

Special School Board Meeting

Monday, March 15, 2021 6:30 PM
Online

1. **CALL TO ORDER**

2. **PLEDGE OF ALLEGIANCE**

3. **APPROVAL OF AGENDA**

4. **PURCHASES ABOVE \$5,000**

1. Prowall for Park Auditorium/Gym from Midwest
Playscapes

5. **NEW BUSINESS**

1. Approve New Transportation Contract

6. **ADJOURN**



8632 Eagle Creek Circle, Savage, MN 55378
www.MIDWESTPLAYSCAPES.com

direct: 952.895.8888
 fax: 952.895.8889
 toll free: 800.747.1452

playscapes@earthlink.net

Quotation



Project: LeSueur Henderson Public Schools

Contact: Todd Vrklan

Ship To: 115 N 5th St, Suite 200
 LeSueur, MN 56058

Email: tvrkian@isd2397.org

Phone: 612-756-2314

Fax:

Bill To:

Shipping Contact Name:

Date: 3/1/2021

Qty	Design/Item #	Description	Total
62 feet		42" high Prowall with Portable Anchoring and ADA Access Gate (ADA Access Gate has two 24" wide openings (48" total opening))	\$ 5,792.00
			Subtotal \$ 5,792.00
			Freight \$ 650.00
Tax Exempt # _____ * Please provide certificate			Sales Tax \$ -
			Local Sales Tax \$ -
			Total \$ 6,442.00

Option

Deduct \$450 if the customer picks up order from manufacturer.

NOTE: Customer is responsible for unloading, freight inventory, storage, assembly, installation and disposal of packaging material.

NOTE: Any Insurance requirements above \$1,000,000 General Liability will be subject to a surcharge

NOTE: UNLESS OTHERWISE NOTED, prices shown are material only. They DO NOT include: assembly, installation, border, safety surfacing, drain tile, geotextile fabric, removal of existing equipment, site preparation, excavation or site restoration, unloading of equipment, disposal of packaging material, storage of equipment, additional insurance and bonding would be extra, unless otherwise stated above. If playground equipment or materials are stored off site, customer is responsible for transporting equipment to job site.

Prices firm for 30 days, subject to review thereafter. Our terms are net 30. A finance charge of 1.5% will be imposed on the outstanding balance unpaid for more than 30 days after the shipment of materials. Equipment shall be invoiced separately from other services and shall be payable in advance of those services and project completion. Retainage not accepted. Once customer has signed quotation, your order cannot be changed or canceled. Please allow 3 to 4 weeks for delivery after receipt of order. Standard manufacturing design, specification, and construction apply unless noted otherwise. Customer is responsible for the identification and marking of all underground utilities (public or private) to include drain tile and sprinkler systems. Area must be accessible to Bobcat and other equipment necessary for installation or additional fees will be charged. Freight quote is based on customer unloading equipment and checking in all equipment for any missing parts. If product is refused by customer upon delivery for any reason (unless damaged), without prior authorization from Midwest Playscapes, Inc., the customer agrees to pay 20% restocking fee plus freight charges. Price does not include prevailing wages, unless otherwise noted. If we can be of Other Assistance, please feel free to contact us.

Signed: Dominic Dvorak
 Dominic Dvorak

Accepted _____
 Date: _____
 Printed Name: _____

MEMORANDUM

TO: Dr. Marlene Johnson
Superintendent of Schools
Le Sueur-Henderson Public Schools, ISD 2397

FROM: Tom Watson, CMC
Principal, The Watson Consulting Group

DATE: March 11, 2021

RE: **Student Transportation Services Contract Report**

I prepared this memorandum to provide a report for action on a new contract for student transportation services commencing with the 2021-22 school year. The formal action outlined in this memorandum is consistent with the Finance Committee report at the February 16 School Board work session for action for a new contract, and appropriately follows the Board decision on March 1, 2021 to reject the proposal from Le Sueur-Henderson Bus Company. The Finance Committee is recommending the District contract with Superior Transportation Services, Inc. for student transportation services commencing with contract and school year 2021-22.

As reported previously, we initiated this procurement activity after obtaining the Board’s approval November 2, 2020 and completing a two-week legal notice on December 16, 2020. We provided the legal notice to five (5) private service providers, including Superior Transportation Services (Superior), and received one (1) written quotation/proposal, and that from Le Sueur-Henderson Bus Company, the present District contract service provider.

As a reminder, the District student transportation services contract with Le Sueur-Henderson Bus Company expires June 30, 2021.

District Proposal; Findings and Conclusions

With the final review and negotiation of rates and terms with Superior Transportation Services, Inc. the District will be able to achieve all key goals/objectives for a new student transportation contract as presented that:

1. will reduce the total annual cost of providing bus services for the next five (5) contract years, including:
 - a. a four (54) percent increase for year 2 (2022-23) and no increase (\$0) for the following three (3) contract years 2023-24, 2024-25 and 2025-26;
 - b. a reduction in projected annual transportation expenditures as shown in the following table (* *proposed contract*; ** *proposal submitted*):

	<u>Proj 2021-22</u>	<u>Est 2020-21</u>	<u>Actual 2019-20</u>
Superior Trans	\$862,649*	XXXXX	XXXXX
LSH Bus	\$1,235,491**	\$954,319	\$935,266

2. includes a school closing provision where the District will pay 75% of the route cost rates for an e-day without transportation services up to five (5) e-days allowed by state law, and 50% of the route cost rates if and when the District or the State cancelled school for any reason after the five (5) e-days, e.g. weather related, Governor or State of Minnesota mandated school closing, CV 19 distance learning, statutorily allowable e-leaning days, school mechanical challenges (e.g. heating system not working properly);

3. retains a fuel price increase provision for cost sharing at 50/50 for fuel purchases that exceed the Index Price of \$3.00 net of the federal excise tax (i.e. \$3.25 per gallon retail) for diesel and unleaded fuel;
4. will complete a new contract for student transportation and bus services that -
 - a. provides student transportation services to all students desiring services consistent with present District policies and practices; and
 - b. sustains service qualities for students transported;
5. provides the District with school buses and vans that will be 2019/2020 model year Type C (conventional) 77 passenger buses, Type A/B mini-buses (with a lift if needed), one Type D 84 passenger with underbody storage for athletic trips, and Type III vans that, as a fleet in total, will be newer than the fleet used by the present contractor; and
6. will make job offers to all present hourly transportation employees employed by LSH Bus during 2020-21.

Recommendation for the Contract; Motion and Findings

Based on the District's Specification for Student Transportation Services, the review of the quotations/proposals received, and a prior decision to reject the LSH Bus quotation, the School Board should consider the following motion and findings:

Make a motion to:

(1) approve a contract, along with the District terminal lease agreement, with Superior Transportation Services, Inc. for five contract years commencing with July 1, 2021 and ending June 30, 2026, consistent with Minnesota Statutes 2020, Section 123B.52, Subds. 1 and 3, and with the following findings:

- a) ***Superior Transportation Services, Inc. is a responsible service provider, consistent with the applicable state law;***
- b) ***Superior Transportation Services, Inc. submitted a Written Quotation that the District finds a cost of service, after allowable negotiations, that is a lower cost service option than other District options; and***
- c) ***All bus services will continue to be provided consistent with District policies and past practices for distances for student eligibility, distance to bus stops, and bus ride length.***

We appreciate the opportunity to assist the District to achieve your goal of securing student transportation services that sustain quality services and improve the District cost of services for student transportation services during a time of tight operating budgets.

I am planning to attend via Zoom the School Board meeting Monday evening at 6PM to present this report.

In the meantime, I am available to address any questions or issues that should arise.

STUDENT TRANSPORTATION SERVICES AGREEMENT

THIS AGREEMENT is made and entered into as of the 15th day of March 2021, by and between **Le Sueur-Henderson School District ISD 2397**, Le Sueur County, Minnesota, with its District Office at 115 ½ North 5th Street, Le Sueur, Minnesota 56058, hereinafter referred to as “District” and **Superior Transportation Services, Inc.**, with its 21 North Cass Avenue, Springfield, Minnesota 56087, hereinafter referred to as “Contractor” and “Service Provider”. The District and Contractor are collectively referred to as the “Parties” and individually referred to as a “Party”.

WITNESSETH

WHEREAS, District desires student transportation services to transport certain of its students served by District during the school year.

WHEREAS, Contractor agrees to operate a student transportation and school bus service within and about the geographical boundaries of District.

WHEREAS, the District solicited written quotations for student transportation services and, after receiving written quotations and completing negotiations, has selected Contractor to furnish student transportation services to certain District students in accordance with the terms defined herein.

NOW THEREFORE, in consideration of the mutual covenants and conditions agreed to and contained herein, District and Contractor agree as follows:

1. SCOPE OF SERVICES REQUIRED

Contractor shall, during the term of this AGREEMENT, provide student transportation services to certain students identified by District and attending a District public school, a non-public or charter school located within the geographical boundary of the District and provide such number of school buses and personnel as are required to fulfill District’s needs for student transportation services as described in the GENERAL SPECIFICATION FOR STUDENT TRANSPORTATION SERVICES (hereinafter referred to as the “SPECIFICATION”).

- a. The SPECIFICATION is hereby incorporated into this AGREEMENT, as EXHIBIT B, as if fully set out therein, except for those provisions modified or amended in this AGREEMENT. In the event of any inconsistency between this AGREEMENT and the SPECIFICATION, the terms and conditions of this AGREEMENT shall be senior to the SPECIFICATION and shall control.
- b. The Contractor shall provide the following services under this AGREEMENT for costs identified EXHIBIT A of this AGREEMENT, including:
 - i. Regular transportation services
 - 1) Regular routes for morning and afternoon transportation between students’ residence and their school.
 - 2) Necessary student shuttles between public and nonpublic schools and other facilities within the District boundaries.
 - ii. Special needs transportation services
 - 1) Special Education and Special Needs transportation services, both in-district and out-of-district as identified in this Item ii, for all students with required transportation included in their District-approved Individual Education Plan (IEP);
 - 2) Route services for morning and afternoon transportation between students’ residence and their school;
 - 3) Services for transporting students attending out-of-district education programs of the Minnesota Valley Education District (MVED) presently located at St. Peter and other programs and out-of-district locations added from time to time;

- 4) Services in this category include special services transportation for students displaced and served under the federal McKinney-Vento Act; and
 - 5) Necessary student morning, midday and afternoon shuttles between public and nonpublic schools and other facilities with the District boundaries.
- iii. Other transportation services. The Contractor shall provide as requested some or all of the following services under this AGREEMENT for rates identified in EXHIBIT A of this AGREEMENT, including:
- 1) Extra-curricular transportation services ~~as required~~ for all athletics and student activities.
 - 2) Field trip transportation services.
 - 3) Summer school transportation
 - 4) Late or after school transportation
 - 5) Bus aides or assistants
 - 6) Overnight transportation costs
 - 7) Trailer costs
 - 8) Motor coach services.
- c. Nothing in this AGREEMENT shall limit District's rights or responsibilities or prohibit District from exercising such rights and responsibilities outlined in the SPECIFICATION or state law relative to student transportation services.
- d. The Contractor will provide all field, activity and athletic trips using Classes A, B, C or D buses during the term of this AGREEMENT. The Contractor will receive first priority to provide field, activity and athletic trips requiring coach bus services. If, however, the Contractor does not accept for whatever reason the coach bus trip or trips within a reasonable time after being notified by the District of the opportunity to provide such service, the District may, at its sole discretion, make necessary arrangements with other service providers to complete the trip or trips.

2. TERM

The term of this AGREEMENT shall commence July 1, 2021 and shall continue through June 30, 2026 with a term mutually agreed between the Parties and modified with the SPECIFICATION. For purposes of this AGREEMENT, the term "Contract Year" shall mean each one-year period commencing July 1 during the term of this AGREEMENT.

- a. The Parties agree to meet to review the contract, contract performance, and District factors for the continuation of this contractual agreement between the Parties on or about January 31, 2023 and annually thereafter during the Term of this Agreement. This meeting between the Parties is not a substitute for the submission and work related to the Annual Service Plan referenced in Section 6 of this AGREEMENT. All terms and conditions will remain the same except for applicable compensation adjustments described in this AGREEMENT and EXHIBIT A of this AGREEMENT.

3. COMPENSATION AND BILLING

In consideration for services rendered hereunder, District shall pay to Contractor all sums due and owing and calculated in accordance with the rates for services set forth in SPECIFICATION and EXHIBIT A of this AGREEMENT hereto, which may be adjusted from time to time as provided herein.

- a. The Parties agree that the District will pay the Contractor the annual amount due for **regular transportation services in SECTION 1.b.i.** of this AGREEMENT in ten (10) monthly payments starting not later than the tenth (10th) day of each month commencing in September with a final payment, considering any agreed adjustments thereto, in June of each Contract Year.

- b. The Parties agree that the District will pay the Contractor the amount due for services in **special needs transportation services in SECTION 1.b.ii. and other transportation services SECTION 1.b.iii.** of this AGREEMENT not later than the ~~second~~ School Board meeting following the receipt of the Contractor billing for services herein provided during the prior month during each Contract Year.
- c. School Closings. In the event of inclement weather or impassability of roads or whenever school is canceled, delayed or is dismissed early, District shall notify Contractor not later than 6:00 a.m. on the day of such cancellation or delay or not later than one (1) hour before early dismissal or the cancellation of Supplemental Transportation.
- d. In the event the District cancels school for any reason including weather, Governor’s Executive Order, and mechanical issues and arranges for up to five (5) statutory-allowed e-days, the Parties agree that the District will compensate the Contractor with payment of 75% of a full-day charge for route services with remaining 25% paid on the day when the cancelled services are rescheduled and provided, if at all. If the District cancels school for any reason after five (5) days, the District will compensate the Contractor for route services with payment of 50% of a full-day charge for route services with remaining 50% paid on the day when the cancelled services are rescheduled and provided, if at all.

4. FUEL PRICE ADJUSTMENT PROVISION

The Parties hereby agree to a fuel price adjustment that modified SECTION 6.5 of the SPECIFICATION. Except as expressly stated herein, all other provisions in SECTION 6.5 of the SPECIFICATION will remain in effect.

- a. For Contract Years during the Term of this Agreement, the Index Price for diesel and unleaded gasoline will be \$3.00 per gallon excluding the federal fuel excise taxes (FET). This provision will continue during the Term of this AGREEMENT unless modified as provided in SECTION 2.a. of this AGREEMENT.
- b. **The District and the Service Provider(s) will share equally (50%/50%) in fuel price adjustments above this Index Price as provided in this SECTION 4.**
- c. The Parties hereby agree the Contractor is responsible for procuring and purchasing all fuel required to provide the services in this AGREEMENT. The Contractor will provide receipts or invoices to substantiate the fuel purchases presented for reimbursement pursuant to this SECTION 4 of the AGREEMENT.

5. REQUIRED SERVICES, EQUIPMENT AND PERSONNEL

- a. EQUIPMENT. ARTICLE 6 of the SPECIFICATION

Contractor agrees to comply with the provisions of this ARTICLE, including the following additional provisions:

- i. Cameras. Contractor agrees to cooperate with the District to obtain or purchase cameras, when and as needed, and agrees to install and maintain complete digital or video camera systems in each bus or Type III vehicle to be used for the designated transportation route services. The Parties will mutually agree on the purchasing or otherwise obtaining camera systems, including the opportunity for the Contractor to make adjustments to the vehicles available to fulfill the requirements of this AGREEMENT.
- ii. Equipment requirements for students with disabilities. The District shall provide or reimburse the Contractor for car seats and harnesses not available from the Contractor.
- iii. Insurance Coverage; SECTION 6.8 of the SPECIFICATION modified as follows:

Contractor must provide the above referenced insurance with the following minimum limits:

Bodily injury insurance	\$1,000,000 combined single limit
Comprehensive property damage insurance	\$1,000,000 combined single limit
Excess Liability (Umbrella) insurance	\$1,000,000

Workers' compensation insurance per Minnesota Statutes and laws

b. PERSONNEL. ARTICLE 7 of the SPECIFICATION

CONTRACTOR agrees to comply with ARTICLE 7 of the SPECIFICATION

6. SERVICE PROVIDER ANNUAL SERVICE PLAN

Contractor agrees to provide the District with the Service Provider Annual Service Plan, required by SECTION 6.1 of the SPECIFICATION, on or before the tenth (10th) of August each Contract Year.

7. PERFORMANCE SECURITY

The District will implement SECTION 6.2 of the SPECIFICATION during the term of this AGREEMENT. The District reserves the right, at its sole discretion, to cancel or modify this waiver should conditions occur that the District determines requires performance security/surety in the form of contract security or other for the performance of this AGREEMENT.

The District reserves the right, at its sole discretion, to cancel or modify this waiver should conditions occur that the District determines requires surety in the form of contract security or other for the performance of this AGREEMENT. The District reserves the right, at its sole discretion and Contractor cost liability, at any time during the initial term or extension of this AGREEMENT, to require Contractor to provide performance security in the form of a bond or irrevocable letter of credit equal to 100% of the estimated annual services then remaining to be performed under this AGREEMENT.

8. PROGRAM GROWTH

The District will reserve the right to increase or decrease the number of buses or vans over the life of the contract(s), based on the terms described in this AGREEMENT and the SPECIFICATION. The cost of the added or reduced buses or vans will be at the unit cost approved in the basic contract(s). Should the program significantly change in scope then either party may request, following provisions in the Contract, that appropriate pricing adjustments be considered.

a. Contractor agrees it will make changes to routes and services to address student and District needs that will be handled within two school days after receiving the notice from the District.

9. TRANSITION AND PLAN

The Contractor will provide the District with its transition plan, including details and timelines, for the successful implementation of this AGREEMENT. The plan must be approved by the designated District official within thirty (30) days of the award or approval of this AGREEMENT.

a. Contractor shall take all reasonable steps to first offer employment for school year 2021-22 to those qualified drivers presently serving the District for services that will be provided by the Contractor under this AGREEMENT. It is understood that the present transportation **hourly** personnel (e.g. drivers, **bus aide and others**) employed and who accept employment with the Contractor by the deadline reasonably established, will have base hourly wages over the term of this Agreement that are not less than the base hourly wages paid by the present Contractor to these transportation personnel for school year 2020-21.

10. AGREEMENT NON-COMPLIANCE

In the event of non-compliance with the terms of this AGREEMENT, including items in SECTION 7 of this AGREEMENT, which includes the SPECIFICATION and related District policies and procedures included herein, the following shall apply:

a. District must inform the Contractor within seven (7) days of a listed violation and its intent to assess liquidated damages for such violation. Failure to notify the Contractor shall relieve the Contractor of its obligation to pay liquidated damages for the alleged violation.

b. The normal daily rate per route or unit of service will be imposed on the Contractor for the following:

i. Failure to correct within three (3) calendar days a problem or complete an agreed change in a route, service or schedule.

- ii. Failure of the Contractor to satisfy the Performance Standards in the SPECIFICATION after being put on notice on three (3) prior occasions during each school year.
- iii. Conduct of a Contractor's employee, including disrespectful behavior toward parents and District administrators and staff that is not fully satisfactory to the District after being put on notice on three (3) prior occasions during each school year.
- iv. Allowing a driver to drive a route without the appropriate driver's license.
- v. Allowing a driver to provide any bus services after the driver has been suspended for non-compliance of federal, state or District rules, regulations, laws or procedures.
- vi. Failure to provide a bus for a route or bus service due to lack of drivers or equipment.
- vii. Running a route without an aide, if an aide is required by the District.
- viii. Running a route with a vehicle that does not have a current inspection sticker.

The normal daily rate for purposes of this section shall be the rate per bus or per day identified in the EXHIBIT A of this AGREEMENT during the term of this AGREEMENT.

The provisions of this SECTION shall not replace the provision for performance security as outlined in SECTION 6.2 of the SPECIFICATION and SECTION 7 of this AGREEMENT.

10. OTHER PROVISIONS

Contractor agrees to comply with the following:

a. Governing Law

This AGREEMENT shall be deemed to be made in and shall be construed in accordance with the laws of the State of Minnesota. All references in this AGREEMENT to the "State" shall mean the State of Minnesota.

b. Data Privacy

Contractor agrees and understands that certain student information and data will be provided to the Contractor as required to provide the services required in this AGREEMENT. Contractor further agrees that the Contractor and its employees will fully comply with the provisions of Minnesota Statute Chapter 13, also known as "Minnesota Government Data Practices Act", and in particular the following section as it applies to contracts for services with units of government:

Subd. 6. Contracts. Except as provided in section 13.46, subdivision 5, in any contract between a governmental unit subject to this chapter and any person, when the contract requires that data on individuals be made available to the contracting parties by the governmental unit, that data shall be administered consistent with this chapter. A contracting party shall maintain the data on individuals which it received according to the statutory provisions applicable to the data.

c. Student Records/Confidentiality

Pursuant to Family Educational Rights and Privacy (FERPA) regulations at 34 CFR 99.31, the District, as an educational institution, is permitted to disclose, without the prior consent of a student's parent (or an eligible student over 18 years of age), personally identifiable information from education records to 1) a party to whom the District has outsourced institutional services or functions it would normally be required to perform with District employees and 2) a party whose employees, acting in the course of their employment and performance of services pursuant to a contracted AGREEMENT with the District are deemed to have a legitimate educational interest or need to access student educational records.

The District has outsourced its school transportation obligations to Contractor and has determined that Contractor is an entity with a legitimate educational interest or need to access certain educational records related to student transportation needs, specifically special education students subject to the requirements of the IDEA and served by Individualized Educational Plans (IEPs). Accordingly, the parties agree that it is in the best interests of all parties for the District to disclose to Contractor such information from student education records, including IEPs, as may be necessary for Contractor to provide accurate and complete transportation services to all eligible students under the AGREEMENT. Any eligible student's IEP will be used by Contractor

for routing purposes only and for no other reason. District information acquired as a result of these services is confidential and shall not be disclosed unless required by law. The only person at Contractor to have direct access to this confidential information will be the router.

In the event that any disclosure of any documentation/information acquired by Contractor under this AGREEMENT is required by law, Contractor will notify the District of such obligation prior to such disclosure. Notwithstanding the above, Contractor shall be in full compliance with all non-disclosure and other requirements of FERPA and the IDEA, as required by the District and with HIPAA and its respective rules and regulations as well as laws of the State of Minnesota regarding student records. Further, any documentation or information obtained pursuant to this AGREEMENT will only be used for the limited purpose in which it was disclosed and will be destroyed or returned to the District, at the sole discretion of the District, upon termination of this AGREEMENT.

d. Force Majeure

In the event Contractor is unable to provide the transportation services herein specified because of any act of God, civil disturbance, fire, flood, war, governmental action, labor dispute, including picketing, strike, or lockout, or any condition or cause beyond Contractor's control, District may excuse Contractor from performance under this AGREEMENT. For the reasons identified, the District shall also have the right to terminate this AGREEMENT or assume responsibility for providing the services required under this AGREEMENT. The District shall also have the right to operate the buses provided by the Contractor under this AGREEMENT and employ such employees as the District deems appropriate and necessary to provide the regular services and operations contemplated by this AGREEMENT.

Under the latter circumstance above, District shall pay the Contractor for the use of such buses used by the District consistent with the rates and provisions in this AGREEMENT that applied to the Contractor and the District minus all expenses and costs incurred by the District as reasonably necessary to secure the services of drivers and other hourly employees to provide the services. The District deduction of reasonable expenses and costs shall not exceed the difference between the total compensation paid the Contractor for such buses less the Contractor's fixed costs of operation for this AGREEMENT. If the District agrees to use and operate the Contractor's buses, the District will provide the Contractor with a lease agreement, along with insurance and compliance matters, consistent with that required of the Contractor under this AGREEMENT.

e. Indemnity

The Contractor agrees to indemnify on a primary and non-contributory basis and save the District harmless from any claims involving personal injury or property damage arising out of, or in the course of, providing transportation of assigned students. Notwithstanding the foregoing, Contractor will not indemnify and save the District harmless from any claims arising out of or in connection with the negligent acts or willful misconduct of the District.

f. Assignment

The services contemplated under this AGREEMENT are deemed to be in the nature of personal services. The Contractor, without the prior written consent of the District, shall not assign this AGREEMENT. The Parties agree that assignment by Contractor of any sums due and owing Contractor under this AGREEMENT shall not constitute an assignment of the AGREEMENT.

g. Subcontract

The Contractor shall not subcontract any of the services required to be performed in this AGREEMENT, unless the Contractor has received the full prior written consent of District.

h. Termination

If either party shall violate any of the covenants or duties imposed upon it by this AGREEMENT, such violation shall entitle the other party to terminate this AGREEMENT. The party desiring to terminate for such cause shall give the offending party thirty (30) days written notice to remedy

the violation. If at the end of such time the party notified has not removed the cause of complaint or remedied the purported violation, then this AGREEMENT shall be deemed terminated.

i. Severability

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 this AGREEMENT shall remain in full force and effect.

j. Modification

As circumstances may justify, District and Contractor may modify the terms of this AGREEMENT in whole or in part by mutual written agreement executed by the duly authorized representatives of the Parties. All other terms and conditions will remain as described in this AGREEMENT.

k. Survival

The mutual obligations described in this AGREEMENT shall survive the termination or expiration of this AGREEMENT.

l. District Crisis Management Policy

The Contractor will be familiar and will comply with District crisis management policy and plans where applicable.

m. Notices To Parties

All notices to be given by the Parties to this AGREEMENT shall be in writing and served by depositing same in the United States Postal Service, postage prepaid, registered or certified mail.

Notices to District shall be addressed to: James Wagner
Superintendent of Schools
Le Sueur-Henderson Public Schools
115 1/2 North 5th Street
Le Sueur, Minnesota 56058

Notices to Contractor shall be addressed to: Joe Schieffert
Owner/President
Superior Transportation Services, Inc.
21 North Cass Avenue
Springfield, Minnesota 56087

Either District 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.

n. Entire Agreement

This AGREEMENT sets forth the entire agreement between District and Contractor concerning the subject matter hereof. There are no representations, either oral or written, between District and Contractor other than those contained in this AGREEMENT.

IN WITNESS WHEREOF, the Parties hereto have executed this AGREEMENT this 15th day of March 2021.

Le Sueur-Henderson School District, ISD 2397

Superior Transportation Services, Inc.

By: _____
Brigid Tuck
Chair, Board of Education

By: _____
Joe Schieffert
Owner/President

By: _____
Kelsey Schwartz
Clerk, Board of Education

**Independent School District 2397, Le Sueur-Henderson Public Schools, Minnesota
STUDENT TRANSPORTATION SERVICES**

EXHIBIT A

EXHIBIT A-1: COST QUOTES FOR STUDENT TRANSPORTATION SERVICES

The COSTS for each year of the term shall be based on a maximum of 173 days of school operation.

SCHOOL YEAR 2021-22 [Year Ending June 30, 2022]

- 1. Regular “To and From” Routes.** The cost for all regular “to and from” routes, home-to-school transportation, including the Extended Day program, for the days of school operation A.M. and P.M., using one or more of the following unit costs.

Bus Size	Cost Per Day	Cost per ½ Day
84 Passenger	\$300.00	\$250.00
71-77 Passenger	\$275.00	\$200.00

- 2. Special Education Services – In-District.** The cost for all in-District special education routes, including home-to-school and midday services, shall be submitted for the days of school operation using one or more of the following unit costs.

Bus and Van Size*	Lift?		Cost Per Day	Cost per ½ Day	Cost Per Hour
Type C/D bus	Yes	No	\$275.00	\$200.00	XXXX
Type A/B Mini-bus	Yes	No	\$275.00	\$200.00	XXXX
Van or Type III	Yes	No	\$220.00	\$160.00	XXXX
Bus Aide/Assistant			XXXX	XXXX	\$20.00

* identify each bus size separately for a bus size that has an installed lift

- 3. Rates for Excess Mileage and Time:** \$ 12.50 per one-quarter (1/4) hour for time in excess of the regular [Item 1] and special education/needs [Item 2] route times or three (3) “live” hours per day, whichever is greater, computed on a daily basis rather than an individual bus basis.

- 4. Special Education Services – Out-of-District.** The cost for all out-of-District special education and special needs services, including home-to-school, shall be submitted for the days of school operation using **greater of the (1) Cost per Day or 1/2 Day or (2) Cost per Mile + Cost per Hour:**

Bus and Van Size*	Lift?		Cost Per Day	Cost Per 1/2 Day	Cost Per Hour	Cost per Mile
Type C/D bus	Yes	No	\$275.00	\$200.00	\$20.00	\$2.75
Type A/B Mini-bus	Yes	No	\$275.00	\$200.00	\$20.00	\$2.75
Type A/B to MVED	Yes	No	\$275.00	\$200.00	\$20.00	XXXX
Van or Type III	Yes	No	\$220.00	\$160.00	\$20.00	\$2.20
Bus Aide/Assistant			XXXX	XXXX	\$20.00	XXXX

* identify each bus size separately for a bus size that has an installed lift

- 5. Special Needs and McKinney-Vento Services.** The cost for all out-of-District special needs services, including displaced and homeless student services, shall be submitted for the days of school operation using **greater of the (1) Cost per Day or 1/2 Day or (2) Cost per Mile + Cost per Hour:**

Bus and Van Size*	Lift?		Cost Per Day	Cost Per 1/2 Day	Cost Per Hour
Type C/D bus	Yes	No	\$275.00	\$200.00	XXXX
Type A/B Mini-bus	Yes	No	\$275.00	\$200.00	XXXX
Van or Type III	Yes	No	\$220.00	\$160.00	XXXX
Bus Aide/Assistant			XXXX	XXXX	\$20.00

* identify each bus size separately for a bus size that has an installed lift

**Independent School District 2397, Le Sueur-Henderson Public Schools, Minnesota
STUDENT TRANSPORTATION SERVICES**

6. **Midday Special Education or Special Needs Transportation Services.** The cost for all midday bus and van services, shuttles and other services for special education and special needs and not otherwise identified, using one or more of the following unit costs.

Bus and Van Size*	Lift?		Cost Per Mile	Cost Per Hour	Cost Per Day
Type C/D bus	Yes	No	\$2.75	\$20.00	XXXX
Type A/B Mini-bus	Yes	No	\$2.75	\$20.00	XXXX
Type A/B to MVED	Yes	No	\$2.75	XXXX	\$68.75
Van or Type III	Yes	No	\$2.20	\$20.00	XXXX
Bus Aide/Assistant			XXXX	\$20.00	XXXX

* identify each bus size separately for a bus size that has an installed lift

7. **Late Activity Services.** The cost for late activity services, using one or more of the following unit costs.

Bus and Van Size	Cost Per Mile	Cost Per Hour	Minimum Cost Per Day
Type C/D bus	\$2.75	\$20.00	\$50.00
Type A/B Mini-bus	\$2.75	\$20.00	\$50.00
Van or Type III	\$2.20	\$20.00	\$50.00

8. **Other & Summer School Transportation Services.** The cost for regular shuttle bus or van services, summer school, and services not otherwise identified, using one or more of the following unit costs.

Bus and Van Size*	Cost Per Mile	Cost Per Hour	Cost Per Day	Cost Per ½ Day
Type C/D bus	\$2.20	\$16.00	\$220.00	\$160.00
Type A/B Mini-bus	\$2.20	\$16.00	\$220.00	\$160.00
Van or Type III	\$1.76	\$16.00	\$176.00	\$128.00

* identify each bus size separately for a bus size that has an installed lift

Option: The rates for other transportation services can be quoted as a % of the rates for transportation services in item 2 above.

80 % of transportation rates in item 2 above.

9. **Extra-curricular and Athletic Trips; Activity and Field Trips.** Rates for extra-curricular and athletic trips and school activity and field trips. Annual cost figures for each year of the term shall include:

	Cost Per Mile	Cost Per 1/4 Hour Waiting	Minimum Cost Per Trip
a. Trips within the District boundaries			
i. Type C/D Bus Size: regular	\$1.65	\$7.50	\$40.00
ii. Type A/B Mini bus	\$1.65	\$7.50	\$40.00
iii. Type III van	\$1.65	\$7.50	\$40.00
iv. Type III van w/ District driver	\$1.25	XXXX	XXXX
b. Trips outside the District boundaries			
i. Type C/D Bus Size: regular	\$1.65	\$7.50	\$40.00
ii. Type A/B Mini bus	\$1.65	\$7.50	\$40.00
iii. Type III van	\$1.65	\$7.50	\$40.00
iv. Type III van w/ District driver	\$1.25	XXXX	XXXX
v. Coach bus	Quote per trip		
c. Overnight trip outside the school district boundaries; add'l costs		Per Hour	Actual up to Per Day Max
i. Labor cost for overnight trips	XXXX	\$20.00	\$160.00
ii. Overnight driver expenses	XXXX	XXXX	\$160.00

**Independent School District 2397, Le Sueur-Henderson Public Schools, Minnesota
STUDENT TRANSPORTATION SERVICES**

d. Trailer	XXXX	XXXX	\$0.00/no charge
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- Non-peak Trip Rate Discount: non-peak (8:30 am - 2:30pm & after 4:30pm) trip charge discount from regular rates in this item: _____ %

10. Performance Bond Cost \$ 20.00 per \$1,000 of projected annual costs

11. Video Camera

a. Make and model of video equipment of available units REI

b. Cost \$ 2,000.00 per each additional camera unit/per bus

12. Transportation of Students Ineligible for Bus Services [Section 3.3] Will provide - yes X no ___

13. District Student Transportation Safety Policy Read the policy X Agree to comply with the policy ___

14. District Crisis Management Policy Read the policy X Agree to comply with the policy ___

EXHIBIT A-2: COST QUOTES FOR STUDENT TRANSPORTATION SERVICES

The COSTS for each year of the term shall be based on a maximum of 173 days of school operation.

SCHOOL YEAR 2022-23 [Year Ending June 30, 2023]

1. Regular “To and From” Routes. The cost for all regular “to and from” routes, home-to-school transportation, including the Extended Day program, for the days of school operation A.M. and P.M., using one or more of the following unit costs.

Bus Size	Cost Per Day	Cost per ½ Day
84 Passenger	\$312.00	\$260.00
71-77 Passenger	\$286.00	\$208.00

2. Special Education Services – In-District. The cost for all in-District special education routes, including home-to-school and midday services, shall be submitted for the days of school operation using one or more of the following unit costs.

Bus and Van Size*	Lift?	Cost Per Day	Cost per ½ Day	Cost Per Hour
Type C/D bus	Yes No	\$286.00	\$208.00	XXXX
Type A/B Mini-bus	Yes No	\$286.00	\$208.00	XXXX
Van or Type III	Yes No	\$228.80	\$166.40	XXXX
Bus Aide/Assistant		XXXX	XXXX	\$20.80

* identify each bus size separately for a bus size that has an installed lift

3. Rates for Excess Mileage and Time: \$ 13.00 per one-quarter (1/4) hour for time in excess of the regular [Item 1] and special education/needs [Item 2] route times or three (3) “live” hours per day, whichever is greater, computed on a daily basis rather than an individual bus basis.

**Independent School District 2397, Le Sueur-Henderson Public Schools, Minnesota
STUDENT TRANSPORTATION SERVICES**

- 4. Special Education Services – Out-of-District.** The cost for all out-of-District special education services, including home-to-school, shall be submitted for the days of school operation using one or more of the following unit costs.

Bus and Van Size*	Lift?		Cost Per Day	Cost Per 1/2 Day	Cost Per Hour
Type C/D bus	Yes	No	\$286.00	\$208.00	XXXX
Type A/B Mini-bus	Yes	No	\$286.00	\$208.00	XXXX
Type A/B to MVED	Yes	No	\$286.00	\$208.00	XXXX
Van or Type III	Yes	No	\$228.80	\$166.40	XXXX
Bus Aide/Assistant			XXXX	XXXX	

* identify each bus size separately for a bus size that has an installed lift

- 5. Special Needs and McKinney-Vento Services.** The cost for all out-of-District special needs services, including displaced and homeless student services, shall be submitted for the days of school operation using one or more of the following unit costs.

Bus and Van Size*	Lift?		Cost Per Day	Cost Per 1/2 Day	Cost Per Hour
Type C/D bus	Yes	No	\$286.00	\$208.00	XXXX
Type A/B Mini-bus	Yes	No	\$286.00	\$208.00	XXXX
Van or Type III	Yes	No	\$228.80	\$166.40	XXXX
Bus Aide/Assistant			XXXX	XXXX	\$20.80

* identify each bus size separately for a bus size that has an installed lift

- 6. Midday Special Education or Special Needs Transportation Services.** The cost for all midday bus and van services, shuttles and other services for special education and special needs and not otherwise identified, using one or more of the following unit costs.

Bus and Van Size*	Lift?		Cost Per Mile	Cost Per Hour	Cost Per Day
Type C/D bus	Yes	No	\$2.86	\$20.80	XXXX
Type A/B Mini-bus	Yes	No	\$2.86	\$20.80	XXXX
Type A/B to MVED	Yes	No	\$2.86	XXXX	\$71.50
Van or Type III	Yes	No	\$2.29	\$20.80	XXXX
Bus Aide/Assistant			XXXX	\$20.80	XXXX

* identify each bus size separately for a bus size that has an installed lift

- 7. Late Activity Services.** The cost for late activity services, using one or more of the following unit costs.

Bus and Van Size	Cost Per Mile	Cost Per Hour	Minimum Cost Per Day
Type C/D bus	\$2.86	\$20.80	\$52.00
Type A/B Mini-bus	\$2.86	\$20.80	\$52.00
Van or Type III	\$2.29	\$20.80	\$52.00

- 8. Other & Summer School Transportation Services.** The cost for regular shuttle bus or van services, summer school, and services not otherwise identified, using one or more of the following unit costs.

Bus and Van Size*	Cost Per Mile	Cost Per Hour	Cost Per Day	Cost Per ½ Day
Type C/D bus	\$2.29	\$16.64	\$228.80	\$166.40
Type A/B Mini-bus	\$2.29	\$16.64	\$228.80	\$166.40
Van or Type III	\$1.83	\$16.64	\$183.00	\$133.12

* identify each bus size separately for a bus size that has an installed lift

Option 2: The rates for other transportation services can be quoted as a % of the rates for transportation services in item 2 above.

___80___ % of transportation rates in item 2 above.

**Independent School District 2397, Le Sueur-Henderson Public Schools, Minnesota
STUDENT TRANSPORTATION SERVICES**

- 9. Extra-curricular and Athletic Trips; Activity and Field Trips.** Rates for extra-curricular and athletic trips and school activity and field trips. Annual cost figures for each year of the term shall include:

	<u>Cost Per Mile</u>	<u>Cost Per 1/4 Hour Waiting</u>	<u>Minimum Cost Per Trip</u>
a. Trips within the District boundaries			
i. Type C/D Bus Size: regular	\$1.72	\$7.80	\$41.60
ii. Type A/B Mini bus	\$1.72	\$7.80	\$41.60
iii. Type III van	\$1.72	\$7.80	\$41.60
iv. Type III van w/ District driver	\$1.30	XXXX	XXXX
b. Trips outside the District boundaries			
i. Type C/D Bus Size: regular	\$1.72	\$7.80	\$41.60
ii. Type A/B Mini bus	\$1.72	\$7.80	\$41.60
iii. Type III van	\$1.72	\$7.80	\$41.60
iv. Type III van w/ District driver	\$1.30	XXXX	XXXX
v. Coach bus	Quote per trip		
c. Overnight trip outside the school district boundaries; add'l costs		<u>Per Hour</u>	<u>Actual up to Per Day Max</u>
i. Labor cost for overnight trips	XXXX	\$20.80	\$166.40
ii. Overnight driver expenses	XXXX	XXXX	\$166.40
d. Trailer	XXXX	XXXX	\$0.00/no charge

- Non-peak Trip Rate Discount: non-peak (8:30 am - 2:30pm & after 4:30pm) trip charge discount from regular rates in this item:

_____ %

Alternate Pricing

[as an alternate to individual prices shown above, the Service Provider may offer a percentage increase]:

The Service Provider will complete the services in this schedule for a

percentage increase over the preceding year 4.0 % increase over 2021-22; as shown in EXHIBIT A-2.

Independent School District 2397, Le Sueur-Henderson Public Schools, Minnesota
STUDENT TRANSPORTATION SERVICES
EXHIBIT A-3: COST QUOTES FOR STUDENT TRANSPORTATION SERVICES

The COSTS for each year of the term shall be submitted based on a maximum of 173 days of school operation.

The District, in its sole discretion, will reserve the option, consistent with applicable statutes, to extend the contract for a third or fourth year. The District is interested in receiving pricing information about the services for these optional years.

SCHOOL YEAR 2023-24 [Year Ending June 30, 2024]

Increase amount or basis for calculating an increase [Please select the appropriate item and provide the requested information] % Increase ____ CPI ____ \$ Amount ____ No Increase ____ Other ____

The Service Provider will complete the services in this schedule for a
percentage increase over the preceding year 0 % increase over 2022-23

SCHOOL YEAR 2024-25 [Year Ending June 30, 2025]

Increase amount or basis for calculating an increase [Please select the appropriate item and provide the requested information] % Increase ____ CPI ____ \$ Amount ____ No Increase ____ Other ____

The Service Provider will complete the services in this schedule for a
percentage increase over the preceding year 0 % increase over 2023-24

SCHOOL YEAR 2025-26 [Year Ending June 30, 2026]

Increase amount or basis for calculating an increase [Please select the appropriate item and provide the requested information] % Increase ____ CPI ____ \$ Amount ____ No Increase ____ Other ____

The Service Provider will complete the services in this schedule for a
percentage increase over the preceding year 0 % increase over 2024-25

**Independent School District 2397, Le Sueur-Henderson Public Schools, Minnesota
STUDENT TRANSPORTATION SERVICES**

EXHIBIT B

GENERAL SPECIFICATION FOR STUDENT TRANSPORTATION SERVICES

BUS GARAGE LEASE AGREEMENT

THIS LEASE AGREEMENT (LEASE) made this 15th day of March 2021, by and between Le Sueur-Henderson Public Schools, Independent School District No. 2397 (District), 115 1/2 North 5th Street; Le Sueur, Minnesota 56058 hereinafter called the "LESSOR", and Superior Transportation Services, Inc. (Contractor), with its main office at 21 North Cass Avenue, Springfield, Minnesota 56087, hereinafter called the "LESSEE" and jointly referred to as Parties.

WITNESSETH:

WHEREAS, a Student Transportation Agreement exists between the District and Contractor, effective July 1, 2021 and continuing through June 30, 2026, which may be extended for an additional period; and

WHEREAS, the Parties have a mutual interest in LESSEE leasing space for operation of the Student Transportation Agreement with the LESSOR;

NOW THEREFORE, in consideration of the mutual promises, covenants and consideration contained therein, the Parties agree to the following terms and conditions:

1. PREMISES. LESSOR, in consideration of the rents and agreements hereafter mentioned, to be paid and performed by LESSEE, hereby leases to LESSEE, and LESSEE agrees to lease the following premises common known as the "School Bus Garages" for Independent School District 2397 located

- a. 701 North 4th Street, Le Sueur, Minnesota, in "as is" condition, and
- b. 32423 South 9th Street, Henderson, Henderson, Minnesota, in "as is" condition.

2. TERM AND USE. The term of this LEASE shall commence on the 1st day of July 2021, and shall continue to and include the 30th day of June 2026, unless extended or sooner terminated as hereinafter provided. The LESSEE further acknowledges that it has inspected the premises and accepts the premises in an "as is" condition.

The LEASE shall terminate upon a nonrenewal or termination of LESSEE's Student Transportation Agreement with LESSOR for transportation services.

3. RENT. During the term of this LEASE, the LESSEE shall pay to the LESSOR as and for rent for the premises the amount of \$1.00 per year, which amount shall be paid on the 1st day of July of each year. The rent shall be payable at the address of the LESSOR shown on the signature page of this LEASE, or such other place as is designated by the LESSOR.

The LESSEE, further, agrees to pay, as additional rent, for all electrical lamps, bulbs, tubes, starters and ballasts used on the premises. These costs and expenses shall include, but not be limited to, the following: Utilities, electricity, sewer, and water; and all of the telephone expenses (including but not limited to installation, repair, replacement, and routine local and long distance telephone charges incurred by LESSEE).

4. REAL ESTATE TAXES AND ASSESSMENTS. LESSOR shall be responsible for real estate taxes and assessments on the subject property.

5. CARE OF PREMISES. The LESSEE agrees (a) to keep the premises in as good condition and repair as it was in at the time that the Lessee took possession, reasonable wear and tear and damage from fire and other casualty for which insurance is normally procured excepted; (b) to keep the premises in a clean and sanitary condition; (c) to not commit any nuisance or waste on the premises, throw foreign substances in plumbing facilities, or waste any utilities furnished by the LESSOR, if any. LESSEE shall fail to keep and preserve the premises in the state of condition required by the provisions of this LEASE, the LESSOR may, at its option, put it or cause it to be put in the condition and state of repair agreed, and in such case the LESSEE on demand shall pay the cost thereof.

6. BUILDING MAINTENANCE. The LESSOR shall be responsible for major maintenance of the premises, including, but not limited to, exterior painting, if any; repair and upkeep of roof; repair and upkeep of heating, air conditioning and ventilation systems; and major repair and upkeep of plumbing and electrical systems.

The LESSEE shall be responsible for all minor maintenance of the premises including, but not limited to, snow removal, sweeping of sidewalks, interior painting, window cleaning, glass replacement, refuse removal, replacing consumables (light bulbs, toilet tissue, and the like), trimming and watering of shrubs and grass, and common area upkeep.

7. UNLAWFUL USE. The LESSEE agrees not to commit or permit any act to be performed on the premises or any omission to occur which will be in violation of any statute, regulation, or ordinance of any governmental body or which will increase the insurance rate on the building or which will be in violation of any insurance policy carried on the premises by the LESSOR. The LESSEE shall not disturb the neighboring property owners by making any undue noise and shall not do or permit to be done in or about the premises anything which will be dangerous to life or limb.

8. WAIVER OF SUBROGATION. The LESSOR and the LESSEE hereby mutually waive, as against each other, any claim or cause of action for any loss, cost, damage, or expense as a result of the occurrence of perils covered by the Minnesota Standard Fire Insurance Policy and extended coverage endorsements.

9. SURRENDER. On the last day of the term of this LEASE or the sooner termination thereof, the LESSEE shall peaceably surrender the premises in good condition and repair, reasonable wear and tear excepted, consistent with the LESSEE's duty to make repairs as provided in this LEASE. On or before the last day of the term of this LEASE or its sooner termination, the LESSEE shall, at its expense, remove all of its equipment from the premises, and any property not removed shall be deemed abandoned. All alterations, additions, and fixtures other than the LESSEE's equipment, which have been made or installed by either the LESSOR or the LESSEE on the premises, shall remain as the LESSOR's property and shall be surrendered with the premises as a part thereof.

10. NONPAYMENT OF RENT OR DEFAULT OF LESSEE. On the occurrence of any of the following: (a) A rent payment from the LESSEE to the LESSOR shall be and remain unpaid in whole or part for more than ten (10) days after it is due and payable; (b) The LESSEE shall violate or default any of the other covenants, agreements, stipulations, or conditions herein, and such violation or default shall continue for a period of ten (10) days after written notice from the LESSOR of such violation or default; or (c) If the LESSEE shall be adjudged bankrupt or file a petition in bankruptcy or for any arrangements under the bankruptcy code or become insolvent or have appointed a receiver of its property; then it shall be optional for the LESSOR to declare this LEASE forfeited and the terms ended and to re-enter the premises with or without process of law using such force as may be necessary to remove all persons or chattels therefrom, and the LESSOR shall not be liable for damage by reason of such re-entry or forfeiture. Notwithstanding re-entry by the LESSOR or forfeiture or termination of this LEASE, the liability of the LESSEE for the rent provided for herein shall not be relinquished or extinguished for the balance of the term of this LEASE.

11. DEFAULT OF LESSOR. The LESSOR shall not be deemed to be in default under this LEASE until the LESSEE has given the LESSOR written notice specifying the nature of the default and unless the LESSOR does not cure the default within thirty (30) days after receipt of the notice or within such reasonable time thereafter as may be necessary to cure the default where it is of such a character as to reasonably require more than thirty (30) days to cure.

12. COVENANTS TO HOLD HARMLESS. Except in the case of the negligence of the LESSOR, its agents or its employees, the LESSEE agrees to save, hold harmless, and defend the LESSOR for any liability for damages to any person or property in or about the premises. The LESSOR shall not be liable to the LESSEE, its agents, employees, representatives, customers, or invitees for any personal injury, death, or damage to property caused by theft, burglary, water, gas, electricity, fire, or for any other cause occurring on or about the premises. All property kept, stored, or maintained in the premises shall be so kept, stored, or maintained at the sole risk of the LESSEE.

13. MECHANIC'S LIENS. The LESSEE hereby covenants and agrees that the LESSEE will not permit or allow any mechanic's or materialman's liens to be placed on the LESSOR's Premises during the term hereof. Notwithstanding the previous sentence, however, in the event any such lien shall be so placed on the LESSOR's interest, the LESSEE shall take all steps necessary to see that it is removed within thirty (30) days of its being filed; provided however, that the LESSEE may contest any such lien provided the LESSEE first posts a surety bond in favor of and insuring the LESSOR in an amount equal to 125% of the amount of any such lien.

14. SUBORDINATION. The LESSEE agrees that, at the LESSOR's election, this LEASE shall be subordinate to any land lease, mortgages, or trust deeds now on or placed on the premises or building and to any and all advances to be made thereunder, and to the interest thereon, and to all renewals, replacements, and extensions thereof. The LESSEE hereby appoints the LESSOR as its attorney-in-fact to execute such documents as may be required to accomplish such subordination.

15. NO PARTNERSHIP, JOINT VENTURE, OR FIDUCIARY RELATIONSHIP CREATED HEREBY. Nothing contained in this LEASE shall be interpreted as creating a partnership, joint venture, or relationship of principal and agent between the LESSOR and the LESSEE, it being understood that the sole relationship created hereby is one of landlord and tenant.

16. CUMULATIVE RIGHTS. No right or remedy herein conferred on or reserved to the LESSEE or the LESSOR is intended to be exclusive of any other right or remedy provided by law, but each shall be cumulative in and in addition to every other right or remedy given herein or elsewhere or hereafter existing at law or in equity or by statute.

17. AMENDMENT, MODIFICATION OR WAIVER. No amendment, modification or waiver of any condition, provision, or term of this LEASE shall be valid or of any effect unless made in writing, signed by the party or parties to be bound, or its duly authorized representative, and specifying with particularity the extent and nature of such amendment, modification, or waiver. Any waiver by any party of any default of another party shall not affect or impair any right arising from any subsequent default.

18. SEVERABLE PROVISIONS. Each provision, section, sentence, clause, phrase, and word of this LEASE is intended to be severable. If any provision, section, sentence, clause, phrase, and word hereof is illegal or invalid for any reason whatsoever, such illegality or invalidity shall not affect the validity of the remainder of this LEASE.

19. INSURANCE. It shall be the responsibility of the LESSEE to assure that the premises are covered by public liability insurance policies and to pay any and all premiums for this insurance. The public liability insurance policies shall provide coverage at least in the amount of \$500,000 per person combined single limit and \$1,000,000 per accident combined single limit. The LESSEE shall, at the request of the LESSOR, provide proof of insurance coverage required by this section. The LESSOR shall provide hazard insurance for the premises which shall be for the sole benefit of the LESSOR. The LESSEE may insure, without cost to LESSOR, personal property and equipment as the LESSEE may deem appropriate.

20. ENTIRE AGREEMENT. This LEASE contains the entire understanding of the Parties hereto with respect to the transactions contemplated hereby and supersedes all prior agreements and understandings

between the Parties with respect to the subject matter. No representations, warranties, undertakings, or promises, whether oral, implied, written, or otherwise, have been made by either party hereto to the other unless expressly stated in this LEASE or unless mutually agreed to in writing between the Parties hereto after the date hereof, and neither party has relied on any verbal representations, agreements, or understandings not expressly set forth herein.

21. CAPTIONS, HEADINGS OR TITLES. All captions, headings or titles in the paragraphs or sections of this LEASE are inserted for convenience of reference only and shall not constitute a part of this LEASE as a limitation of the scope of the particular paragraphs or sections to which they apply.

22. MINNESOTA LAW. This LEASE shall be construed and enforced in accordance with the laws of the State of Minnesota.

IN WITNESS WHEREOF, the parties hereto have executed this LEASE the day and year first above written.

LESSOR: Le Sueur-Henderson Public Schools, ISD 2397

By: _____
Superintendent

LESSEE: Superior Transportation Services, Inc.

By: _____
Joe Schieffert, Owner/President