

FIRST AMENDMENT TO TRANSIT SERVICES AGREEMENT

This First Amendment to Transit Services Agreement (“**First Amendment**”) between the VENTURA COUNTY TRANSPORTATION COMMISSION (“**VCTC**” or the “**COMMISSION**”) and ROADRUNNER MANAGEMENT SERVICES, INC. (“**Contractor**” and, together with VCTC, each, a “**Party**” and, collectively, the “**Parties**”) is effective as of the Effective Date stated in Section 4(g) of this First Amendment.

RECITALS

WHEREAS, Contractor presently provides intercity bus transit services to VCTC under the Intercity Transit Services Agreement, dated November 26, 2014, by and between VCTC and Contractor (the “**Agreement**”), the initial term of which is set to expire on May 3, 2024;

WHEREAS, on December 1, 2014, VCTC issued Contractor a Notice to Proceed with a start date for services of May 4, 2015, and Contractor began providing services under the Agreement;

WHEREAS, on June 2, 2015, Contractor advised VCTC that its costs of performing under the Agreement were in excess of the contract payments, and that Contractor was operating the services at a negative cash flow, which could impact Contractor’s ability to continue performing under the Agreement. After extensive negotiations, on September 4, 2015, Contractor and VCTC entered into the Agreement for Temporary Adjustments Related to Inter-City Transit Services (the “**Interim Agreement**”);

WHEREAS, during the term of the Interim Agreement, VCTC understands Contractor engaged in negotiations with third party operators, but those discussions did not lead to a Contractor sale or acquisition. The Interim Agreement expired by its own terms on January 31, 2016, and the rates returned to those stated in the Agreement;

WHEREAS, on June 14, 2016, Contractor advised VCTC in writing that it was providing service hours in excess of the annual upper threshold of 83,125 hours, and Contractor requested a rate adjustment on account of such excess;

WHEREAS, on March 28, 2017, VCTC and Contractor engaged in formal mediation. Following mediation, VCTC and Contractor executed that certain Settlement and Contract Termination Agreement with an effective date of April 12, 2017 (the “**Termination Agreement**”). By its terms, the Termination Agreement contemplated allowing Contractor until September 30, 2017 to locate an “Acceptable Buyer” as defined in the Termination Agreement. If Contractor was not able to do so by that date, VCTC had the right to procure a new intercity transit services contractor and set a termination date for the Agreement;

WHEREAS, Contractor has advised VCTC that it intends to enter into an agreement with RATP Dev USA, LLC or an affiliate thereof (collectively, “**RATP Dev**”), under the terms of which RATP Dev would purchase all of Contractor’s stock such that RATP Dev would hold a controlling interest in Contractor (the “**Proposed Acquisition Agreement**”; and such acquisition, the “**Proposed Acquisition**”), and will cause Contractor to continue operating and

providing services under the Agreement in a manner substantially similar to Contractor's performance prior to the closing under the Proposed Acquisition Agreement, except as set forth herein. VCTC acknowledges that, upon the closing of the Proposed Acquisition, RATP Dev will be an "Acceptable Buyer" pursuant to the Termination Agreement;

WHEREAS, Contractor has requested certain amendments to the Agreement as a condition to completing the Proposed Acquisition, and VCTC has agreed to consider certain amendments to the Agreement on the terms, and subject to the conditions, stated in this First Amendment; and

WHEREAS, as a part of the amendments referenced in the preceding recital Contractor and VCTC desire, effective only upon closing of the Proposed Acquisition to increase (a) the Maximum Compensation payable to Contractor as set forth in Section 7 of the Agreement, (b) the gate-to-gate rates payable to Contractor as set forth in Section 8(a) of the Agreement and (c) the fixed monthly rate payable to Contractor as set forth in Section 8(b) of the Agreement, such increases being intended and necessary to (x) enable Contractor to provide competitive and sustainable wages for its drivers (taking into account, *inter alia*, the multi-year increase in the minimum wage enacted in California, effective April, 2016), thereby enabling Contractor to recruit and retain a stable workforce of qualified drivers, and (y) permit Contractor to improve its preventative maintenance operations and perform mid-life fleet rebuilds on, and to better recruit and retain maintenance staff for, the vehicle fleet and thus, provide more reliable service to the customers of the transit system.

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, Contractor and VCTC agree as follows:

AGREEMENT

1. **Contingent Nature of this First Amendment.** This First Amendment is expressly contingent upon the actual occurrence of the following events stated in this Section 1. If any of the following events does not occur, this First Amendment shall be null and void and of no legal effect, and will not bind the Parties to any of the terms stated herein, and the terms of the Agreement and the Termination Agreement will remain in full force and effect:
 - (a) Closing of the Proposed Acquisition Agreement (for the purpose of this First Amendment, "Closing" shall mean the consummation of all actions required, pursuant to the Proposed Acquisition Agreement, to complete a transaction under which RATP Dev acquires all, or substantially all, of Contractor's stock and owns and controls at least 51% of the voting stock of Contractor); and
 - (b) Approval of this First Amendment by the VCTC Board of Commissioners.
2. **Modification of Terms of the Agreement.** The following terms of the Agreement are modified as stated in this Section 2:
 - (a) **Maximum Compensation.** The second sentence of Section 7 of the Agreement ("**Maximum Compensation**") is hereby amended and restated as follows:

“In no event shall the total amount payable by the COMMISSION to CONTRACTOR pursuant to this Agreement exceed Eighty Three Million and Fifty Thousand Dollars (\$83,050,000) for the Initial Term, notwithstanding contrary indications that may be contained in Exhibit C.”

A new sentence is hereby added at the end of Section 7, as follows:

“As of December 31, 2017, VCTC has paid to Contractor compensation in the aggregate total amount of Nineteen Million Five Hundred Sixty Four Thousand Three Dollars and Sixty Eight Cents (\$19,564,003.68) under the Agreement, and the Maximum Compensation payable to Contractor during the remainder of the Initial Term will not exceed Sixty-Three Million Four Hundred Eighty Five Thousand Nine Hundred Ninety Six Dollars and Thirty Two Cents (\$63,485,996.32).”

(b) Total Projected Service Hours.

i. Section 24 of the Agreement is hereby amended and restated as follows:

“Service Expansion and Reduction. VCTC may occasionally, at its sole discretion, increase or decrease revenue service hours to accommodate service demands with prior written notification to the Contractor given in accordance with Section 25. These changes may occur annually, seasonally or as needed.

(i) For increases or decreases of Gate-to-gate hours, Contractor will be reimbursed using the Gate-to-gate hourly rate as in effect from time to time, pursuant to Section 8(a) and the fixed monthly rate, as in effect from time to time, pursuant to Section 8(b) of the Agreement, as amended by the First Amendment. The Gate-to-gate rate was calculated as the cost of operation minus those costs (such as fixed costs) that do not increase as a result of added service.

(ii) At any point during this Agreement, VCTC may increase, at its sole expense, the fleet size available to the Contractor with the addition of new revenue or support vehicles, which supplement those vehicles listed and specified as set forth in Exhibit I (“VCTC Fleet Schedule and Contractor Fleet Rebuild Program & Estimated Fuel Cost Schedule and Reimbursement Formula”), attached hereto and incorporated into this Agreement. Changes to the fixed monthly rate set forth in Section 8(b) of this Agreement for additional VCTC-provided vehicles will be subject to negotiation between VCTC and the Contractor.

(iii) VCTC may reduce or increase revenue service hours or driver service hours by 25.0% or less from the base level of annual driver service hours, which is defined as 84,000 annual driver service hours, with no resulting increase or decrease in the rates defined in Section 8(a) and Section 8(b) of this Agreement, as amended by the First Amendment.

Changes to the gate-to-gate hourly rates and fixed monthly rates for reduction or expansion of driver service hours greater than 25.0%, will be subject to negotiation between VCTC and the Contractor, i.e., if the annual number of driver service hours is reduced below 63,000 or is increased above 105,000. Performance of annual driver service hours between 63,000 and 105,000 shall take place at the rates defined in Section 8(a) and Section 8(b) of this Agreement, as amended by the First Amendment.”

- (c) **Fixed Hourly Rates.** The fixed hourly rates set forth in Section 8(a) of the Agreement are hereby amended and restated as follows:

Rate	Period
\$55.77	Effective Date to February 28, 2019
\$56.96	March 1, 2019 to February 29, 2020
\$58.17	March 1, 2020 to February 28, 2021
\$59.41	March 1, 2021 to February 28, 2022
\$60.68	March 1, 2022 to February 28, 2023
\$61.97	March 1, 2023 to February 29, 2024
\$63.29	March 1, 2024 to May 3, 2024

- (d) **Fuel Charge Pass-Through.** The gate-to-gate hourly rates stated in Section 8(a) include, as a component thereof, compensation for the estimated fuel expense for revenue vehicles: such component is based on an assumed price of fuel, which does not necessarily reflect the market price of fuel, as in effect from time to time. The Parties agree that, after the Effective Date:

- i. The gate-to-gate hourly rates stated in Section 8(a) of the Agreement include, as a component thereof, the Estimated Cost of Fuel for revenue vehicles. Exhibit I sets forth the portion of the fixed hourly rate that represents the “Estimated Cost of Fuel.”
- ii. Contractor shall purchase all required fuel for revenue fleet vehicles to provide all required services under the Agreement at prevailing market rates, with no additional markups or charges of any kind assessed to VCTC. Contractor shall prepare and deliver to VCTC a monthly fuel consumption report in a form approved by VCTC. Contractor shall include backup documentation supporting all fuel purchases.
- iii. Contractor shall prepare and deliver monthly invoices to VCTC in accordance with the procedures set forth in Exhibit I. All invoices and payments shall be processed as provided in the Agreement.
- iv. At VCTC’s option, VCTC may elect to purchase fuel directly through an alternative arrangement (such as a government-to-government program or through a cooperative fuel purchase agreement), in which case VCTC shall provide, and cause to be delivered, fuel to Contractor, at VCTC’s sole expense, for all revenue vehicles required under the Agreement and the

Estimated Cost of Fuel set forth in Exhibit I will be deducted entirely from Contractor’s invoice for as long as VCTC so provides fuel to Contractor.

- v. Section 10 of the Agreement is hereby amended and restated in full as follows:

“Cost of Living Adjustment. It is agreed that the annual adjustments to the gate-to-gate hourly rate and fixed monthly rate set forth in Sections 8(a) and 8(b) of this Agreement provide for the usual cost of living and inflation growth associated with expenditures, not including the cost of fuel (per Section 24(d)). In the event that circumstances arise beyond the Contractor's control that significantly affect the cost of operation, VCTC will discuss, without obligation, the possibility of adjusting the rate(s) pertinent to the changed circumstances, without any commitment on the part of VCTC to make any such adjustment. VCTC’s decision on any adjustment of rates shall be final and binding on Contractor. Requests for rate adjustment(s) must be made in writing no less than sixty days from the effective date of the requested adjustment(s).”

(e) **Price Formula.**

- i. The fixed monthly rates stated in Section 8(b) of the Agreement are hereby amended and restated as follows:

Rate	Period
\$342,615	Effective Date to February 28, 2019
\$351,810	March 1, 2019 to February 29, 2020
\$361,360	March 1, 2020 to February 28, 2021
\$366,860	March 1, 2021 to February 28, 2022
\$377,868	March 1, 2022 to February 28, 2023
\$386,032	March 1, 2023 to February 29, 2024
\$389,781	March 1, 2024 to April 30, 2024
\$389,781	May 1, 2024 to May 3, 2024 (with appropriate pro-ration of the fixed monthly rate)

- ii. The second sentence in the third paragraph of Section 8(b) is amended and restated as follows:

“The gate-to-gate rates and fixed monthly rates for the Option Year extensions, if exercised by the Commission in its sole discretion, shall be calculated as follows: (i) for Option Year One, the applicable rate in effect for year nine (9) of the Initial Term times the sum of one (1) plus 80% of the increase or decrease in the Consumer Price Index for all Urban Consumers for the Los Angeles metropolitan area, as published by the U.S. Department of Labor (“CPI”) during the previous calendar year; (ii) for Option Year Two, the applicable rate of Option Year One times the sum of one (1) plus 80% of the increase or decrease in the CPI during the previous

calendar year; and (iii) for Option Year Three, the applicable rate of Option Year Two times the sum of one (1) plus 80% of the increase or decrease in the CPI during the previous calendar year.”

(f) **Management and Staffing.**

- i. Following the Effective Date, Contractor shall not assign any former shareholder of Contractor, or any family member of any former shareholder of Contractor, to perform services under the Agreement. “Former shareholder,” as that term is used herein, means any person that owned shares in Contractor either as of February 1, 2018 or immediately prior to the Closing.
- ii. Section 11(a) of the Agreement is hereby amended and restated as follows:

“Minimum Staffing Levels: The following positions and number of employees shall be maintained at a minimum by Contractor during the term of this Agreement and shall be assigned full-time and shall be 100% dedicated to the performance of CONTRACTOR’s obligations hereunder unless otherwise notated by asterisk “*”:

Category	Position	# of FTE
Administrative	SVP Operation*	1
Administrative	General Manager / Project Manager	1
Administrative	Operations Manager	1
Administrative	Maintenance Manager	1
Administrative	Safety & Training Manager	1
Administrative	Assistant Training Manager	1
Operations	Lead Dispatcher	1
Operations	Dispatchers	2
Operations	Operation Supervisors	3
Operations	Full-time Drivers	42
Operations	Part-time Drivers*	17
Maintenance	Lead Mechanic/Foreman	1
Maintenance	Mechanics	4
Maintenance	Utility / Detailers / Fuelers	7
Maintenance	Parts Clerk	1
Administrative	Admin Asst.	2
Maintenance	Farebox Clerks*	2

* = Indicates position is part-time or non-dedicated.”

- iii. Following the Effective Date, Contractor shall take all necessary steps to adjust employee pay upward to correspond to the following pay ranges:

Category	Minimum Hourly Pay	Maximum Hourly Pay
Driver (Full Time)	\$14.75	\$22.00
Driver (Part Time)	\$13.00	\$17.00
Lead Mechanic/Foreman	\$25.33	\$34.27
Mechanics	\$23.00	\$30.00
Operations Supervisor	\$17.50	\$24.00
Lead Dispatcher/Dispatcher	\$15.00	\$20.00
Utility/Detailers/Fuelers	\$12.00	\$16.00
Admin. Asst.	\$13.00	\$17.00
Farebox Clerks	\$13.00	\$17.00
Parts Clerk	\$17.00	\$23.00
Asst. Training Manager	\$18.00	\$25.00

(g) **Confirmation of Continuing Use of Existing Facility.**

- i. Contractor re-affirms its obligations as stated in Section 8(d) to provide, at its sole cost and expense, all facilities and equipment that may be necessary to perform the services required by the Agreement, including but not limited to, the facility located at 240 South Glenn Drive, Camarillo, CA. Contractor affirms that the compensation paid under the Agreement fully compensates Contractor for all costs arising out of or related to providing this facility.
- ii. The last sentence in Section 8(d) is hereby deleted.

(h) Section 25 is hereby amended and restated as follows:

“Notice of Service Change. VCTC reserves the right to order an increase or decrease in the level of service provided, with a minimum of fifteen (15) days’ notice to the CONTRACTOR. For service increases that require additional driver personnel in excess of ten percent of the driver workforce at the time of notice, VCTC will negotiate the effective date of the scheduled service increase, which in no case shall be more than thirty days from date of first notice. All additional personnel and/or vehicles (*i.e.* vehicles supplied by VCTC pursuant to Section 24(ii)) requested by VCTC will be provided at the rates (fixed and hourly) as in effect from time to time.”

(i) **Indemnification.** The first paragraph of Section 23 is hereby amended and restated in its entirety as follows:

“CONTRACTOR will defend, indemnify and hold harmless the Ventura County Transportation Commission, the County of Ventura, the City of Camarillo, the City

of Fillmore, the City of Moorpark, the City of Oxnard, the City of San Buenaventura, the City of Santa Paula, the City of Simi Valley, the City of Thousand Oaks, the City of Carpinteria, the City of Santa Barbara, the City of Goleta, the County of Santa Barbara, the City of Goleta, the County of Santa Barbara, the Santa Barbara County Association of Governments, the State of California, the Trustees of California State University and the employees, officers and agents of each of them (the “**VCTC Group**”) from any and all liability costs, damages or expenses, including attorneys’ fees, arising out of or incurred in connection with the CONTRACTOR’S and its employees’, agents’, and subcontractors’ acts or omissions in the performance of the services provided pursuant to this Agreement, and agrees at its own cost, expense and risk to defend, with legal counsel reasonably acceptable to VCTC, any and all resulting actions, suits or other legal proceedings brought or instituted against the VCTC Group arising out of its acts or omissions in the performance of this Agreement, and to pay and satisfy any resulting judgments, claims, damages and costs.”

(j) **Notices.** Section 46 is hereby amended and restated as follows:

“All notices provided pursuant to this Agreement must be in writing and sent to:

TO COMMISSION:

Darren Kettle, Executive Director
 VCTC
 950 County Square Drive, Suite 207
 Ventura, CA 93003

TO CONTRACTOR:

Roadrunner Management Services, Inc.
 240 South Glenn Drive
 Camarillo, CA 93010
 Attention: President

(k) **Proprietary Rights.** The third sentence in Section 45 is hereby amended and restated as follows:

“Notwithstanding anything else in this Agreement, the COMMISSION shall not have any ownership or other rights in, or with respect to, software code or any other proprietary software programs or code developed, owned or licensed by Contractor or its affiliates.”

3. VCTC Representations. The COMMISSION makes the following representations and warranties to Contractor:

- (a) the Agreement complies with all applicable VCTC agency regulations;
- (b) this First Amendment has been duly authorized and approved by the VCTC Board of Commissioners;
- (c) the Agreement is the valid and binding obligation of the COMMISSION, enforceable in accordance with its terms; and
- (d) The VCTC Chairperson is authorized to execute this First Amendment on behalf of the COMMISSION.

4. Miscellaneous Provisions

- (a) **Incorporation of Recitals into this Agreement.** The Recitals set forth above are fully and completely incorporated into this First Amendment.
- (b) **Binding Effect.** This First Amendment shall be binding on, and inure to the benefit of the successors and assigns of the Parties. Nothing in this First Amendment, express or implied, is intended to confer upon any person other than the Parties hereto, any rights or benefits under or by reason of this First Amendment.
- (c) **Integration Clause.** This First Amendment, along with the Agreement, represents and contains the entire agreement and understanding among the Parties with respect to the subject matter of this First Amendment, and supersedes any and all prior oral and written agreements and understandings, and no representation, warranty, condition, understanding or agreement of any kind with respect to the subject matter hereof shall be relied upon by the Parties unless incorporated herein. The Parties expressly agree that Section 1 of the Termination Agreement is no longer effective as of the Effective Date. Except as expressly modified by the terms of this First Amendment, the terms of the Agreement shall remain in full force and effect. References to the “Agreement” in the Agreement or this First Amendment shall be deemed to be references to the Agreement, as amended by this First Amendment.
- (d) **Construction.** Because each Party and counsel for each Party have reviewed this First Amendment, it is agreed that the rule that ambiguities are to be resolved against the drafting party shall not be employed in the interpretation of this First Amendment. In the event that one or more of the provisions or portions of this First Amendment is determined to be illegal or unenforceable, the remainder of this First Amendment shall not be affected thereby and each remaining provision or portion thereof shall continue to be valid and effective and shall be enforceable to the fullest extent permitted by law. This First Amendment is entered into in the State of California and shall be construed and interpreted in accordance with its laws.
- (e) **Counterparts.** This First Amendment may be executed in any number of counterparts, each of which shall be deemed to be an original and all of which together shall be deemed one and the same instrument. Facsimile signatures shall be as valid as original signatures.
- (f) **Captions.** Paragraphs, titles, or captions are designated for convenience only and shall in no way define, limit, extend, or describe the scope of this First Amendment.
- (g) **Effective Date.** The effective date of this First Amendment (“**Effective Date**”) shall be March 1, 2018, provided that all conditions required under Section 1 of this First Amendment have been satisfied.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the undersigned have set their hand hereunto on the date(s) set forth below.

Ventura County Transportation Commission Roadrunner Management Services, Inc.

By: _____
Name: _____
Title: _____
Date: _____, 2018

By: _____
Name: _____
Title: _____
Date: _____, 2018

ATTEST:

ACKNOWLEDGED:

RATP Dev USA, LLC

Donna Cole
Clerk of the Commission
Date: _____, 2018

By: _____
Name: _____
Title: _____
Date: _____, 2018

APPROVED AS TO FORM:

Steven Mattas
General Counsel of the Commission
Date: _____, 2018

APPROVED AS TO CONTENT:

Darren Kettle
Executive Director of the Commission
Date: _____, 2018
2915609.1

**VCTC Intercity Transit
Transit Services Agreement
First Amendment - Exhibit “I”**

**VCTC Fleet Schedule and Contractor Fleet Rebuild Program
&
Estimated Fuel Cost Schedule and Reimbursement Formula**

1) VCTC Fleet Schedule and Contractor Fleet Rebuild Program

- a. The following schedule of fleet vehicles (included in Section 1(d) of this Exhibit) represents vehicles provided by VCTC to Contractor, as well as vehicles provided by the Contractor pursuant to the terms contained in the Agreement and corresponding Exhibits A-H.

- b. In the event that VCTC provides vehicles to the Contractor which supplement the fleet in addition to those vehicles identified herein (i.e. serve to expand the fleet size beyond that already provided by VCTC and Contractor), changes to the rates contained in Section 8(b) of the Agreement will be subject to negotiation between VCTC and Contractor. Furthermore, Contractor shall continue its provision of the Contractor-provided vehicles described in Section 1(d) hereof, or like replacements, pursuant to the terms of the Agreement.

- c. Notwithstanding the specifications and requirements contained in the Agreement, Contractor agrees that its maintenance plan for services provided under the Agreement (“Maintenance Plan”) will at a minimum include the following VCTC Fleet engine and transmission rebuild schedule. VCTC and Contractor agree that this schedule is provided as an estimate only, and timing of actual rebuilds may vary, but in no case shall it be deferred by Contractor so as to occur after or beyond the term of this Agreement.

CONTRACTOR FLEET ENGINE AND TRANSMISSION REBUILD PROGRAM	
Component System	Estimated Mileage Per Vehicle
Engine Rebuilds	350,000 miles
Transmission Rebuilds	250,000 miles

Within sixty days of receiving Notice-to-proceed following execution of the First Amendment to the Agreement, Contractor shall submit its Maintenance Plan to VCTC for review and approval.

d. Schedule of VCTC Fleet Vehicles

No.	Vehicle #	Make, Model			Vin Number	License		Fund Source
		Vehicle Year	Vehicle Make	Vehicle Model		State	License	
1	V301	2015	MCI	D4500	1M8PDMBA8FP013550	CA	1454751	VCTC
2	V302	2015	MCI	D4500	1M8PDMBAXFP013551	CA	1454752	VCTC
3	V303	2015	MCI	D4500	1M8PDMBA1FP013552	CA	1454753	VCTC
4	V304	2015	MCI	D4500	1M8PDMBA3FP013553	CA	1454754	VCTC
5	V305	2015	MCI	D4500	1M8PDMBA5FP013554	CA	1454755	VCTC
6	V306	2015	MCI	D4500	1M8PDMBA7FP013555	CA	1454756	VCTC
7	V307	2015	MCI	D4500	1M8PDMBA9FP013556	CA	1454757	VCTC
8	V308	2015	MCI	D4500	1M8PDMBA0FP013557	CA	1454758	VCTC
9	V309	2015	MCI	D4500	1M8PDMBA2FP013558	CA	1454759	VCTC
10	V310	2015	MCI	D4500	1M8PDMBA4FP013559	CA	1454760	VCTC
11	V311	2015	MCI	D4500	1M8PDMBA0FP013560	CA	1454761	VCTC
12	V312	2015	MCI	D4500	1M8PDMBA2FP013561	CA	1454762	VCTC
13	V313	2015	MCI	D4500	1M8PDMBA4FP013562	CA	1454763	VCTC
14	V314	2015	MCI	D4500	1M8PDMBA6FP013563	CA	1454764	VCTC
15	V315	2015	MCI	D4505	1M86DMBA4FP013752	CA	24219L1	Roadrunner
16	V316	2015	MCI	D4505	1M86DMBA6FP013753	CA	24250L1	Roadrunner
17	V317	2015	MCI	D4505	1M86DMBA8FP013754	CA	21584P1	Roadrunner
18	V318	2015	MCI	D4505	1M86DMBAXFP013755	CA	24251L1	Roadrunner
19	V319	2015	MCI	D4505	1M86DMBA1FP013756	CA	05783T1	Roadrunner
20	V320	2015	MCI	D4505	1M86DMBA3FP013757	CA	05782T1	Roadrunner
21	V321	2015	MCI	D4505	1M86DMBA5FP013758	CA	23817L1	Roadrunner
22	V322	2015	MCI	D4505	1M86DMBA7FP013759	CA	38065M1	Roadrunner
23	V323	2015	MCI	D4505	1M86DMBA3FP013760	CA	38066M1	Roadrunner
24	V324	2015	MCI	D4505	1M86DMBA5FP013761	CA	24235L1	Roadrunner
25	V325	2015	MCI	D4505	1M86DMBA7FP013762	CA	24236L1	Roadrunner
26	V330	2016	MCI	D4500	1M8PDMBAXGP014104	CA	1504916	VCTC
27	V331	2017	MCI	D4500	1M8PDMBA1HP014445	CA	1505036	VCTC
28	V332	2017	MCI	D4500	1M8PDMBA3HP014446	CA	1505035	VCTC
29	981	2013	VOLVO	9700	3CET2S220E5163100	CA	30344K1	Roadrunner
30	989	2008	MCI	J4500	2M93JMFA58W064777	CA	84300H1	Roadrunner
31	990	2008	MCI	J4500	2M93JMFA58W064779	CA	84128H1	Roadrunner
32	994	2008	MCI	D4505	1M86DMFA48P058591	CA	24972L1	Roadrunner
33	995	2008	MCI	D4505	1M86DMFA68P058592	CA	94118H1	Roadrunner

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2) Estimated Fuel Cost Schedule and Reimbursement Formula

- a. Estimated Fuel Cost. The *Estimated Cost of Fuel* is defined as the Contractor’s projected fuel expenditure for the applicable contract year for the fleet vehicles set forth in Section 1(d) of this Exhibit I (as Section 1(d) may be subsequently amended from time to time). This budgeted expenditure is based on the projected level of service of 84,000 hours per year. The Hourly Rate (or “Gate-to-gate rate”) is inclusive of the Estimated Cost of Fuel, and Contractor and VCTC agree that Contractor shall credit, or “back out,” this Estimated Fuel Cost according to the following schedule, using the calculation noted below (Section 2.b.).

(1) Time Period	YEAR 3	YEAR 4	YEAR 5	YEAR 6	YEAR 7	YEAR 8	YEAR 9
	3/1/2018 - 2/28/2019	3/1/2019 - 2/29/2020	3/1/2020 - 2/28/2021	3/1/2021 - 2/28/2022	3/1/2022 - 2/28/2023	3/1/2023 - 2/29/2024	3/1/2024 - 5/3/2024
(2) Contractor Cost of Fuel (Price per gallon- Projected)	\$3.00/gal	\$3.09/gal	\$3.18/gal	\$3.28/gal	\$3.38/gal	\$3.48/gal	\$3.58/gal
(3) Fuel Consumed (Gallons Projected)	390,079	390,079	390,079	390,079	390,079	390,079	130,026
(4) Estimated Cost of Fuel (Projected) [= Line 2 x Line 3]	\$1,170,236	\$1,205,343	\$1,241,503	\$1,278,748	\$1,317,110	\$1,356,624	\$465,774
(5) Level of Service (Hours- Projected)	84,000	84,000	84,000	84,000	84,000	84,000	28,000
(6) Hourly Rate (inclusive of the <i>Estimated Cost of Fuel</i>)	\$55.77	\$56.96	\$58.17	\$59.41	\$60.68	\$61.97	\$63.29
(7) Compensation Due - Projected Annual [= Line 5 x Line 6]	\$4,684,680	\$4,784,640	\$4,886,280	\$4,990,440	\$5,097,120	\$5,205,480	\$1,772,120
(8) Hourly Rate Less the <i>Estimated Cost of Fuel</i> Payable to Contractor [= (Line 7 - Line 4) / Line 5]	\$41.84	\$42.61	\$43.39	\$44.19	\$45.00	\$45.82	\$46.66
(9) Hourly Fuel Credit Rate [= Line 6 - Line 8]	\$13.93	\$14.35	\$14.78	\$15.22	\$15.68	\$16.15	\$16.63

- b. Reimbursement Formula. Contractor shall prepare monthly invoices in accordance with the Agreement and in a form reasonably acceptable to VCTC. The invoices shall include a subtotal of charges equal to the Fixed Hourly Rate multiplied by the Gate-to-gate hours operated during the month. Contractor shall calculate a credit to VCTC equal to the product of Gate-to-gate hours multiplied by the Hourly Fuel Credit Rate(s) identified on **Line 9** above, and the net subtotal shall be due to Contractor pursuant to the Agreement. In addition, Contractor shall invoice to VCTC an amount equal to the actual fuel expense purchased for the Revenue Vehicles for the month. The invoice for fuel shall be in a form reasonably acceptable to VCTC and include backup documentation, which at a minimum will

2915697.1 contain a statement of fuel purchases, actual purchase receipts, and consumption data traceable by revenue vehicle.