3.1 In consideration for services rendered hereunder. Authority shall pay to Contractor all sums due and owing and calculated in accordance with the rates set forth in Exhibit A, as may be adjusted from time to time by mutual agreement of the parties and evidenced in writing as provided herein. The Contractor will submit invoices of amounts owed on a monthly basis for its services rendered the previous month. Authority shall pay the amount due to Contractor on or before the 45th day following the date on which the statement has been submitted by mail or email to the designated billing address.

3.2 Contractor and Authority agree that if the Authority fails to pay an invoice in full within the first 120 days after Contractor has submitted the invoice. Authority will not be in default under this Agreement.

3.3 In the event the Authority fails to pay an invoice in full after 120 days after submission of such invoice the Authority shall be in default under this provision. At the end of such 120 day payment period the Contractor may terminate this Agreement by providing notice as follows: within five (5) business days following the last day of the 120 day default period

following submission of any invoice, the Contractor shall give the Authority thirty (30) days' written notice of default as to that invoice and the opportunity to remedy the default in payment. If at the end of such 30-day default notice period if the Authority has not remedied the purported default, within five (5) business days following the last day of the 30-day default notice period, the Contractor shall give the Authority 15 days' notice of termination, which termination will occur at Contractor's discretion. Failure of the Contractor to provide notice within these timelines does not waive the Contractor's right to terminate this agreement in accordance with this Section, provided, however, that the Contractor provides the applicable notices and cure periods under this Section in order to proceed to a default and terminate the Agreement in accordance with this Section of the Agreement.

SECTION 4: COMPENSATION AND BILLING --BANKRUPTCY PROCEEDINGS

4.1 In the event of filing by or against the Authority for protection under the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code") or similar state law insolvency statutes, the following terms apply:

(a) Authority acknowledges that continuation of the services to be provided by Contractor pursuant to this Agreement would be essential to the Authority's reorganization, therefore Authority agrees to seek critical Contractor status for Contractor within thirty (30) days of the filing of any petition for relief under the Bankruptcy Code or similar state law insolvency statutes and to seek permission to pay Contractor all outstanding pre-petition amounts in full due to its status as a critical Contractor.

(b) Authority agrees to pay all documented and earned post-petition expenses in full pursuant to the terms and conditions set forth in this Agreement for so long as this Agreement is in effect.

SECTION 5: ESCALATION

5.1 In the event that the Authority makes significant changes in the scope of work or other conditions under which the services are to be provided (for example, changing from a five day week to a four day week) during the term of this Agreement causing the Contractor's costs to increase, the Contractor and Authority shall negotiate in good faith concerning price modifications applicable to cover such changed costs.

SECTION 6: FUEL

6.1 Contractor shall purchase at its own cost, inclusive of all fuel taxes, all fuel required for the operation of taxi cabs hereunder.

SECTION 7: ROUTES AND SCHEDULES

7.1 Authority shall designate a representative (hereafter Transportation System Manager) that shall be primarily responsible for planning all routes, stops and schedules; provided, however, that the Authority shall have final and ultimate authority for planning all routes, stops and schedules. Contractor agrees to work in cooperation with the Authority, or its designee to establish the most advantageous routing plan for the safety of students within the

guidelines provided for in this Contract and the Authority's policies.

7.2 Authority shall furnish a tentative database of all students' names, addresses, and schools of attendance, programs, and any special requirements for Special Education students by approximately August 15th so that the Authority's designee can begin developing routes for the coming school year. The Authority will provide weekly updates. A final list must be submitted to the Authority's designee five (5) days prior to the start of school. Contractor shall make a reasonable effort to adjust its operations to incorporate students not included in the final list within five (5) calendar days.

7.3 Authority and its designee shall establish the routes and schedules to be followed and make changes therein from time to time and consult when possible with Contractor on any proposed changes prior to making any route changes. Contractor shall make a reasonable effort to adjust its operations to incorporate such changes after notice is received from Authority or its designee. In the event Authority or its designee changes routes or schedules once service has begun or been published, Authority or its designee will assist in republication of changes or other notification to those patrons whose service has been changed. Contractor shall consult with Authority and its designee as to stops or portions of routes that Contractor considers to be a safety concern due to traffic patterns or configurations.

SECTION 8: REPORTS

8.1 Contractor shall maintain such records and submit such reports, as are deemed necessary by the Authority and as negotiated between Contractor and Authority from time to time. All reports required by Authority shall be submitted in a format acceptable to the Authority. Contractor will not be responsible for filing on behalf of Authority any state or regulatory reports concerning ridership or reimbursement.

SECTION 9 RECORD INSPECTIONS AND RETENTION

9.1 General. Upon reasonable notice from EAA, Contractor shall provide EAA and its agents, regulators, accountants and inspectors access to, and any assistance and information that they may reasonably require with respect to the Services to, among other things, verify the security of EAA Confidential Information and examine Contractor's performance of the Services to enable EAA to confirm Contractor's compliance with this Agreement and applicable law.

9.2 Cooperation and Record Retention. Contractor agrees to maintain accurate books and records in connection with Contractor's performance of the Services. Unless returned to EAA, upon its written request, all such books and records (including, without limitation, all papers, correspondence, data, information, reports, records, receipts, and other sources of information relating to the Services and Fees paid to Contractor) will be held and preserved for the duration of this Agreement and for a period of six years after the expiration or termination of this Agreement. Contractor shall make such books and records available to EAA at EAA's request. Further, Contractor shall, and shall cause its agents, employees and contractors to provide EAA with all assistance required to enable EAA to comply with applicable law and standards pertaining to the disclosure and confidentiality of such books and records.

SECTION 10: INSURANCE

10.1 The Contractor shall furnish to EAA a certified copy of the policy/policies or Certificate of Insurance covering the work as required in the specifications as evidence that the insurance required will be maintained in force for the entire duration of the contract with EAA.

Insurance: Before commencing execution of this contract, the Contractor shall submit a Certificate of Insurance satisfactory to the EAA at the following address:

Transportation Department
Education Achievement Authority of Michigan
3022 West Grand Boulevard, Suite 14-652
Detroit, MI 48202

a. Worker's Compensation (if applicable) coverage limits in the statutory amount as required in the State of Michigan and Employer's Liability coverage limits in the amount of \$100,000.00 (One Hundred Thousand Dollars) each accident, each disease and each employee.

b. Commercial General Liability Insurance coverage limits in the amount of \$2,000,000.00 (Two Million Dollars) per occurrence for the loss or damage resulting from bodily injury to, or the death of, one or more persons, and for the loss or damage to property and \$4,000,000.00 (Four Million Dollars) aggregate.

c. Automobile Liability Insurance (covering all owned, hired, and non-owned vehicles with personal and property protection insurance including residual liability insurance under Michigan No Fault Insurance Law coverage limits in an amount not less than \$100,000.00 (One Hundred Thousand Dollars).

d. Excess Liability Insurance coverage limits in the amount of \$1,000,000.00 (One Million Dollars).

10.2 Approval of Forms and Companies. The Certificate of Insurance must state the Policy Number, date of expiration and limits of liability there under. All coverage described in this contract shall be in a form and content satisfactory to the Contracting Officer. No party subject to the provisions of this contract shall violate or knowingly permit to be violated any of the provisions of the policies of insurance described herein. All insurance should be provided by insurance companies licensed to do business in the State of Michigan with a Best's Service Rating of B+.

10.3 Additional Insurance Endorsement. The policy or policies providing Commercial General Liability, Automobile Liability and as otherwise required above shall be endorsed to name the EAA, their directors, officers, representatives, agents, and employees as Additional Insured's as respects operations performed by or on behalf of the Contractor in performance of this contract. The policy shall also be endorsed to name other interests as directed by the EAA.

10.4 Notice of Cancellation or Material Changes. Policies and/or Certificates shall specifically provide that a thirty (30) day notice of cancellation, non-renewal, or material change be sent to the EAA.

10.5 Multiple Policies. The limits of liability as required above may be provided by a single policy of insurance or a combination of primary, excess or umbrella liability policies. But in no event shall the total limit of liability of any one occurrence or accident be less than the amount above.

10.6 Deductibles. Companies issuing the insurance policies and the Contractor shall have no recourse against the EAA for payment of any premiums or assessments for any deductibles, as all such premiums and deductibles are the sole responsibility and risk of the Contractor.

10.7 Subcontractors. If any part of the work is sublet, Contractor shall require any and all subcontractors performing work under this contract to carry worker's compensation insurance and other types of insurance with limits of liability as Contractor shall deem appropriate and adequate. In the event a subcontractor is unable to furnish adequate insurance required under the contract, the Contractor shall endorse the subcontractor as an Additional Insured and/or become an Alternate Employer. The Contractor shall obtain and furnish to the EAA Certificates of Insurance evidencing subcontractor's worker's compensation insurance coverage. If a subcontractor's certificate of worker's compensation insurance expires during the period of performance, Contractor shall obtain a renewal certificate. The Contractor must maintain all certificates of worker's compensation insurance for a period of not less than 1 year. All other insurance certificates for subcontractors shall be furnished to the EAA.

10.8 The selected Contractor shall not hold the EAA liable for any personal injury incurred by its employee, agent or consultant, Contractor or subcontractor while working on this project. The Contractor agrees to hold EAA harmless from any such claim by its employees, agents, consultants, Contractor or subcontractor.

SECTION 11: FORCE MAJEURE

11.1 In the event Contractor is unable to provide the transportation services, as specified in this Agreement because of any act of God, civil disturbance, fire, riot, war, terrorism, picketing, strike, labor dispute, labor shortages, governmental action or any other condition or cause beyond Contractor's control, Authority shall excuse Contractor and Contractor shall excuse Authority from performance under this Agreement including any claims for liquidated damages.

SECTION 12: SCHOOL CLOSINGS OR CHANGES IN SCHEDULE

12.1 Whenever (a) inclement weather or impassability of roads occurs, (b) school is canceled or delayed, (c) the school day is scheduled for other than regular start or end times, or (d) school is dismissed early for any reason, Authority shall notify Contractor not later than 6:00 a.m. on the day of such cancellation or delay or not later than two (2) hours before early dismissal and one (1) hour prior to the cancellation of supplemental transportation. If Authority does not notify Contractor by 6:00 a.m. or time required for supplemental transportation, Authority shall pay Contractor \$50 for each person who reported for work for each assignment provided the Contractor provides documentation suitable to EAA to verify the expense.

12.2 Notwithstanding the foregoing, in the event of circumstances in the operation of any school which necessitate early dismissal for student health or safety reasons, the Contractor and Authority shall cooperate to facilitate orderly transportation of students in the most efficient manner possible in light of the circumstances presented, without additional cost or charge to EAA, except as agreed to by the parties in writing.

SECTION 13: SAFETY PROGRAM

13.1 Contractor shall be responsible for implementing, maintaining, and reviewing annually a comprehensive pupil transportation safety program.

13.2 Contractor's employees shall not be required to perform any medical functions for passengers, except to the extent required by law.

SECTION 14: MANAGEMENT PERSONNEL

14.1 Contractor shall employ management personnel who shall be responsible for the efficient operation of the transportation services furnished hereunder and who shall be Contractor's liaison to Authority. Contractor will designate a crisis management contact person for emergency contact with Authority prior to the start of the school year. Contractor shall inform Authority of the name(s), contact telephone number(s) and addressees) of such management personnel.

14.2 Authority shall employ management personnel who shall be responsible for Coordination of the student transportation requirements of Authority to be furnished under this Agreement and who shall be Authority's liaison to Contractor. Authority will designate a crisis management contact person for emergency contact with Contractor prior to the start of the school year. Authority shall inform Contractor of the name(s), contact telephone number(s) and addressees) of such management personnel.

SECTION 15: OPERATIONS PERSONNEL & DRIVERS

15.1 Contractor shall employ a sufficient number of qualified drivers and support personnel to assure Authority of continuous, reliable, safe, and on time service.

15.2 Contractor shall take reasonable steps to prevent its employees from exposing any pupil to impropriety of word or conduct. Contractor shall not permit its drivers to smoke on the bus, to drink any intoxicating beverage, or to be under the influence of drugs or alcohol while operating any bus.

15.3 Contractor shall be responsible for hiring and discharging personnel employed by Contractor to perform its obligations hereunder; provided, however, that Authority shall have the right to request Contractor to remove from service to the Authority any employee who, in Authority's sole discretion, is deemed unsuitable for the performance of transportation services for Authority; and provided, further, that Authority shall make such request in writing provided that such request does not violate applicable laws against discrimination.

15.4 Contractor shall provide qualified driver/trainers and qualified drivers, trained and licensed in accordance applicable laws and the rules and regulations of Authority. Not less than sixty (60) days prior to the start of any school year, Authority shall advise Contractor of Authority's requirements for training or qualification for drivers or driver/trainers. Contractor will, to the extent such requirements do not conflict with state or federal laws; implement such requirements into its hiring and training programs for drivers servicing Authority's students. Contractor agrees that each driver shall:

15.4.1 Possess a valid license or permit issued by this State authorizing such person to operate a taxi cab.

15.4.2 Possess a satisfactory driving record and criminal history record, after review of such records prior to employment and periodically thereafter to the extent permitted or available by law.

15.4.3 Prior to employment and from time-to-time thereafter, to the extent permitted by law, undergo such tests as may reveal, within a reasonable degree of medical or scientific certainty, the presence or absence of drugs or controlled substances in the body and such tests as may clinically reveal alcoholism, alcohol abuse or other drug abuse. Negative findings for such tests shall be a condition of employment.

15.4.4 Meet any other criteria required by law or by Authority's policies, rules or regulations, including but not limited to the requirement for criminal background checks.

SECTION 16: TRAINING REQUIREMENTS

16.1 Contractor shall provide thorough instruction to drivers in compliance with state and federal safety and operations guidelines and regulations.

16.2 Prior to the start of the school year, Contractor will provide time at one of its employee orientation sessions so that Authority administrators may address drivers and other personnel assigned to work under this Agreement on matters relating to the expectations for student conduct and to familiarize staff with members of the school administration and/or Authority requirements. Authority at its sole discretion may have the Contractor provide training regarding the above mentioned items. Such orientation will be at a time and place mutually agreed upon by Contractor and Authority. Authority may distribute materials to drivers and other staff at meetings.

SECTION 17: EQUIPMENT

17.1 Contractor shall provide the fleet necessary to operate this contract at the Contractors expense. The fleet shall include all equipment and devices required to transport a diverse Special Education population. Contractor shall provide for and ensure, at its sole cost and expense, regular upkeep, maintenance, replacement, repair, cleanliness, and appearance of its vehicles, in accordance law and accepted industry safety and maintenance standards. Contractor shall have or establish a maintenance system with preventative maintenance scheduling and Inspections. Contractor shall, upon request by Authority, provide Authority with reports summarizing Contractor's current maintenance program and repairs to its buses and, upon ten

(10) business days' notice, and during Contractor's normal business hours, Contractor shall make its full maintenance and repair reports available for inspection by Authority.

17.2 The Contractor shall equip every taxi cab, including spares, used to fulfill this Contract with a fully operational two-way radio communication system capable of reliably maintaining contact with any bus anywhere on the Authority routes. The Contractor shall provide and maintain the radios, adequate radio frequency, and other necessary radio equipment.

17.3 The Contractor may utilize a single taxi cab to service multiple school districts – including Detroit Public Schools – in-so-long as the scheduling of such does not interfere with the transportation needs of the Authority.

SECTION 18: PUPIL DISCIPLINE AND VANDALISM

19.1 The ultimate responsibility and authority to suspend or expel any pupil from transportation services hereunder shall rest with Authority: provided, however, that Authority will consult with Contractor in arriving at its decision. Contractor's drivers are responsible only for such discipline as is required to properly and safely operate Contractor's taxi cabs. Each driver shall handle all disciplinary matters in strict accordance with Authority policy. In no case will a driver eject a pupil from a bus for misbehavior except in the event of an extreme emergency endangering the safety of other pupils and then only after radio notice to Contractor's terminal and to the pupil's building or school principal. In all cases of disciplinary ejection, the taxi cab shall remain at the approximate area of student discharge until authorities arrive on site and authorize it to proceed on route. All discipline problems shall be reported in writing as soon as possible and in no event later than the next school day following completion of the route. The Authority and the Contractor will, in the event the contractor determines that a pupil poses a danger to himself/herself or other passengers cooperate to provide a safe transportation environment prior to the Contractor being required to transport such pupil. Further procedures and regulations for the administration of discipline shall be established by the Authority with input from the Contractor.

19.2 Vandalism, damage to Contractor's equipment or facilities shall be the responsibility of Contractor. Authority shall give Contractor reasonable assistance in obtaining restitution for damaged equipment or facilities where damage is determined to be caused by Authority students or personnel. Contractor may, with the written concurrence by Authority, refuse to provide a pupil with transportation services until vandalism damages caused by such pupil are paid.

SECTION 20: ASSIGNMENT

20.1 This Agreement shall not be assigned by the parties hereto, without the written consent of both the Contractor and the Authority, which consent shall not be unreasonably withheld or delayed.

SECTION 21: CONFIDENTIAL INFORMATION

21.1 Standard of Care. A Contractor acknowledges that it may receive or have access to EAA's "Confidential Information", as that term is defined below. Contractor will protect EAA's Confidential Information with the same degree of care as Contractor uses to avoid

unauthorized use, disclosure, publication or dissemination of its own confidential information of a similar nature, but in no event, less than a reasonable degree of care. Contractor shall not disclose or otherwise make available EAA's Confidential Information to any third party without the prior written consent of EAA; provided, however, that Contractor may disclose the Confidential Information to its officers, employees, and contractors who need access to the Confidential Information to perform their obligations to Contractor or EAA and who are themselves bound by nondisclosure obligations at least as restrictive as those set forth in this Section 21. Further, Contractor shall comply with all confidentiality-related guidelines, standards and law applicable to EAA. Contractor agrees to immediately notify EAA in the event Contractor becomes aware of any loss or unauthorized disclosure of EAA's Confidential Information. The provisions of this Section 21 shall survive the termination or expiration of this Agreement.

21.2 Confidential Information "Confidential Information" means any information related to the business, personnel and operations of EAA obtained by Contractor, and may include, but is not limited to, business affairs, data, manuals, financial and accounting data, data and information concerning students, contracts, intellectual property, proprietary information and other operational information. Confidential Information shall not include anything that Contractor can document: (i) was generally available to the public at the time it was received by Contractor, (ii) was known to Contractor, without restriction, at the time of disclosure, or (iii) was independently developed by Contractor without any use of the Confidential Information.

Section 21.3 Return of Confidential Information. Upon expiration or termination of this Agreement, Contractor shall promptly return to EAA all Confidential Information of EAA and all copies, or at EAA's option, Contractor shall destroy the Confidential Information.

SECTION 22 AUDITS

22.1 General. Upon reasonable notice from EAA, Contractor shall provide EAA and its agents, regulators, accountants and inspectors access to, and any assistance and information that they may reasonably require with respect to the Services to, among other things, verify the security of EAA Confidential Information and examine Contractor's performance of the Services to enable EAA to confirm Contractor's compliance with this Agreement and applicable law.

22.2. Cooperation and Record Retention. Contractor agrees to maintain accurate books and records in connection with Contractor's performance of the Services. Unless returned to EAA, upon its written request, all such books and records (including, without limitation, all papers, correspondence, data, information, reports, records, receipts, and other sources of information relating to the Services and Fees paid to Contractor) will be held and preserved for the duration of this Agreement and for a period of six years after the expiration or termination of this Agreement. Contractor shall make such books and records available to EAA at EAA's request. Further, Contractor shall, and shall cause its agents, employees and contractors to provide EAA with all assistance required to enable EAA to comply with applicable law and standards pertaining to the disclosure and confidentiality of such books and records.

SECTION 23 INDEMNIFICATION, DAMAGES, AND WARRANTIES

23.1 Indemnification. Contractor shall indemnify and hold harmless EAA and EAA's employees, agents, directors and officers against all liability arising out of, or resulting from any third party claim, suit, action or proceeding arising out of or resulting from (i) the failure of

Contractor or any of its agents, employees or contractors, to comply with the terms of this Agreement or any applicable law; or (ii) any injury, loss, claim or damages arising from the actions or omissions of Contractor or an agent, employee, director, officer or contractor of Contractor.

23.2 Limitation of Liability; No Special Damages. Notwithstanding any other provision of this Agreement, EAA shall not be liable to the Contractor for any damages for loss of profits, loss of revenues, loss of goodwill, loss of anticipated savings, loss of data or cost of purchasing replacement services, or any indirect, incidental, special, consequential, exemplary or punitive damages arising out of the performance or failure to perform under this Agreement or any Service Order. Nothing in this Agreement shall be construed as a waiver of governmental immunity, where applicable. No such limitation upon Contractor's liability for damages shall exist unless expressly set forth in the Special Terms of the Service Order.

23.3 Disclaimer of Warranties. EXCEPT AS (1) EXPRESSLY SET FORTH IN THIS AGREEMENT, AND, (2) WITH RESPECT TO CONTRACTOR ONLY, AS SET FORTH IN THE SPECIAL TERMS OF A SERVICE ORDER, NEITHER EAA NOR CONTRACTOR MAKES ANY OTHER REPRESENTATION OR WARRANTY REGARDING THE SERVICES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE.

SECTION 24: DISPUTES

24.1 Informal Dispute Resolution. EAA and Contractor will attempt to settle any dispute through informal good faith negotiations. The EAA Transportation Manager will be the final authority in any dispute over which rate applies from the rates listed in Exhibit A. All other disputes will be escalated to appropriate senior level management of the parties, if necessary. If such managers are unable to resolve the dispute within ten business days of referral (or any other mutually agreed upon timeframe), the parties will undertake non-binding mediation as described below in a good faith attempt to resolve such dispute.

24.2 Mediation. There will be a single mediator. If the parties cannot agree upon an acceptable mediator within ten days of termination of the negotiations under Section 24.1 each party will select one mediator from a list of not less than five mediators provided by the other party. These two mediators will select a third mediator who will serve as the sole mediator. Subject to the availability of the mediator, the mediation will occur not more than thirty days after the request for mediation. The mediation process will continue until the dispute (or any part thereof) is resolved or until such time as the mediator makes a finding that there is no possibility of resolution short of referring the parties to final and binding arbitration. The mediation will be held in Detroit, Michigan, unless the mediator, on his or her own initiative, wishes to conduct any mediation proceeding by telephone, facsimile transmission or other means of communication. The cost of mediation, including the mediator's fees and expenses, will be shared equally by the parties. Each party will have the right to be represented by attorneys of their own choosing to advise them before and during the mediation process and their attorneys may review any settlement agreement, or other agreement, which the parties have reached through mediation, prior to the execution of such agreement. The parties agree that the mediator is acting in a neutral capacity and is not serving as an attorney, advocate, representative or

fiduciary for either or both of them. Each party will pay its own attorney's fees and costs. In connection with the mediation process, the mediator may meet in confidential "caucus" sessions separately with each party. The mediator will be obligated to treat as confidential and refrain from disclosing to the other party or its counsel any information conveyed to the mediator during the caucus sessions unless the party conveying such information authorized the mediator to disclose it to the other party.

Section 24.3 Binding Arbitration. Should any dispute (or part thereof) remain between the parties after completion of the mediation process described in Section 24.2, such dispute will be submitted to final and binding arbitration in Detroit, Michigan under the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), except to the extent that the AAA Rules are contrary to the specific terms of this Section 24.3, provided, however, that at the election of EAA, the arbitration may be done privately and not under the auspices of the AAA, although the AAA rules shall still otherwise govern except as herein stated. There will be three arbitrators. Each party will select one arbitrator. The two arbitrators selected by the parties will select a third arbitrator. At least one of the arbitrators will have at least five years of relevant experience. Each party may be represented by an attorney selected by the party. The costs of the arbitration, including the arbitrators' fees and expenses, will be shared equally by the parties. Each party will pay its own attorney's fees and costs; provided that, if the arbitrators find either party has acted in bad faith, the arbitrators will have discretion to award attorneys' fees to the other party. No party may raise new claims against the other party in the arbitration not raised during mediation. The arbitrators will have the power to resolve all disputes between the parties. The arbitrators will apply the law of the state of Michigan. The arbitrators will only interpret and apply the terms and provisions of the Agreement and will not change any such terms or provisions or deprive either party of any right or remedy expressly or impliedly provided for in the Agreement. The arbitrators will not have the power to award damages other than those described in the Agreement. The determination of a majority of the arbitrators will be conclusive upon the parties and will be non-appealable. At least thirty days before the arbitration is scheduled to commence, the parties will exchange lists of witnesses and copies of all exhibits intended to be used in arbitration. The parties will be entitled to limited discovery. A stenographic record of the proceedings will be kept, unless waived by both parties, at the equal expense of the parties. The arbitration will be completed within 120 days of the selection of the third arbitrator. The arbitrators will render a written decision, which contains findings of fact and conclusions of law, within thirty days of the conclusion of the arbitration and will specify a time within which the award will be performed. Judgment upon the award, including specific enforcement of the decision, will be entered in any court of proper jurisdiction. The parties have knowingly chosen arbitration as an alternative to proceedings in court and they specifically waive their rights to proceed by any means before a court otherwise having jurisdiction of any dispute between them, except to the extent necessary for injunctive relief or other equitable relief.

SECTION 25: SURVIVAL

25.1 Except as otherwise provided in this Agreement, the mutual obligations described in Compensation and Billing, Audits, Disputes, and Indemnification hereof and all provisions relating to the protection of confidential information shall survive the termination or expiration of the Agreement.

SECTION 26 STATUS OF CONTRACTOR

26.1 In the interpretation of this Agreement and the relations between Contractor and Authority, Contractor shall be construed as being an independent contractor employed to provide transportation services only. Further, notwithstanding the provisions of Sections 15, 16 and 17, nothing contained in this Agreement shall be construed to deem this Agreement a joint or co-employer arrangement or to deem the Authority to have employer-like control over the Contractor's employees or agents. Neither Contractor nor any of its employees shall be held or deemed in any way to be an agent, employee or official of Authority. Contractor shall be responsible for, and hold Authority harmless from any liability for unemployment taxes or contributions, payroll taxes or other federal or state employment taxes.

SECTION 27: SEVERABILITY

27.1 In the event any provision specified herein is held or determined by a court of competent jurisdiction to be illegal, void or in contravention of any applicable law, the remainder of the Agreement shall remain in full force and effect.

SECTION 28: EXTENSION AND MODIFICATION

28.1 Contractor and Authority may extend or otherwise modify the terms of this Agreement in whole or in part as circumstances may justify by mutual written agreement executed by the duly authorized representatives of the parties.

SECTION 29: NOTICE TO PARTIES

29.1 Notices. All written notices, consents, approvals, requests and other communications ("Notices") required or permitted under this Agreement shall be personally delivered with receipt obtained, or mailed by overnight mail or registered or certified first-class mail, return receipt requested, addressed as follows:

If to the Contractor, to:

Vincent Vasquez
Greater Detroit Cab Company
138 Fisher Fwy.
Detroit, Michigan 48201

If to the EAA, to:

Education Achievement Authority
3022 W. Grand Boulevard
Suite 14-652
Detroit, Michigan 48202
Attention: Chancellor's Office

All Notices shall be deemed given on the day when hand delivered or, if mailed, on the day following the day of mailing. Either party to this Agreement may change its address for the receipt of Notices at any time by giving Notice to the other party as provided in this Section.

SECTION 30 GENERAL PROVISIONS

Section 30.1 Independent Contractor. The Services of Contractor shall be rendered as an independent contractor. The relationship between EAA and the Contractor shall not be that of partners, agents, or joint venturers to one another, and nothing contained in this Agreement shall be deemed to constitute a partnership, agency or employment agreement between them for any purposes, including, without limitation, for federal income tax purposes. Contractor assumes full responsibility for the payment of wages, salaries, and other amount due to all persons engaged by Contractor in connection with the Services performed hereunder, and Contractor will be responsible for all taxes, including Social Security, unemployment and withholding taxes, with respect to such persons. No provision of this contract shall be for the benefit of any party other than the Contractor and the EAA.

Section 30.2 Tax Exempt Status. Contractor acknowledges that EAA is a tax-exempt entity. Contractor may not use any EAA facility for any unauthorized purpose and will not act in any way that might jeopardize EAA's tax-exempt status.

Section 30.3 Entire Agreement and Amendments. This Agreement (including the Service Orders and exhibits), together with the documents delivered pursuant hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, negotiations, representations, discussions and understandings between the parties. This Agreement may be amended only by a written instrument executed by each party.

Section 30.4 Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Michigan without giving effect to other conflicts of laws or principles thereof.

Section 30.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

Section 30.6 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto. No party to this Agreement may assign its rights under this Agreement to any other person without obtaining the written permission of the other parties in advance.

Section 30.7 No Third Party Beneficiaries. Nothing expressed or referred to in this Agreement is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or permitted assigns any legal or equitable right, remedy or claim under or in respect of this Agreement it being the intention of the parties that this Agreement and the transactions contemplated hereby shall be for the sole and exclusive benefit of such parties or such successors and permitted assigns.

Section 30.8 Expenses. Each party shall bear its own expenses incurred in connection with this Agreement and with the performance of its obligations hereunder.

Section 30.9 Further Assurances. Each party promptly shall cause to be taken, executed, acknowledged or delivered all such further acts, conveyances, documents and assurances as any other party from time to time reasonably may request in order to carry out and effectuate the intent and purposes of this Agreement.

[signatures on next page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives with effect from the day and year first above written.

EDUCATION ACHIEVEMENT AUTHORITY

By: _____
J. Wm. Covington, Ed.D.

Title: _____
Chancellor

Date: _____

GREATER DETROIT CAB COMPANY

By: ANCIENT VASQUEZ
Name of Person

Title: GENERAL OFFICE MANAGER
Title

Date: 7/13/12

**Education Achievement Authority - Michigan (EAA)
Taxi Cab Company**

Exhibit A

Pricing Sheet

	2012/2013	2013/2014	2014/2015
Taxi Cab Routes (5 days per week approximately of 210 regular school days)		3%	3%
Per Taxi Cab, Per Day Rates:			
Daily cost for providing to and from school transportation on a per cab, per day basis	\$55.00	\$56.65	\$58.35
Cost for emergency, sick child, per trip*	\$35.00	\$36.05	\$37.13
Cost for transporting non deliverable child to designated EAA drop off point	\$25.00	\$25.75	\$26.52

EAA intends to use the most cost effective pricing. If more than one rate can be applied, EAA reserves the right to apply the lower rate

* It is the EAA policy that if students are sick or have emergency, parents are to pick up students from school. If student's school orders this service, then they (the school) will be responsible for the payment of the service provided by the Contractor.

Definition of Taxi Cab Route: A route may consist of 1 student, or up to 4 students, with each student having a different address. Also, if there are two schools in a close geographical area with same or similar bell times, the route may have two different school drop off and pickup locations.

Each taxi cab route will be compensated on a per route rate, which means the rate paid can be for multiple addresses, the EAA only compensates the taxi cab company on a per route basis, not on a per address basis.

It is noted that this contract is for the purpose of "Contracting the Vendor" and is no-wise a guarantee that cab routes will be issued to the Contractor.

Contractor
Signature

Carl C. [Signature]

Date

7/12/12

Resolution 2012-39

G

PUPIL TRANSPORTATION AGREEMENT

Between Education Achievement Authority and Detroit Cab Company

THIS AGREEMENT is made and entered into as of the _____ day of _____, by and between Education Achievement Authority of the State of Michigan with principal offices at 3022 West Grand Blvd., Suite 14-652, Detroit, MI 48202 (hereinafter called "Authority"), and Detroit Cab Company, hereinafter called "Contractor", with its business headquarters at 2201 Waterman Detroit, MI 48209. This Pupil Transportation Services Agreement between EAA and Detroit Cab Company shall herein after be referred to as "Agreement" or "Contract".

WITNESSETH

WHEREAS, Authority has selected Contractor to provide the pupil transportation services described herein; and

WHEREAS, Contractor desires to provide such transportation services,

NOW, THEREFORE, in consideration of the covenants hereinafter contained, the parties agree as follows:

SECTION 1: TERM AND TERMINATION

1.1 The term of this Agreement shall commence August 1, 2012 and shall continue through July 31, 2015 and any extension thereof. Subject to the terms of the subsequent sentence of this paragraph, this Agreement upon approval of the parties may be extended for two (2) additional year periods. The negotiation process for the extension including the negotiation of new economic terms shall occur on or before March 1st of the year in which the Agreement terminates or expires. For purposes of this Agreement the term "Contract Year" shall mean each one-year period commencing on August 1st, during the term of this Agreement and any extension thereof. In the event the Authority elects to offer contract extensions to any of its current bus transportation contractors, who shall have entered into agreement with the Authority, simultaneously with the execution of this Agreement which agreement is still in effect as of the date that an extension is contemplated, an offer of contract extension shall be made to Contractor subject to the negotiation requirements of this Section 1.1. Nothing in this Agreement shall prevent the Authority from electing to issue a Request for Proposal or otherwise seek new bus transportation contractors in lieu of offers of contract extensions of this Agreement.

1.2 EAA may terminate this Agreement hereunder without cause by providing at least 90 days' written notice of such termination to Contractor. Contractor shall be compensated for all services provided up to the effective date of termination.

1.3 This Agreement may be terminated immediately by a party upon the commission of an illegal act, unethical practice, or violation of public policy, including theft or embezzlement, by the other party or as otherwise provided in this Agreement.

SECTION 2: SCOPE OF SERVICES REQUIRED (Taxi Cab Specific)

2.1 Contractor shall, during the term of this Agreement supply, operate and maintain such taxi-cabs (in quantity and capacity) and personnel as are required to fulfill Authority's needs for transportation services as described in the EAA Transportation Program Specifications in accordance with the following schedules:

2.2 Contractor agrees to operate a portion of the Authority's daily service for its Detroit city student taxi-cab routes for the term of this Agreement. This is to include special needs transportation, homeless (McKinney-Vento Act) transportation, and some regular education transportation services. The Authority intends to utilize at least two Contractors. The Authority will allocate its transportation business across those Contractors generally on a case by case basis and upon the Authority's desired service parameters and objectives. THERE IS NO MINIMUM AMOUNT OF ROUTES GUARANTEED. Also, it is noted that this contract is for the purpose of "Contracting the Vendor" and is no-wise a guarantee that cab routes will be issued to the Contractor.

2.3 Contractor agrees to provide the transportation for Summer School Services for the term of this Agreement within the same allocation methodology referenced for the daily service. The Authority, however, reserves the right to decide if there is to be Summer School at EAA. If Authority decides, in a given year during the term of this Agreement, that it will NOT provide Summer School Services, Authority will be under no obligation to Contractor for transportation or payment for that Summer School period;

2.4 Contractor agrees to regular audits and evaluations, which may lead to a decrease or increase in the number of routes. Contractor agrees to make suggestions to Authority annually, with supporting documentation that will result in cost reductions to the Authority.

2.5 Contractor agrees to Quality Assurance audits that will consist of, but not limited to the following:

A. Contractor's cabs, driver records, vehicle maintenance records and other documentation to insure contract compliance, increased student safety, and improved service levels.

B. Provide quantitative/qualitative data from which to fairly evaluate and assign cabs/routes to "Service Provider's" and improve performance.

2.6 Contractor agrees to the following items and information must be submitted to Authority within 10 days after the Execution Date and by August 20 of each subsequent year of the agreement (hereinafter the "Disclosure Date"):

A. Contractor must provide a listing of all vehicles (including spare vehicles), indicating mileage, age, City of Detroit inspection dates, together with a listing of all bond plates held by Contractor and a copy of the certificate of license issued by the City of Detroit for each bond plate. This listing must include all vehicles the Contractor will use in providing service for Authority. Failure by Contractor to provide listings and bond plates verification by the date identified herein shall constitute a material breach of this Contract and Authority

shall have no obligation to allocate or assign any routes or runs to Contractor for the corresponding school year.

B. The Contractor shall be fully responsible for maintaining current certificates of insurance on file at the Authority's Transportation Office. Failure to do so shall in no way relieve the Contractor of its insurance responsibilities and liabilities. Authority shall bear no responsibility of reminding the Contractor to renew certificates. In the event Contractor allows insurance coverage to lapse, the Contractor shall be totally responsible for payment of all costs associated with any or all claims that may arise as a result of any or all accident(s) during the period coverage was not in place. Authority shall have the sole right to terminate Contractors contract if coverage is permitted to lapse at any time.

C. The Contractor must provide copies of the State of Michigan certificate showing ownership of vehicles.

D. All City of Detroit vehicle inspections must be complete and a current s ticker affixed to the vehicle prior to vehicle use in transporting students. (Inspection records must be maintained by the Provider and subject to Authority inspection).

E. Contractor shall provide any and all labor, equipment, material, and supplies necessary to fulfill the requirements of the agreement.

F. Contractor shall, at the expense of the Contractor, pay all required taxes and obtain, pay for, and keep current all business licenses and permits required for the lawful performance of the Student Transportation service contract.

G. Contractor is not considered to be an agent of the Authority.

H. Contractor shall be fully responsible for making sure that they are in compliance with all applicable federal, state, and city laws, rules, regulations, ordinances, statutes, etc., which impact the agreement.

I. Contractor shall indemnify, defend, and save harmless Authority against or from all cost, expenses, damages, injury or loss to which said Authority might be subjected by reason of any wrongdoing, misconduct, skill, negligence, or default in the execution or performance of the contract.

J. Authority shall have the right, at its discretion, to immediately take away any and all routes if the Contractor permits any of the following sample situations or conditions to occur:

1. Any required insurance is allowed to lapse.
2. A child is forgotten and left in a cab.

3. A cab is late or if a run or route is missed completely.
4. The driver was not directed to take a drug/alcohol test when there is probable cause.
5. The driver is permitted to continue to service a school run following the confirmation of a positive drug/alcohol test.
6. The driver refuses to take a scheduled drug/alcohol test.
7. The Authority must be notified of all driver roster changes on a quarterly basis.
8. The driver has an avoidable accident, or accidents are not reported in a timely manner. (Immediate phone call and an accident report submitted within 24 hours.)
9. The driver has not passed all drive requirements.
10. The cab does not meet the vehicle equipment and maintenance requirements.
11. The vehicle maintenance records are falsified or not current.
12. Invoices are falsified or excessive charges submitted.
13. Agreement requirements are not properly performed.
14. Non-compliance with laws and regulations which causes the Contractor to be unable to legally perform the service.
15. Non-compliance with the policies and procedures established by Authority.
16. The Contractor fails to comply with the student safety requirements as specified in this agreement.

The above list is not to be considered all-inclusive, but rather, a partial sample listing of issues that are considered grounds for termination of the contract or driver in whole or in part.

2.7 On or before the Disclosure Date the following items or information must be submitted to the Authority:

- A. Outline of maintenance program with the detailed maintenance schedule.
- B. Contractor must submit a preliminary listing of drivers.
- C. Contractor must submit a preliminary list of supervisors.
- D. Contractor must have available in each vehicle at the time of inspection all

equipment agreed upon to provide safe and efficient transportation.

E. Contractor must submit evidence, which certifies that his/her drivers and vehicles meet all the state requirements with respect to transporting students.

F. Contractor must submit evidence, which verifies criminal background checks have been procured, and that, all drivers used for the purpose of transporting Authority students have acceptable clearance to transport students.

G. Outline of maintenance program.

2.8 The Contractor must submit evidence that a drug/alcohol program is in place and identify the testing provider.

A. Breach of the agreement may be regarded as a material breach and grounds for termination of the agreement.

2.9 Contractor must conduct orientation and training of the transportation policies and transportation procedures of Authority. 2.10 From time to time Authority may also require the Contractor to provide in-service training sessions. Training may include but is not limited to the following subjects:

A. Familiarization with EAA policies and procedures

B. Loading and unloading procedures

C. Railroad crossing procedures

D. Hazard/accident avoidance

E. Passenger management

2.11 It will be the Contractor's responsibility to create and place into regular operation a complete preventive maintenance program based on a specific mileage and interval for each vehicle, including spare vehicles. Each vehicle is to be brought into the garage on a schedule so that the Contractor performs inspections and related services at a time that will not conflict with the Authority's daily transportation services. Contractors are encouraged (but not mandated) to use Fleet Management Software programs for maintaining accurate records. These records are subject to Authority inspection at any time for any reason.

2.12 Contractor is to establish a system whereby all of their assigned cabs to Authority are clean and in the best mechanical condition possible. This system must include but is not limited to, establishing written procedures and directions for all employees involved, daily reporting, and monitoring the system on a periodic basis. Authority inspections consist but are

not limited to the following items:

- A. Clean the cab each day
- B. Clean windows
- C. Clean the driver compartment
- D. Wipe down cab interior
- E. Empty trash in approved location
- F. Establish a process whereby the vehicle exterior is washed on a regular basis

2.13 Vehicles used to transport Authority students shall not be more than seven (7) years old. If cars are older than seven (7) years, Authority has right to reject a vehicle from being used under this contract if such vehicle does not meet performance standards necessary to transport students safely to their destination. The vehicles must be four (4) door sedans equipped with safety locks and seat belts to accommodate up to four (4) students.

2.14 For each incident or serious accident which includes (but is not limited to) an injury to a passenger, pedestrian or occupant of another vehicle, or the suspected injury of such persons an immediate report must be made to the Authority by the Contractor by telephone, including a statement of corrective action taken, where required. In addition, all incidents or accidents reported by telephone must also be followed-up by a detailed written report of the incident or accident on the designated form. Chronic or willful failure to report any accident involving the above conditions shall entitle the Authority's Transportation Management Provider to penalize the Contractor with financial penalties or the removal of route(s).

2.15 For any disruptive incident involving students, a Student Incident Report must be completed by a cab driver following such incidents. All acts of misconduct shall be reported to the school principal. At no time shall a driver take a student out of the cab other than the designated pick-up or drop off location. Cab drivers are not allowed to physically discipline students at any time.

- A. The use of corporal punishment will not be tolerated and will result in termination of contract.

2.16 Routes are designated, written, and assigned by Authority. This includes all changes, etc. The initial assignment of routes to Contractor will be made by Authority and sent to the Contractor via email by the "Assignment Date".

2.17 The Authority reserves the exclusive right to tier taxi cab runs into routes:

- A. Routes will be assigned as needed. Any adjustment after initial assignment may result in a decrease or an increase in the number of routes.

- B. At any time during the period of the contract the number of vehicles required might be reduced and the schedules may be adjusted due to change in student population, consolidation of routes, changes in schools of attendance, etc.
- C. When route reductions occur, compensation to the Contractor shall be reduced to the number of vehicles/miles actually used in the performance of the agreement, and Authority shall not be liable for payments for any vehicles/miles eliminated.
- D. Authority's Transportation Management reserves the right to increase or reduce the number of vehicles, as service requires.
- E. Authority's Transportation Management shall notify the Contractor of all changes in the pickups, or new pickups by mail or fax by 1:00 pm of the day prior to the change. The Contractor shall confirm these changes in writing the day following such notification.
- F. Final driver route assignments shall be completed and finalized by the 10th day after execution the Assignment Date. Changes and driver route assignments shall be kept to a minimum throughout the operating period of the contract.
- G. When the regular driver is absent and can't cover their regular route the sub-driver (cab) must be able to keep the same pickup and drop-off times as scheduled.

2.18 The Contractor must ensure direct telephone access to their garage(s), staff, and dispatching center during the hours of operation. Answering services and answering machines shall not qualify as direct telephone access. The dispatching center shall be staffed to receive telephone calls from the Authority's Transportation Management daily between the hours of 6:00 a.m. and 6:00 p.m. and have on duty, at all times within those hours, personnel authorized to discuss and correct problems, which may arise in the fulfillment of the agreement. Failure to do so shall be cause for default and may result in the loss of routes or constitute breach of contract. Throughout the duration of the contract, the Authority's Transportation Management shall be kept informed as to the name of the person(s) responsible for the operation.

2.19 The Authority shall not guarantee a minimum number of days of service; however, Contractor may use the estimate of 210 school days per year as a planning guide for service during the normal school year. The Contractor must conform to the school calendar and time schedules of all the different schools involved, including daily time schedules. These time schedules are the sole responsibility of the Authority.

- A. The school calendar shall be furnished in the summer prior to the opening of each school year. It is the responsibility of the "Service Provider" to adhere to this calendar at all times unless notified otherwise by Authority's Transportation Management. This shall include responsibility for adhering to any

special schedules, shortened schedules, half days, etc.

2.20 Vehicles must arrive at the assigned school within 15 minutes prior to the start time. Students must not be discharged from the cab before their designated time unless authorized by the principal of the school or the Authority's Transportation Management. Hours of service may have to be adjusted due to special programmatic considerations. Late pickup in excess of 15-30 minutes in a.m. or the p.m. may result in penalties or loss of routes.

A. No vehicles shall leave the school at dismissal time until all students are aboard.

2.21 Contractor must have a plan for their cabs in place for the following emergencies:

A. Robbery attempts

B. Fire

C. Other emergencies as deemed appropriate

D. Bomb threats

2.22 Special Education students who will require transportation under the contract shall be provided with portal to portal service as determined by Authority, but ultimately, final destination (both pick up and drop off location) is determined by the student's IEP process. In the unusual case where, because the student lives on a dead-end street or because of traffic regulations, it is impossible for the vehicle to pick up at the curb in front of the pupil's home, the pickup and drop-off point will be at the nearest intersecting street on which the student resides. On the homeward trip, the student will be discharged from the vehicle at the same point from which the student was picked up unless instructed otherwise by the Authority's Transportation Management. In all instances, student pickup and drop-off locations are the sole determination of the Authority's Transportation Management.

2.23 Drivers must insure that their assigned students are seen entering the school and into their home before departing. The Authority will not tolerate any student being left in an unsafe environment. Failure to comply with this provision will result in penalties, loss of routes and/or loss of contract.

2.24 Except in an emergency, no student will be required to transfer from one vehicle to another vehicle either on the trip to school or home. Only students listed on the route sheets will be allowed to ride school cabs. Only authorized school personnel will be permitted to ride on Contractor's cabs. The Authority's Transportation Management must approve any exceptions.

2.25 Each driver must possess a valid public vehicle license with no more than seven (7) points on their driving record. Any driver with more than seven (7) points will be reviewed by

the Authority's Transportation Management for use under this contract. The Authority reserves the right to reject any driver with more than seven (7) points. Other requirements are:

A. Cab drivers transporting Authority students must not have been convicted of criminal sexual conduct in any degree, assault with intent to commit criminal sexual conduct, an attempt to commit criminal sexual conduct in a degree, felonious assault on a child, child abuse, cruelty, torture or indecent exposure involving a child. (MI P.A. #187) Also, drivers must have not been convicted of an act of a violent nature. If any driver has been convicted of an offense, other than the criminal section conduct offenses listed above, within the last five (5) years Authority reserves the right to reject such driver for use under this contract.

2.26 The Contractor shall be fully responsible for the cost of obtaining these reports and delivery to Authority. Failure to comply shall be grounds for immediate dismissal of the driver and/or forfeiture of route(s) or loss of contract.

2.27 Documents are defined as this Agreement, Exhibits to this Agreement, EAA Transportation Program Specifications and Addenda (if any). In the event of a conflict between these documents and the provisions of this Agreement, this, Agreement will control.

2.28 Authority and Contractor will consult on a regular basis concerning the transportation requirements of Authority. In the event of increases or decreases in the number of routes or taxi cabs required, the number of taxi cabs and the number of spare taxi cabs will be adjusted accordingly.

SECTION 3: COMPENSATION AND BILLING

3.1 In consideration for services rendered hereunder. Authority shall pay to Contractor all sums due and owing and calculated in accordance with the rates set forth in Exhibit A, as may be adjusted from time to time by mutual agreement of the parties and evidenced in writing as provided herein. The Contractor will submit invoices of amounts owed on a monthly basis for its services rendered the previous month. Authority shall pay the amount due to Contractor on or before the 45th day following the date on which the statement has been submitted by mail or email to the designated billing address.

3.2 Contractor and Authority agree that if the Authority fails to pay an invoice in full within the first 120 days after Contractor has submitted the invoice. Authority will not be in default under this Agreement.

3.3 In the event the Authority fails to pay an invoice in full after 120 days after submission of such invoice the Authority shall be in default under this provision. At the end of such 120 day payment period the Contractor may terminate this Agreement by providing notice as follows: within five (5) business days following the last day of the 120 day default period

following submission of any invoice, the Contractor shall give the Authority thirty (30) days' written notice of default as to that invoice and the opportunity to remedy the default in payment. If at the end of such 30-day default notice period if the Authority has not remedied the purported default, within five (5) business days following the last day of the 30-day default notice period, the Contractor shall give the Authority 15 days' notice of termination, which termination will occur at Contractor's discretion. Failure of the Contractor to provide notice within these timelines does not waive the Contractor's right to terminate this agreement in accordance with this Section, provided, however, that the Contractor provides the applicable notices and cure periods under this Section in order to proceed to a default and terminate the Agreement in accordance with this Section of the Agreement.

SECTION 4: COMPENSATION AND BILLING --BANKRUPTCY PROCEEDINGS

4.1 In the event of filing by or against the Authority for protection under the United States Bankruptcy Code, 11 U.S.C. §§ 101 et seq. (the "Bankruptcy Code") or similar state law insolvency statutes, the following terms apply:

(a) Authority acknowledges that continuation of the services to be provided by Contractor pursuant to this Agreement would be essential to the Authority's reorganization, therefore Authority agrees to seek critical Contractor status for Contractor within thirty (30) days of the filing of any petition for relief under the Bankruptcy Code or similar state law insolvency statutes and to seek permission to pay Contractor all outstanding pre-petition amounts in full due to its status as a critical Contractor.

(b) Authority agrees to pay all documented and earned post-petition expenses in full pursuant to the terms and conditions set forth in this Agreement for so long as this Agreement is in effect.

SECTION 5: ESCALATION

5.1 In the event that the Authority makes significant changes in the scope of work or other conditions under which the services are to be provided (for example, changing from a five day week to a four day week) during the term of this Agreement causing the Contractor's costs to increase, the Contractor and Authority shall negotiate in good faith concerning price modifications applicable to cover such changed costs.

SECTION 6: FUEL

6.1 Contractor shall purchase at its own cost, inclusive of all fuel taxes, all fuel required for the operation of taxi cabs hereunder.

SECTION 7: ROUTES AND SCHEDULES

7.1 Authority shall designate a representative (hereafter Transportation System Manager) that shall be primarily responsible for planning all routes, stops and schedules; provided, however, that the Authority shall have final and ultimate authority for planning all routes, stops and schedules. Contractor agrees to work in cooperation with the Authority, or its designee to establish the most advantageous routing plan for the safety of students within the

guidelines provided for in this Contract and the Authority's policies.

7.2 Authority shall furnish a tentative database of all students' names, addresses, and schools of attendance, programs, and any special requirements for Special Education students by approximately August 15th so that the Authority's designee can begin developing routes for the coming school year. The Authority will provide weekly updates. A final list must be submitted to the Authority's designee five (5) days prior to the start of school. Contractor shall make a reasonable effort to adjust its operations to incorporate students not included in the final list within five (5) calendar days.

7.3 Authority and its designee shall establish the routes and schedules to be followed and make changes therein from time to time and consult when possible with Contractor on any proposed changes prior to making any route changes. Contractor shall make a reasonable effort to adjust its operations to incorporate such changes after notice is received from Authority or its designee. In the event Authority or its designee changes routes or schedules once service has begun or been published, Authority or its designee will assist in republication of changes or other notification to those patrons whose service has been changed. Contractor shall consult with Authority and its designee as to stops or portions of routes that Contractor considers to be a safety concern due to traffic patterns or configurations.

SECTION 8: REPORTS

8.1 Contractor shall maintain such records and submit such reports, as are deemed necessary by the Authority and as negotiated between Contractor and Authority from time to time. All reports required by Authority shall be submitted in a format acceptable to the Authority. Contractor will not be responsible for filing on behalf of Authority any state or regulatory reports concerning ridership or reimbursement.

SECTION 9 RECORD INSPECTIONS AND RETENTION

9.1 General. Upon reasonable notice from EAA, Contractor shall provide EAA and its agents, regulators, accountants and inspectors access to, and any assistance and information that they may reasonably require with respect to the Services to, among other things, verify the security of EAA Confidential Information and examine Contractor's performance of the Services to enable EAA to confirm Contractor's compliance with this Agreement and applicable law.

9.2 Cooperation and Record Retention. Contractor agrees to maintain accurate books and records in connection with Contractor's performance of the Services. Unless returned to EAA, upon its written request, all such books and records (including, without limitation, all papers, correspondence, data, information, reports, records, receipts, and other sources of information relating to the Services and Fees paid to Contractor) will be held and preserved for the duration of this Agreement and for a period of six years after the expiration or termination of this Agreement. Contractor shall make such books and records available to EAA at EAA's request. Further, Contractor shall, and shall cause its agents, employees and contractors to provide EAA with all assistance required to enable EAA to comply with applicable law and standards pertaining to the disclosure and confidentiality of such books and records.

SECTION 10: INSURANCE

10.1 The Contractor shall furnish to EAA a certified copy of the policy/policies or Certificate of Insurance covering the work as required in the specifications as evidence that the insurance required will be maintained in force for the entire duration of the contract with EAA.

Insurance: Before commencing execution of this contract, the Contractor shall submit a Certificate of Insurance satisfactory to the EAA at the following address:

Transportation Department
Education Achievement Authority of Michigan
3022 West Grand Boulevard, Suite 14-652
Detroit, MI 48202

a. Worker's Compensation (if applicable) coverage limits in the statutory amount as required in the State of Michigan and Employer's Liability coverage limits in the amount of \$100,000.00 (One Hundred Thousand Dollars) each accident, each disease and each employee.

b. Commercial General Liability Insurance coverage limits in the amount of \$2,000,000.00 (Two Million Dollars) per occurrence for the loss or damage resulting from bodily injury to, or the death of, one or more persons, and for the loss or damage to property and \$4,000,000.00 (Four Million Dollars) aggregate.

c. Automobile Liability Insurance (covering all owned, hired, and non-owned vehicles with personal and property protection insurance including residual liability insurance under Michigan No Fault Insurance Law coverage limits in an amount not less than \$100,000.00 (One Hundred Thousand Dollars).

d. Excess Liability Insurance coverage limits in the amount of \$1,000,000.00 (One Million Dollars).

10.2 Approval of Forms and Companies. The Certificate of Insurance must state the Policy Number, date of expiration and limits of liability there under. All coverage described in this contract shall be in a form and content satisfactory to the Contracting Officer. No party subject to the provisions of this contract shall violate or knowingly permit to be violated any of the provisions of the policies of insurance described herein. All insurance should be provided by insurance companies licensed to do business in the State of Michigan with a Best's Service Rating of B+.

10.3 Additional Insurance Endorsement. The policy or policies providing Commercial General Liability, Automobile Liability and as otherwise required above shall be endorsed to name the EAA, their directors, officers, representatives, agents, and employees as Additional Insured's as respects operations performed by or on behalf of the Contractor in performance of this contract. The policy shall also be endorsed to name other interests as directed by the EAA.

10.4 Notice of Cancellation or Material Changes. Policies and/or Certificates shall specifically provide that a thirty (30) day notice of cancellation, non-renewal, or material change be sent to the EAA.

10.5 Multiple Policies. The limits of liability as required above may be provided by a single policy of insurance or a combination of primary, excess or umbrella liability policies. But in no event shall the total limit of liability of any one occurrence or accident be less than the amount above.

10.6 Deductibles. Companies issuing the insurance policies and the Contractor shall have no recourse against the EAA for payment of any premiums or assessments for any deductibles, as all such premiums and deductibles are the sole responsibility and risk of the Contractor.

10.7 Subcontractors. If any part of the work is sublet, Contractor shall require any and all subcontractors performing work under this contract to carry worker's compensation insurance and other types of insurance with limits of liability as Contractor shall deem appropriate and adequate. In the event a subcontractor is unable to furnish adequate insurance required under the contract, the Contractor shall endorse the subcontractor as an Additional Insured and/or become an Alternate Employer. The Contractor shall obtain and furnish to the EAA Certificates of Insurance evidencing subcontractor's worker's compensation insurance coverage. If a subcontractor's certificate of worker's compensation insurance expires during the period of performance, Contractor shall obtain a renewal certificate. The Contractor must maintain all certificates of worker's compensation insurance for a period of not less than 1 year. All other insurance certificates for subcontractors shall be furnished to the EAA.

10.8 The selected Contractor shall not hold the EAA liable for any personal injury incurred by its employee, agent or consultant, Contractor or subcontractor while working on this project. The Contractor agrees to hold EAA harmless from any such claim by its employees, agents, consultants, Contractor or subcontractor.

SECTION 11: FORCE MAJEURE

11.1 In the event Contractor is unable to provide the transportation services, as specified in this Agreement because of any act of God, civil disturbance, fire, riot, war, terrorism, picketing, strike, labor dispute, labor shortages, governmental action or any other condition or cause beyond Contractor's control, Authority shall excuse Contractor and Contractor shall excuse Authority from performance under this Agreement including any claims for liquidated damages.

SECTION 12: SCHOOL CLOSINGS OR CHANGES IN SCHEDULE

12.1 Whenever (a) inclement weather or impassability of roads occurs, (b) school is canceled or delayed, (c) the school day is scheduled for other than regular start or end times, or (d) school is dismissed early for any reason, Authority shall notify Contractor not later than 6:00 a.m. on the day of such cancellation or delay or not later than two (2) hours before early dismissal and one (1) hour prior to the cancellation of supplemental transportation. If Authority does not notify Contractor by 6:00 a.m. or time required for supplemental transportation, Authority shall pay Contractor \$50 for each person who reported for work for each assignment provided the Contractor provides documentation suitable to EAA to verify the expense.

12.2 Notwithstanding the foregoing, in the event of circumstances in the operation of any school which necessitate early dismissal for student health or safety reasons, the Contractor and Authority shall cooperate to facilitate orderly transportation of students in the most efficient manner possible in light of the circumstances presented, without additional cost or charge to EAA, except as agreed to by the parties in writing.

SECTION 13: SAFETY PROGRAM

13.1 Contractor shall be responsible for implementing, maintaining, and reviewing annually a comprehensive pupil transportation safety program.

13.2 Contractor's employees shall not be required to perform any medical functions for passengers, except to the extent required by law.

SECTION 14: MANAGEMENT PERSONNEL

14.1 Contractor shall employ management personnel who shall be responsible for the efficient operation of the transportation services furnished hereunder and who shall be Contractor's liaison to Authority. Contractor will designate a crisis management contact person for emergency contact with Authority prior to the start of the school year. Contractor shall inform Authority of the name(s), contact telephone number(s) and addressees) of such management personnel.

14.2 Authority shall employ management personnel who shall be responsible for Coordination of the student transportation requirements of Authority to be furnished under this Agreement and who shall be Authority's liaison to Contractor. Authority will designate a crisis management contact person for emergency contact with Contractor prior to the start of the school year. Authority shall inform Contractor of the name(s), contact telephone number(s) and addressees) of such management personnel.

SECTION 15: OPERATIONS PERSONNEL & DRIVERS

15.1 Contractor shall employ a sufficient number of qualified drivers and support personnel to assure Authority of continuous, reliable, safe, and on time service.

15.2 Contractor shall take reasonable steps to prevent its employees from exposing any pupil to impropriety of word or conduct. Contractor shall not permit its drivers to smoke on the bus, to drink any intoxicating beverage, or to be under the influence of drugs or alcohol while operating any bus.

15.3 Contractor shall be responsible for hiring and discharging personnel employed by Contractor to perform its obligations hereunder; provided, however, that Authority shall have the right to request Contractor to remove from service to the Authority any employee who, in Authority's sole discretion, is deemed unsuitable for the performance of transportation services for Authority; and provided, further, that Authority shall make such request in writing provided that such request does not violate applicable laws against discrimination.

15.4 Contractor shall provide qualified driver/trainers and qualified drivers, trained and licensed in accordance applicable laws and the rules and regulations of Authority. Not less than sixty (60) days prior to the start of any school year, Authority shall advise Contractor of Authority's requirements for training or qualification for drivers or driver/trainers. Contractor will, to the extent such requirements do not conflict with state or federal laws; implement such requirements into its hiring and training programs for drivers servicing Authority's students. Contractor agrees that each driver shall:

15.4.1 Possess a valid license or permit issued by this State authorizing such person to operate a taxi cab.

15.4.2 Possess a satisfactory driving record and criminal history record, after review of such records prior to employment and periodically thereafter to the extent permitted or available by law.

15.4.3 Prior to employment and from time-to-time thereafter, to the extent permitted by law, undergo such tests as may reveal, within a reasonable degree of medical or scientific certainty, the presence or absence of drugs or controlled substances in the body and such tests as may clinically reveal alcoholism, alcohol abuse or other drug abuse. Negative findings for such tests shall be a condition of employment.

15.4.4 Meet any other criteria required by law or by Authority's policies, rules or regulations, including but not limited to the requirement for criminal background checks.

SECTION 16: TRAINING REQUIREMENTS

16.1 Contractor shall provide thorough instruction to drivers in compliance with state and federal safety and operations guidelines and regulations.

16.2 Prior to the start of the school year, Contractor will provide time at one of its employee orientation sessions so that Authority administrators may address drivers and other personnel assigned to work under this Agreement on matters relating to the expectations for student conduct and to familiarize staff with members of the school administration and/or Authority requirements. Authority at its sole discretion may have the Contractor provide training regarding the above mentioned items. Such orientation will be at a time and place mutually agreed upon by Contractor and Authority. Authority may distribute materials to drivers and other staff at meetings.

SECTION 17: EQUIPMENT

17.1 Contractor shall provide the fleet necessary to operate this contract at the Contractor's expense. The fleet shall include all equipment and devices required to transport a diverse Special Education population. Contractor shall provide for and ensure, at its sole cost and expense, regular upkeep, maintenance, replacement, repair, cleanliness, and appearance of its vehicles, in accordance with law and accepted industry safety and maintenance standards. Contractor shall have or establish a maintenance system with preventative maintenance scheduling and inspections. Contractor shall, upon request by Authority, provide Authority with reports summarizing Contractor's current maintenance program and repairs to its buses and, upon ten

(10) business days' notice, and during Contractor's normal business hours, Contractor shall make its full maintenance and repair reports available for inspection by Authority.

17.2 The Contractor shall equip every taxi cab, including spares, used to fulfill this Contract with a fully operational two-way radio communication system capable of reliably maintaining contact with any bus anywhere on the Authority routes. The Contractor shall provide and maintain the radios, adequate radio frequency, and other necessary radio equipment.

17.3 The Contractor may utilize a single taxi cab to service multiple school districts – including Detroit Public Schools – in-so-long as the scheduling of such does not interfere with the transportation needs of the Authority.

SECTION 18: PUPIL DISCIPLINE AND VANDALISM

19.1 The ultimate responsibility and authority to suspend or expel any pupil from transportation services hereunder shall rest with Authority: provided, however, that Authority will consult with Contractor in arriving at its decision. Contractor's drivers are responsible only for such discipline as is required to properly and safely operate Contractor's taxi cabs. Each driver shall handle all disciplinary matters in strict accordance with Authority policy. In no case will a driver eject a pupil from a bus for misbehavior except in the event of an extreme emergency endangering the safety of other pupils and then only after radio notice to Contractor's terminal and to the pupil's building or school principal. In all cases of disciplinary ejection, the taxi cab shall remain at the approximate area of student discharge until authorities arrive on site and authorize it to proceed on route. All discipline problems shall be reported in writing as soon as possible and in no event later than the next school day following completion of the route. The Authority and the Contractor will, in the event the contractor determines that a pupil poses a danger to himself/herself or other passengers cooperate to provide a safe transportation environment prior to the Contractor being required to transport such pupil. Further procedures and regulations for the administration of discipline shall be established by the Authority with input from the Contractor.

19.2 Vandalism, damage to Contractor's equipment or facilities shall be the responsibility of Contractor. Authority shall give Contractor reasonable assistance in obtaining restitution for damaged equipment or facilities where damage is determined to be caused by Authority students or personnel. Contractor may, with the written concurrence by Authority, refuse to provide a pupil with transportation services until vandalism damages caused by such pupil are paid.

SECTION 20: ASSIGNMENT

20.1 This Agreement shall not be assigned by the parties hereto, without the written consent of both the Contractor and the Authority, which consent shall not be unreasonably withheld or delayed.

SECTION 21: CONFIDENTIAL INFORMATION

21.1 Standard of Care. A Contractor acknowledges that it may receive or have access to EAA's "Confidential Information", as that term is defined below. Contractor will protect EAA's Confidential Information with the same degree of care as Contractor uses to avoid

unauthorized use, disclosure, publication or dissemination of its own confidential information of a similar nature, but in no event, less than a reasonable degree of care. Contractor shall not disclose or otherwise make available EAA's Confidential Information to any third party without the prior written consent of EAA; provided, however, that Contractor may disclose the Confidential Information to its officers, employees, and contractors who need access to the Confidential Information to perform their obligations to Contractor or EAA and who are themselves bound by nondisclosure obligations at least as restrictive as those set forth in this Section 21. Further, Contractor shall comply with all confidentiality-related guidelines, standards and law applicable to EAA. Contractor agrees to immediately notify EAA in the event Contractor becomes aware of any loss or unauthorized disclosure of EAA's Confidential Information. The provisions of this Section 21 shall survive the termination or expiration of this Agreement.

21.2 Confidential Information "Confidential Information" means any information related to the business, personnel and operations of EAA obtained by Contractor, and may include, but is not limited to, business affairs, data, manuals, financial and accounting data, data and information concerning students, contracts, intellectual property, proprietary information and other operational information. Confidential Information shall not include anything that Contractor can document: (i) was generally available to the public at the time it was received by Contractor, (ii) was known to Contractor, without restriction, at the time of disclosure, or (iii) was independently developed by Contractor without any use of the Confidential Information.

Section 21.3 Return of Confidential Information. Upon expiration or termination of this Agreement, Contractor shall promptly return to EAA all Confidential Information of EAA and all copies, or at EAA's option, Contractor shall destroy the Confidential Information.

SECTION 22 AUDITS

22.1 General. Upon reasonable notice from EAA, Contractor shall provide EAA and its agents, regulators, accountants and inspectors access to, and any assistance and information that they may reasonably require with respect to the Services to, among other things, verify the security of EAA Confidential Information and examine Contractor's performance of the Services to enable EAA to confirm Contractor's compliance with this Agreement and applicable law.

22.2. Cooperation and Record Retention. Contractor agrees to maintain accurate books and records in connection with Contractor's performance of the Services. Unless returned to EAA, upon its written request, all such books and records (including, without limitation, all papers, correspondence, data, information, reports, records, receipts, and other sources of information relating to the Services and Fees paid to Contractor) will be held and preserved for the duration of this Agreement and for a period of six years after the expiration or termination of this Agreement. Contractor shall make such books and records available to EAA at EAA's request. Further, Contractor shall, and shall cause its agents, employees and contractors to provide EAA with all assistance required to enable EAA to comply with applicable law and standards pertaining to the disclosure and confidentiality of such books and records.

SECTION 23 INDEMNIFICATION, DAMAGES, AND WARRANTIES

23.1 Indemnification. Contractor shall indemnify and hold harmless EAA and EAA's employees, agents, directors and officers against all liability arising out of, or resulting from any third party claim, suit, action or proceeding arising out of or resulting from (i) the failure of

Contractor or any of its agents, employees or contractors, to comply with the terms of this Agreement or any applicable law; or (ii) any injury, loss, claim or damages arising from the actions or omissions of Contractor or an agent, employee, director, officer or contractor of Contractor.

23.2 Limitation of Liability; No Special Damages. Notwithstanding any other provision of this Agreement, EAA shall not be liable to the Contractor for any damages for loss of profits, loss of revenues, loss of goodwill, loss of anticipated savings, loss of data or cost of purchasing replacement services, or any indirect, incidental, special, consequential, exemplary or punitive damages arising out of the performance or failure to perform under this Agreement or any Service Order. Nothing in this Agreement shall be construed as a waiver of governmental immunity, where applicable. No such limitation upon Contractor's liability for damages shall exist unless expressly set forth in the Special Terms of the Service Order.

23.3 Disclaimer of Warranties. EXCEPT AS (1) EXPRESSLY SET FORTH IN THIS AGREEMENT, AND, (2) WITH RESPECT TO CONTRACTOR ONLY, AS SET FORTH IN THE SPECIAL TERMS OF A SERVICE ORDER, NEITHER EAA NOR CONTRACTOR MAKES ANY OTHER REPRESENTATION OR WARRANTY REGARDING THE SERVICES, EXPRESS OR IMPLIED, EITHER IN FACT OR BY OPERATION OF LAW, STATUTORY OR OTHERWISE, INCLUDING WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR USE.

SECTION 24: DISPUTES

24.1 Informal Dispute Resolution. EAA and Contractor will attempt to settle any dispute through informal good faith negotiations. The EAA Transportation Manger will be the final authority in any dispute over which rate applies from the rates listed in Exhibit A. All other disputes will be escalated to appropriate senior level management of the parties, if necessary. If such managers are unable to resolve the dispute within ten business days of referral (or any other mutually agreed upon timeframe), the parties will undertake non-binding mediation as described below in a good faith attempt to resolve such dispute.

24.2 Mediation. There will be a single mediator. If the parties cannot agree upon an acceptable mediator within ten days of termination of the negotiations under Section 24.1 each party will select one mediator from a list of not less than five mediators provided by the other party. These two mediators will select a third mediator who will serve as the sole mediator. Subject to the availability of the mediator, the mediation will occur not more than thirty days after the request for mediation. The mediation process will continue until the dispute (or any part thereof) is resolved or until such time as the mediator makes a finding that there is no possibility of resolution short of referring the parties to final and binding arbitration. The mediation will be held in Detroit, Michigan, unless the mediator, on his or her own initiative, wishes to conduct any mediation proceeding by telephone, facsimile transmission or other means of communication. The cost of mediation, including the mediator's fees and expenses, will be shared equally by the parties. Each party will have the right to be represented by attorneys of their own choosing to advise them before and during the mediation process and their attorneys may review any settlement agreement, or other agreement, which the parties have reached through mediation, prior to the execution of such agreement. The parties agree that the mediator is acting in a neutral capacity and is not serving as an attorney, advocate, representative or

fiduciary for either or both of them. Each party will pay its own attorney's fees and costs. In connection with the mediation process, the mediator may meet in confidential "caucus" sessions separately with each party. The mediator will be obligated to treat as confidential and refrain from disclosing to the other party or its counsel any information conveyed to the mediator during the caucus sessions unless the party conveying such information authorized the mediator to disclose it to the other party.

Section 24.3 Binding Arbitration. Should any dispute (or part thereof) remain between the parties after completion of the mediation process described in Section 24.2, such dispute will be submitted to final and binding arbitration in Detroit, Michigan under the Commercial Arbitration Rules of the American Arbitration Association ("AAA"), except to the extent that the AAA Rules are contrary to the specific terms of this Section 24.3, provided, however, that at the election of EAA, the arbitration may be done privately and not under the auspices of the AAA, although the AAA rules shall still otherwise govern except as herein stated. There will be three arbitrators. Each party will select one arbitrator. The two arbitrators selected by the parties will select a third arbitrator. At least one of the arbitrators will have at least five years of relevant experience. Each party may be represented by an attorney selected by the party. The costs of the arbitration, including the arbitrators' fees and expenses, will be shared equally by the parties. Each party will pay its own attorney's fees and costs; provided that, if the arbitrators find either party has acted in bad faith, the arbitrators will have discretion to award attorneys' fees to the other party. No party may raise new claims against the other party in the arbitration not raised during mediation. The arbitrators will have the power to resolve all disputes between the parties. The arbitrators will apply the law of the state of Michigan. The arbitrators will only interpret and apply the terms and provisions of the Agreement and will not change any such terms or provisions or deprive either party of any right or remedy expressly or impliedly provided for in the Agreement. The arbitrators will not have the power to award damages other than those described in the Agreement. The determination of a majority of the arbitrators will be conclusive upon the parties and will be non-appealable. At least thirty days before the arbitration is scheduled to commence, the parties will exchange lists of witnesses and copies of all exhibits intended to be used in arbitration. The parties will be entitled to limited discovery. A stenographic record of the proceedings will be kept, unless waived by both parties, at the equal expense of the parties. The arbitration will be completed within 120 days of the selection of the third arbitrator. The arbitrators will render a written decision, which contains findings of fact and conclusions of law, within thirty days of the conclusion of the arbitration and will specify a time within which the award will be performed. Judgment upon the award, including specific enforcement of the decision, will be entered in any court of proper jurisdiction. The parties have knowingly chosen arbitration as an alternative to proceedings in court and they specifically waive their rights to proceed by any means before a court otherwise having jurisdiction of any dispute between them, except to the extent necessary for injunctive relief or other equitable relief.

SECTION 25: SURVIVAL

25.1 Except as otherwise provided in this Agreement, the mutual obligations described in Compensation and Billing, Audits, Disputes, and Indemnification hereof and all provisions relating to the protection of confidential information shall survive the termination or expiration of the Agreement.

SECTION 26 STATUS OF CONTRACTOR

26.1 In the interpretation of this Agreement and the relations between Contractor and Authority, Contractor shall be construed as being an independent contractor employed to provide transportation services only. Further, notwithstanding the provisions of Sections 15, 16 and 17, nothing contained in this Agreement shall be construed to deem this Agreement a joint or co-employer arrangement or to deem the Authority to have employer-like control over the Contractor's employees or agents. Neither Contractor nor any of its employees shall be held or deemed in any way to be an agent, employee or official of Authority. Contractor shall be responsible for, and hold Authority harmless from any liability for unemployment taxes or contributions, payroll taxes or other federal or state employment taxes.

SECTION 27: SEVERABILITY

27.1 In the event any provision specified herein is held or determined by a court of competent jurisdiction to be illegal, void or in contravention of any applicable law, the remainder of the Agreement shall remain in full force and effect.

SECTION 28: EXTENSION AND MODIFICATION

28.1 Contractor and Authority may extend or otherwise modify the terms of this Agreement in whole or in part as circumstances may justify by mutual written agreement executed by the duly authorized representatives of the parties.

SECTION 29: NOTICE TO PARTIES

29.1 Notices. All written notices, consents, approvals, requests and other communications ("**Notices**") required or permitted under this Agreement shall be personally delivered with receipt obtained, or mailed by overnight mail or registered or certified first-class mail, return receipt requested, addressed as follows:

If to the Contractor, to:

Edward Lemming
Detroit Cab Company
2201 Waterman
Detroit, Michigan 48209

If to the EAA, to:

Education Achievement Authority
3022 W. Grand Boulevard
Suite 14-652
Detroit, Michigan 48202
Attention: Chancellor's Office

All Notices shall be deemed given on the day when hand delivered or, if mailed, on the day following the day of mailing. Either party to this Agreement may change its address for the receipt of Notices at any time by giving Notice to the other party as provided in this Section.

SECTION 30 GENERAL PROVISIONS

Section 30.1 Independent Contractor. The Services of Contractor shall be rendered as an independent contractor. The relationship between EAA and the Contractor shall not be that of partners, agents, or joint venturers to one another, and nothing contained in this Agreement shall be deemed to constitute a partnership, agency or employment agreement between them for any purposes, including, without limitation, for federal income tax purposes. Contractor assumes full responsibility for the payment of wages, salaries, and other amount due to all persons engaged by Contractor in connection with the Services performed hereunder, and Contractor will be responsible for all taxes, including Social Security, unemployment and withholding taxes, with respect to such persons. No provision of this contract shall be for the benefit of any party other than the Contractor and the EAA.

Section 30.2 Tax Exempt Status. Contractor acknowledges that EAA is a tax-exempt entity. Contractor may not use any EAA facility for any unauthorized purpose and will not act in any way that might jeopardize EAA's tax-exempt status.

Section 30.3 Entire Agreement and Amendments. This Agreement (including the Service Orders and exhibits), together with the documents delivered pursuant hereto, constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior oral or written agreements, negotiations, representations, discussions and understandings between the parties. This Agreement may be amended only by a written instrument executed by each party.

Section 30.4 Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of Michigan without giving effect to other conflicts of laws or principles thereof.

Section 30.5 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same instrument.

Section 30.6 Binding Effect. This Agreement shall be binding upon and inure to the benefit of the parties hereto. No party to this Agreement may assign its rights under this Agreement to any other person without obtaining the written permission of the other parties in advance.

Section 30.7 No Third Party Beneficiaries. Nothing expressed or referred to in this Agreement is intended or shall be construed to give any person other than the parties to this Agreement or their respective successors or permitted assigns any legal or equitable right, remedy or claim under or in respect of this Agreement it being the intention of the parties that this Agreement and the transactions contemplated hereby shall be for the sole and exclusive benefit of such parties or such successors and permitted assigns.

Section 30.8 Expenses. Each party shall bear its own expenses incurred in connection with this Agreement and with the performance of its obligations hereunder.

Section 30.9 Further Assurances. Each party promptly shall cause to be taken, executed, acknowledged or delivered all such further acts, conveyances, documents and assurances as any other party from time to time reasonably may request in order to carry out and effectuate the intent and purposes of this Agreement.

[signatures on next page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed by their duly authorized representatives with effect from the day and year first above written.

EDUCATION ACHIEVEMENT AUTHORITY

By: _____
J. Wm. Covington, Ed.D.

Title: _____
Chancellor

Date: _____

DETROIT CAB COMPANY

By: Edward Hemming
Name of Person

Title: President
Title

Date: 7/11/12

**Education Achievement Authority - Michigan (EAA)
Taxi Cab Company**

Exhibit A

Pricing Sheet

		3%	3%
	2012/2013	2013/2014	2014/2015
Taxi Cab Routes (5 days per week approximately of 210 regular school days)			
Per Taxi Cab, Per Day Rates:			
Daily cost for providing to and from school transportation on a per cab, per day basis	\$55.00	\$56.65	\$58.35
Cost for emergency, sick child, per trip*	\$35.00	\$36.05	\$37.13
Cost for transporting non deliverable child to designated EAA drop off point	\$25.00	\$25.75	\$26.52

EAA intends to use the most cost effective pricing. If more than one rate can be applied, EAA reserves the right to apply the lower rate

* It is the EAA policy that if students are sick or have emergency, parents are to pick up students from school. If student's school orders this service, then they (the school) will be responsible for the payment of the service provided by the Contractor.

Definition of Taxi Cab Route: A route may consist of 1 student, or up to 4 students, with each student having a different address. Also, if there are two schools in a close geographical area with same or similar bell times, the route may have two different school drop off and pickup locations.

Each taxi cab route will be compensated on a per route rate, which means the rate paid can be for multiple addresses, the EAA only compensates the taxi cab company on a per route basis, not on a per address basis.

It is noted that this contract is for the purpose of "Contracting the Vendor" and is no-wise a guarantee that cab routes will be issued to the Contractor.

Contractor Signature Edward Hemming (Pres) Date 7/11/12