

ADDENDUM TWO

KELLER INDEPENDENT SCHOOL DISTRICT, hereinafter referred to as “**DISTRICT**”, and **DURHAM SCHOOL SERVICES, L.P.**, hereinafter referred to as “**CONTRACTOR**”, mutually agree to amend the Agreement for Furnishing Pupil Transportation Services, dated October 15, 2004, hereinafter referred to as the Agreement, as stated below:

1. In accordance with Section 16 (Adjustment of Rates) of the Agreement, the rates are adjusted upward by 3.65%, which is an amount equal to the percentage change in the Dallas/Ft. Worth Consumer Price Index (All Urban Consumers) for January, 2006, excluding motor fuel:

a. Regular and Special Education for Home-to-School Transportation, Normal District School Year and Extended District School Year:

BUS CAPACITY	DAILY RATE	HOURLY RATE
24 and Smaller	\$158.26	\$25.32
25-48 passenger	\$205.73	\$25.32
50-55 passenger	\$200.46	\$25.32
60-65 passenger	\$184.63	\$25.32
71-72 passenger	\$200.46	\$25.32
77-84 passenger	\$237.39	\$25.32

b. Additional Transportation Services: Extracurricular Field Trips & Athletic Trips:

BUS CAPACITY	HOURLY RATE/ TRIP RATE	MINIMUM CALL- OUT CHARGE
All Capacity	\$20.05	\$40.09
Coach Trip	\$73.85	N/A

Time and mileage charges for all transportation rate schedules shall begin and end at the Service Center located at 11300 Alta Vista, Keller TX, and shall include total driver's time, including time for bus pre-trip checkout and cleanup and layover time. For driver's time in excess of forty (40) hours per week, the charge will be one-and-a-half times the hourly rates stated above.

c. Air-Conditioning on Buses: The DISTRICT will compensate CONTRACTOR for providing air-conditioning on school buses that are five years of age or younger at the rate of \$8.44 per bus per day for a 71 passenger bus or smaller and \$12.14 per bus per day for a transit bus (77-84 passenger).

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- d. Dedicated Field Trip Buses: CONTRACTOR currently has eighteen (18) spare 71 passenger buses. At the request of DISTRICT, CONTRACTOR shall provide an additional seven (7) spare buses (with air-conditioning) at a daily charge for each bus of \$59.28 per day for 178 days. In the event the air conditioned buses are used for field trips, the rate shall be an additional \$20.05 per hour.
- e. Non-School Bus Vehicle Maintenance:

RATE PER HOUR	ADDITIONAL CHARGES FOR PARTS ABOVE ACTUAL COST (% OR \$)
\$31.65	10%

- f. Rates for Bus Assistants: The DISTRICT will compensate the CONTRACTOR for Bus Assistants used on routes at the rate of \$11.34 per hour. Billable time is to be based on total driving time, including layover time. For time per monitor in excess of forty hours (40) per week, the charge will be one-and-a-half times the hourly rate stated for the monitor incurring overtime.
2. The term of the Agreement shall be for a period beginning August 1, 2006 and ending July 31, 2007.
 3. This Addendum shall become effective August 1, 2006.
 4. All other terms and conditions of the Agreement remain in full force and effect.

DURHAM SCHOOL SERVICES, L.P.

KELLER INDEPENDENT SCHOOL DISTRICT

By: Durham Holding II, L.L.C.
its general partner

By: John A. Elliott
John A. Elliott
President and CEO

By: _____

Name: _____

Title: _____

Date: _____

Date: _____