

EDUCATION LOGISTICS, INC.

SERVICE, LICENSE AND MAINTENANCE AGREEMENT
FOR
PUPIL TRANSPORTATION PROGRAMS

THIS AGREEMENT executed on this _____ day of _____, _____, is entered into by and between EDUCATION LOGISTICS, INC., a Montana corporation, of 3000 Palmer Street, Missoula, Montana 59808 (hereinafter referred to as “EDULOG”) and WARREN COUNTY SCHOOL DISTRICT #5, 185 Hospital Drive, North Warren, Pennsylvania 16365 (hereinafter referred to as “CUSTOMER”) under the following terms and conditions.

1. SERVICE AND LICENSE AGREEMENT

- a. EDULOG agrees to provide and the CUSTOMER agrees to purchase the services listed in Paragraph 2 below (hereinafter referred to as “SERVICES”) on the terms and conditions contained herein; and
- b. EDULOG agrees to grant and the CUSTOMER agrees to accept a non-exclusive and non-transferable license to use the EDULOG software products listed in Paragraph 2 below (hereinafter referred to as “PROGRAM MATERIALS”) on the terms and conditions contained herein; and
- c. CUSTOMER agrees that the PROGRAM MATERIALS will be installed on the computer system located at School District facilities:

2. SERVICES, PROGRAM MATERIALS AND CHARGES

a. Program Installation

EDULOG will provide the following SERVICES and PROGRAM MATERIALS for the price indicated below:

District Hosted EDULOG Routing and Scheduling System						
			Units	Unit Price	Total 1st year	Total Each Subsequent Year*
Software (includes free upgrades as they become available)						
	EDULOG Routing and Scheduling Software with:					
	1) Student Database Management					
	2) Bus Stop Component					
	3) Bus Run Component					
	4) Bus Route Component					
	5) Security System					
	6) Report Writer					
	7) Route Driving Directions					
	8) Attendance Boundary Display Software					
	Initial License Fee for Above		1	\$4,100.00	\$4,100.00	\$0.00
	Annual License and Maintenance Fee for Above		1	\$1,435.00	\$0.00	\$1,435.00
Initial Implementation Services						
	Implementation and Overall Project Management		1	\$0.00	\$0.00	\$0.00
	Geocode Preparation		1	\$0.00	\$0.00	\$0.00
	Transportation Data Preparation (Stops, Runs, and Routes)		1	\$1,105.00	\$1,105.00	\$0.00
	Student Data Preparation		1	\$795.00	\$795.00	\$0.00
	School and Boundary Information Preparation		1	\$495.00	\$495.00	\$0.00
	Unlimited Remote Training through the Internet		1	\$0.00	\$0.00	\$0.00

Continuing Services and Monthly Subscription Fees						
Monthly Continuing Services and Hosting Fee for the Edulog System--These fees are in addition to the annual license and maintenance fee.						
	Platinum Level for first six months	6	\$550.00	\$3,300.00	\$3,300.00	
	Gold Level for next six months	6	\$275.00	\$1,650.00	\$1,650.00	
TOTAL				\$11,445.00	\$6,385.00	

*Recurring annual and monthly fees paid to EDULOG are subject to yearly CPI adjustments.

OPTIONAL SOFTWARE						
EDULOG WebQuery Software						
	Initial License Fee for Above	1	\$3,500.00	\$3,500.00	\$0.00	
	Annual License and Maintenance Fee for Above	1	\$420.00	\$0.00	\$420.00	
In the event that CUSTOMER decides to exercise the option for the WebQuery Software, CUSTOMER will issue a purchase order to EDULOG.						
OPTIONAL CONTINUING SERVICE						
Monthly Continuing Services and Hosting Fee for the EDULOG System.						
	Silver Level Continuing Services	\$125.00 per month				

After six (6 months) of continuing services, CUSTOMER has the option of changing to the Silver Level of service by notifying EDULOG in writing thirty days in advance.

PLATINUM LEVEL CONTINUING SERVICES

- EDULOG will maintain all server hardware, web connections, and other items necessary for district access through the Internet.
- EDULOG will provide unlimited training (through the Internet) to district staff
- Unlimited Map Maintenance: EDULOG will correct, enter, or edit any and all mapping information that the district can identify and supply appropriate information about. For example, if it is discovered that an address range is incorrect, and the district provides the correct house numbers for that segment, EDULOG will edit the geocode and process a new map display. The same applies to street names, new housing developments, school locations, etc.
- EDULOG will install new versions of ntASP as they become available.
- Unlimited support for system operations: EDULOG will provide unlimited access to the ntASP support and implementation staff during normal business hours.

- EDULOG will perform data backup and server administration—including keeping current on Windows updates and virus protection
- EDULOG will perform ntASP system administration using EDULOG Maintenance Utilities (EMU)
 - (a) Performing nightly preventative maintenance, student uploads, address matching, eligibility checking, student assignments, geographic maintenance, and other EDULOG utilities as needed. Error and audit information from utilities will be presented to the district
 - (b) Weekly diagnostics and cleanup
- EDULOG will perform maintenance and modification of custom reports created in the start up phase
- EDULOG will perform student operations
- Most student operations will be handled through EMU. This includes but is not limited to:
 - 1) Uploading students into the system with district provided newstu containing all system and user-defined fields. This file must be provided to EDULOG for updating student records as needed and must be in a consistent file format.
 - 2) Address matching
 - 3) Eligibility calculation
 - 4) Student assignment to stop
 - 5) Student rollover based on district provided information
- Extended student operations can be handled with requests from the district using the proper protocol as defined in the initial phases of data preparation. This could include:
 - 1) Individual assignment of students not eligible for transportation based on information provided by the district
 - 2) Individual student matching based on information provided by the district
 - 3) Creating alternate pick up and drop off locations based on information provided by the district
- Transportation operations that will be performed by EDULOG include:
 - a) Creation/Relocation of stops at locations approved or requested by the district
 - b) Assignment of new stops to runs approved or requested by the district
 - c) Reordering stops on runs requested by the district
 - d) Entering headcount loads on stops if provided by the district
 - e) Moving stops from one run to another at the request of the district
 - f) Inputting actual stop times if provided by the district
 - g) Creation of new runs approved or requested by the district
 - h) Assignment of a run to route approved or requested by the district
 - i) Swapping runs on routes approved or requested by the district
 - j) Setting time at school for runs on routes if provided by the district
- EDULOG will provide unlimited Internet system training

The entry of student information after the initial system implementation (student name and ID number, residence address, school and grade of attendance, etc.) into either a SIS or the EDULOG *ePTS* system will be the responsibility of the district.

GOLD LEVEL CONTINUING SERVICES

- EDULOG will maintain all server software, web connections, and other items necessary for district access through the Internet.
- EDULOG will provide unlimited training (through the Internet) to district staff
- Unlimited Map Maintenance: EDULOG will correct, enter, or edit any and all mapping information that the district can identify and supply appropriate information about. For example, if it is discovered that an address range is incorrect, and the district provides the correct house numbers for that segment, EDULOG will edit the geocode and process a new map display. The same applies to street names, new housing developments, school locations, etc.
- EDULOG will install new versions of ntASP as they become available.
- Unlimited support for system operations: EDULOG will provide unlimited access to the ntASP support and implementation staff during normal business hours.
- EDULOG will perform data backup and server administration—including keeping current on Windows updates and virus protection
- EDULOG will perform ntASP system administration using EDULOG Maintenance Utilities (EMU)
 - Performing nightly preventative maintenance, student uploads, address matching, eligibility checking, student assignments, geographic maintenance, and other EDULOG utilities as needed. Error and audit information from utilities will be presented to the district
 - Weekly diagnostics and cleanup
- EDULOG will perform maintenance and modification of custom reports created in the start up phase
- EDULOG will perform student operations
 - Most student operations will be handled through EMU. This includes but is not limited to:
 - 1) Uploading students into the system with district provided newstu containing all system and user-defined fields. This file must be provided to EDULOG for updating student records as needed and must be in a consistent file format.
 - 2) Address matching
 - 3) Eligibility calculation
 - 4) Student assignment to stop
 - 5) Student rollover based on district provided information
 - Extended student operations can be handled with requests from the district using the proper protocol as defined in the initial phases of data preparation. This could include:
 - 1) Individual assignment of students not eligible for transportation based on information provided by the district
 - 2) Individual student matching based on information provided by the district
 - 3) Creating alternate pick up and drop off locations based on information provided by the district

The entry of student information after the initial system implementation (student name and ID number, residence address, school and grade of attendance, etc.) into either a SIS or the EDULOG *ePTS* system will be the responsibility of the district.

SILVER LEVEL CONTINUING SERVICES

- EDULOG will maintain all server hardware, web connections, and other items necessary for district access through the Internet.
- Map Maintenance: EDULOG will correct, enter, or edit any and all mapping information that the district can identify and supply appropriate information about. For example, if it is discovered that an address range is incorrect, and the district provides the correct house numbers for that segment, EDULOG will edit the geocode and process a new map display. The same applies to street names, new housing developments, school locations, etc.
- EDULOG will install new versions of *ntASP* as they become available.
- Unlimited support for system operations: EDULOG will provide unlimited access to the *ntASP* support and implementation staff during normal business hours.
- EDULOG will perform data backup and server administration—including keeping current on Windows updates and virus protection
- EDULOG will perform *ntASP* system administration using EDULOG Maintenance Utilities (EMU).
 - (a) Performing nightly preventative maintenance, student uploads, address matching, eligibility checking, student assignments, geographic maintenance, and other EDULOG utilities as needed. Error and audit information from utilities will be presented to the district.
 - (b) Weekly diagnostics and cleanup
- EDULOG will perform maintenance and modification of custom reports created in the start up phase

EDULOG will perform student operations Most student operations will be handled through EMU. This includes but is not limited to:

- (1) Uploading students into the system with district provided *newstu* containing all system and user-defined fields. This file must be provided to EDULOG for updating student records as needed and must be in a consistent file format.
- (2) Address matching
- (3) Eligibility calculation
- (4) Student assignment to stop
- (5) Student rollover based on district provided information

The entry of student information after the initial system implementation (student name and ID number, residence address, school and grade of attendance, etc.) into either a SIS or the EDULOG *ePTS* system will be the responsibility of the district.

b. Additional Conditions

- 1) All travel, accommodation and out-of-pocket expenses (if any) necessitated by the installation, training, and maintenance of PROGRAM MATERIALS shall be paid by CUSTOMER. Expenses for meals will be charged at a rate not to exceed Federal Travel Regulations (FTA) Sec. 301. If CUSTOMER's staff travels to Montana for training, all travel and lodging expenses will be the responsibility of the CUSTOMER.
- 2) EDULOG shall be entitled to reimbursement from CUSTOMER for special mailing when such mailing is authorized by CUSTOMER. Special mailing includes overnight courier service, Express Mail, air freight service or airline counter-to-counter package services.
- 3) The price and fees charged to CUSTOMER are exclusive of all sales, use and like taxes. Any tax EDULOG may be required to collect or pay upon the delivery or use of the PROGRAM MATERIALS shall be paid by CUSTOMER, and such sums shall be due and payable upon payment of the prices and fees pursuant to Paragraph 3 below.

3. PAYMENT SCHEDULE:

The CUSTOMER agrees to make the following payments to EDULOG at its principal place of business in Missoula, Montana, or at such other address as may be specified by EDULOG to the CUSTOMER:

- \$3,248.00 upon execution of this Agreement by EDULOG and the CUSTOMER, to be credited against charges for SERVICES and PROGRAM MATERIALS as described in Paragraph 2 (a);
- \$3,247.00 due when PROGRAM MATERIALS have been made available for CUSTOMER access;
- \$3,300.00 due when PROGRAM MATERIALS are made available for CUSTOMER access, representing the first six (6) months of Continuing Services at the Platinum Service Level;
- \$1,650.00 for months seven through twelve at the Gold Service Level due on the first business day of the seventh month of continuing services;
- CUSTOMER has the option to change Service Levels (including to Silver Level) every three months following the initial six months at the Platinum Level. CUSTOMER must provide advanced written notice to EDULOG thirty (30) days before the intended change in Service Level is to be made.
- The first annual License and Maintenance Fee will be due one year from the date of the installation of the geocode (computerized map), and will be prorated in 1/12 increments for the months remaining of the first school year the fee is in effect. In subsequent years, the full amount of the annual License and Maintenance Fee will be payable on the first business day of January of each school year;

CUSTOMER will notify EDULOG in writing within sixty (60) calendar days of the date of an invoice indicating the reasons for non-payment of the invoice. In the event that an invoice is not paid and EDULOG does not receive a written explanation for the non-payment within the sixty (60) day period, then EDULOG will assign the invoice to a collection agency for collection. In that case, CUSTOMER will also be liable for all late fees or service charges and all costs of collection, including but not limited to reasonable attorney' s fees.

4. ALTERNATIVE MAPPING SOURCE AND ADDITIONAL FEE:

If it proves to be the case that there is no digital map file in the public domain suitable for locating student residence addresses and routing and scheduling school buses, EDULOG will license the appropriate digital map files from Navteq to form the geocode. In doing so, the district will incur an additional fee of \$1,200.00 per county beyond the implementation, set-up, and initial software license cost mentioned above. This additional charge is for one user and one county. If more user licenses or counties are required, an additional cost will be billed beyond the \$1,200.00.

5. RECURRING FEES:

The recurring fees paid to EDULOG will be subject to yearly adjustments to reflect changes in the Consumer Price Index.

6. SPECIAL CONFERENCE OFFERING FOR EDULOG CLIENTS:

Reduction to \$995 for tuition and hotel expenses for one CUSTOMER employee to attend the annual EDULOG Conference, beginning with the 2010 conference. The tuition and hotel expense are defined as four nights lodging expenses, and the conference registration fees. Reservations will be made by EDULOG's Travel Department. EDULOG requires a thirty (30)-day advance written notice indicating the names of the person attending the conference and the preferred dates of travel in order to make the travel arrangements. EDULOG, its officers, employees, and agents, are not liable for any loss or damage of any kind and nature to CUSTOMER, its officers, employees or agents or any third party arising out of Customer's employees attendance at the Annual conference. CUSTOMER will indemnify and hold harmless EDULOG, its officers, employees, and agents from any loss or damage under this section.

This \$995 fee will be added to the recurring fees paid by the CUSTOMER beginning with 2010-2011 and will be subject to adjustment for the Consumer Price Index. This fee will also be reviewed every three years and will be subject to adjustment at that time if needed. It is understood by CUSTOMER that this cost is non-refundable.

If CUSTOMER desires to take advantage of this offer, CUSTOMER will notify EDULOG in writing of its intent.

7. MAINTENANCE SERVICES:

In addition to the License provided in Paragraph 1 (b) hereinabove and in consideration of the charges specified in Paragraph 2 (a), EDULOG will provide to CUSTOMER Maintenance Services:

The Maintenance Program entitles the CUSTOMER to receive the following benefits at no additional charge:

- Correction of any defect in the manuals, forms or programs;
- Updates of user guides as required to insure their continued usefulness;
- Assistance by telephone or by mail regarding the use and operation of the system;
- Annual update of the geocode system for additions of up to 15% per year of the number of geocode nodes currently in place;
- Upgrades to the PROGRAM MATERIALS. For the purpose of this paragraph, the term “upgrades” shall mean any expansions, modifications, or improvements to the PROGRAM MATERIALS which relate to the operating performance but do not change the basic function of the PROGRAM MATERIALS and which are not regularly charged for by EDULOG to other clients as options. In the event that additional services are required, these services will be charged to CUSTOMER at EDULOG's then current standard time and material costs.

These upgrades will insure that the CUSTOMER's version of the PROGRAM MATERIALS be identical to the most current version available to EDULOG's new clients.

8. PROTECTION AND SECURITY:

CUSTOMER acknowledges that the PROGRAM MATERIALS constitute a valuable asset and trade secret of EDULOG and that EDULOG has a proprietary right and interest in and to the PROGRAM MATERIALS and that any information with respect thereto is confidential. Accordingly, CUSTOMER agrees as follows that:

- a. The PROGRAM MATERIALS shall not be used for the benefit of any entity, including but not limited to any School District, other than the CUSTOMER's and/or on any computer system other than the CUSTOMER's or at any location other than the location specified in this Agreement.

The PROGRAM MATERIALS may be temporarily transferred to back-up computers in the event of malfunction of CUSTOMER's computer.

- b. CUSTOMER shall not, without prior written permission from EDULOG, sell, assign, transfer or otherwise make available for any purpose, whether gratuitously or for valuable consideration, the PROGRAM MATERIALS or any other documentations, models, description, forms, or instructions or other information relating thereto, to any individual, business or ganization, governmental body or third party of any nature, other than authorized employees of the CUSTOMER.

The provisions of this paragraph shall survive the termination of the remainder of this Agreement for a period of five (5) years from the date of termination.

9. LIMITATION OF LIABILITY:

EDULOG shall not be liable to CUSTOMER for any loss or damage to CUSTOMER or any third party, caused by failure of the computer programs furnished hereunder to function, in whole or in part, nor shall EDULOG be liable for any incidental or consequential damages under this Agreement.

10. WARRANTY:

EDULOG warrants that the SERVICES and PROGRAM MATERIALS furnished and installed pursuant to this Agreement shall perform to their published specifications and shall be free of program coding errors. EDULOG's obligation under this warranty shall be to remedy any failure to perform to the published specifications and to correct program coding errors as soon as is reasonably possible after notification by CUSTOMER of such failure to perform, or coding errors.

EXCEPT FOR THE FOREGOING WARRANTIES, EDULOG MAKES NO WARRANTIES, EITHER EXPRESS OR IMPLIED, WITH RESPECT TO THE SERVICES AND PROGRAM MATERIALS, INCLUDING, BUT NOT LIMITED TO, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE.

11. NON-HIRING OF EMPLOYEES:

For the term of this Agreement and for twelve (12) months after its termination, CUSTOMER and EDULOG agree not to offer or provide employment to any employee of the other party unless specific written permission is granted waiving this restriction for an employee named by the grantor.

12. TERMINATION:

- a. CUSTOMER may terminate this Agreement by giving EDULOG sixty (60) days prior written notice by registered mail with return receipt requested. After this period of sixty (60) days, the CUSTOMER's obligations for payments as described in Section 3 will cease in proportion to services rendered.
- b. In the event that CUSTOMER shall at any time neglect, fail or refuse to comply with the terms of this Agreement, EDULOG may at its option elect to terminate this Agreement by giving CUSTOMER sixty (60) days prior written notice with return receipt requested.
- c. Upon termination of this Agreement, CUSTOMER shall deliver within thirty (30) days to EDULOG all PROGRAM MATERIALS, including but not restricted to computer program disks, support documentation, printed materials furnished hereunder or subsequently by EDULOG and copies of said materials made by CUSTOMER. Further, CUSTOMER shall warrant in writing that all copies of the PROGRAM MATERIALS stored in the CUSTOMER's computer have been destroyed.
- d. In the event that this Agreement is terminated prior to the twelfth (12th) payment of the monthly subscription fees, CUSTOMER will be required to pay EDULOG the total fees accrued through the end of 12 months of payments.
- e. At the conclusion of the term committed to in section 3 above, unless CUSTOMER advises EDULOG to the contrary in writing, EDULOG will assume that CUSTOMER desires to continue using all PROGRAM MATERIALS beyond this initial term and will continue invoicing according to the ongoing payment schedule outlined in section 3.

13. ATTORNEY' S FEES AND COSTS

In the event of any litigation between the parties arising out of this Agreement, the prevailing party shall be entitled to reasonable attorney' s fees and costs, as determined by the court or arbitrator.

14. CONTINUATION OF BENEFITS

This Agreement shall inure to the benefit of and be binding upon the heirs, executors, administrators, assignees and successors of the respective parties.

15. NON-WAIVER

No delay or failure of EDULOG in exercising any right hereunder and no partial or single exercise thereof shall be deemed of itself to constitute waiver of such right or any other rights hereunder.

This Agreement constitutes the complete and exclusive statement of the Agreement between the parties which supersedes all proposals, oral or written, and shall not be modified or altered except in writing by both parties.

Executed as of the day and year written above.

EDUCATION LOGISTICS, INC.

WARREN COUNTY
SCHOOL DISTRICT #5

By: _____
Authorized Signature

By: _____
Authorized Signature

HIEN Q. NGUYEN

Typed Name

Chief Executive Officer

Title