ANAHEIM TRANSPORTATION NETWORK

BOARD OF DIRECTORS

NOTICE OF SPECIAL MEETING

Friday, June 13, 2014
3:30 p.m.

Anabellla Hotel
Azalea Conference Room
1030 West Katella Avenue
Anaheim, CA 92802

NOTICE IS HEREBY GIVEN, that the Board of Directors of Anaheim Transportation Network will hold a special meeting on Friday, June 13, 2014 at 3:30 p.m., in the Azalea Room at Anabella Hotel, 1030 West Katella Avenue, Anaheim, CA 92802. The business to be transacted at said meeting will be for the ATN Board of Directors to consider the following:

ACTION ITEM:

Approve staff recommendation for award of a maintenance services agreement for 35 LNG buses to Penske Truck Leasing Company LP (Penske), in response to RFP #2014-005. Authorize Executive Director to execute agreement with Penske and commence maintenance activities

By Order of Paul Sanford, Chairman of the Board of Directors, June 6, 2014
ANAHEIM TRANSPORTATION NETWORK

BOARD OF DIRECTORS

SPECIAL MEETING

Friday, June 13, 2014
3:30 p.m.

Anabella Hotel
Azalea Conference Room
1030 West Katella Avenue
Anaheim, CA 92802

Agenda posted and distributed to Board Members: June 6, 2014

1. CALL TO ORDER

2. PUBLIC COMMENT
   This is the opportunity for members of the public to speak on any item under the jurisdiction of the ATN Board of Directors or public comments on any agenda item.

3. ACTION ITEM

   Approve staff recommendation for award of a maintenance services agreement for 35 LNG buses to Penske Truck Leasing Company LP (Penske), in response to RFP #2014-005. Authorize Executive Director to execute agreement with Penske and commence maintenance activities

4. ADJOURN ATN BOARD OF DIRECTORS MEETING
DATE: JUNE 13, 2014
TO: ATN BOARD OF DIRECTORS
FROM: DIANA KOTLER, EXECUTIVE DIRECTOR
RE: AGENDA ITEM # 3

RECOMMENDATION:
Approve staff recommendation for award of a maintenance services agreement for 35 LNG buses to Penske Truck Leasing Company LP (Penske), in response to RFP #2014-005. Authorize Executive Director to execute agreement with Penske and commence maintenance activities. Continued from May 28, 2014, ATN Board of Directors Meeting.

DISCUSSION:
At its January 22, 2014, ATN Board of Directors meeting, the Board authorized release of RFP #2014-005 – ART Maintenance Services for 35 Low-Floor LNG Transit Buses. The necessity to adequately maintain LNG fleet of buses, which ATN will acquire from Orange County Transportation Authority (OCTA) on July 7, 2014, will depend on numerous contracted services, including a comprehensive maintenance program. RFP #2014-005 requested interested parties to submit proposals to provide a turn-key maintenance program, including, but not limited to, technical staff; fully-equipped maintenance facilities; access to discounted components and parts; and on-call road assistance services to ensure ATN’s continued compliance with federal and state standards.

In response to RFP #2014-005, the ATN received two (2) proposals: 1) Penske Truck Leasing Company LP (Penske); and Vonic Fleet Services, Inc. Upon review of the submitted proposals, staff recommends to award a maintenance agreement for three (3) years, with two (2) one-year options, to Penske, as the best qualified service, and lowest cost provider. Comparison of the cost proposals is provided in Table #1.

<table>
<thead>
<tr>
<th>TABLE #1 – COST COMPARISON</th>
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<tr>
<td><strong>PENSKE</strong></td>
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<tr>
<td>Monthly Preventive Maintenance</td>
</tr>
<tr>
<td>Cost per Bus</td>
</tr>
<tr>
<td>Hourly Maintenance Billing Rate</td>
</tr>
<tr>
<td>Discount on Parts and Components</td>
</tr>
<tr>
<td>Road Call Assistance</td>
</tr>
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</table>
Penske has been an industry leader in heavy-duty equipment maintenance and leasing since 1969. Penske’s local facility is located at 1625 St. College Boulevard, Anaheim. With this location being only 1.6 miles away from the current ATN’s facility, ability to service and maintain ATN’s fleet of LNG buses will be easily accommodated.

Upon, approval of the ATN’s Board of Directors, Penske would commence maintenance service on Monday, July 7, 2014. Meeting with OCTA’s maintenance team have begun in order to ascertain fleet condition and to transfer all pertinent maintenance records.

The cost of maintenance service provision will be comprised on three (3) categories:

1. Fixed Monthly Preventive Costs;
2. Variable Cost for Components Repair; and
3. Cost of Parts and Components.

### TABLE 2 – ESTIMATED LNG FLEET MAINTENANCE COSTS

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<thead>
<tr>
<th>Description</th>
<th>COST PER UNIT</th>
<th>MONTHLY COST</th>
<th>PROJECTED ANNUAL COST</th>
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<td>Fixed Monthly Preventive Maintenance Costs</td>
<td>$450.00/bus</td>
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<td>Hourly Labor Rate Components Repair (55 Hours per Month)</td>
<td>$92/hr</td>
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<td>Parts &amp; Components (Based on Current Avg. Monthly Cost)</td>
<td>10%</td>
<td>$16,000</td>
<td>$192,000</td>
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<tr>
<td><strong>Total Estimated Annual Value of Penske Agreement</strong></td>
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<td><strong>$441,000</strong></td>
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<tr>
<td>Additional Maintenance Related Cost</td>
<td></td>
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<tr>
<td>Tire Lease Program - Michelin</td>
<td>$4,666</td>
<td>$56,000</td>
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<td>ATN Utility Personnel Including 30% Burden Rate (Fueling &amp; Washing)</td>
<td>$14.30/hr (6 FTE positions)</td>
<td>$13,728</td>
<td>$164,736</td>
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<td>ATN Utility Personnel Including 30% Burden Rate (Maintenance Technicians)</td>
<td>$26.00/hr (2.5 FTE positions)</td>
<td>$10,400</td>
<td>$124,800</td>
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<td>ATN Maintenance Staff, Liaison &amp; Quality Control</td>
<td>$32.50/hr (1 position)</td>
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<td><strong>Total Maintenance Cost for 35 LNG Bus Fleet</strong></td>
<td>$70,805</td>
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<td>Budgeted Maintenance Cost for 35 LNG Bus Fleet</td>
<td>$79,800</td>
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<td>Set-Aside for Unanticipated Costs</td>
<td>$8,900</td>
<td>$106,800 (12.5%)</td>
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<td>Current ATN Maintenance Cost for LNG Bus Fleet</td>
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<td>$1,450,000</td>
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<td>Projected Annual Savings (Passed on to partners)</td>
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<td>$492,459</td>
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Agreement with Penske completes transition of the LNG bus maintenance program to the ATN. Maintenance team structure will include: 1) Penske – maintenance services; 2) Clean Energy – LNG fueling; 3) Michelin – Tire Lease Program; 4) American Sports Center – LNG bus parking.

**ATTACHMENTS:**

Attachment 1  Penske Information  
Attachment 2  Cost Proposals – Penske & Vonic  
Attachment 3  Proposed Maintenance Budget  
Attachment 4  Draft Agreement
Penske’s Bus Experience

Buses on Contract
Penske maintains heavy-duty buses at Airports, Universities, Transit agencies, Employee shuttles, and many other applications. We work closely with the major bus manufacturers like Gillig, New Flyer, Orion and the major component manufacturers used in buses. As your dedicated bus maintenance vendor Anaheim Resort Transit will be assured the best bus maintenance services at a competitive price and convenient location for service.

Customized Bus PM Program
Penske’s detailed PM maintenance program for buses was reviewed in meetings with the major bus manufacturers as well as the major component manufacturers used in these buses. Penske is recognized as a high-quality organization that provides quality maintenance. Our PM program will ensure that your buses are well maintained on a strict schedule and that minor problems are caught before they become larger issues.

Warranty
Penske currently files warranty directly to the manufacturer of the major components used in most major bus manufacturers. We are approved as an in-house repair center for most major bus manufacturers and have a detailed history of the repair costs associated with the repair and maintenance for these types of buses. Penske’s online maintenance management system ServiceNet maintains warranty information and keeps a record of all maintenance, repairs and warranty work performed on each bus. Even though the used buses you have for this contract are well beyond normal warranty, we may be able to get warranty for any parts used that fail prematurely and all recovered warranty $$$ are returned to Anaheim Resort Transit under our proposed contract.

Maintenance Capabilities
Penske’s core competency is providing comprehensive maintenance services for medium- and heavy-duty vehicle applications. Our ServiceNet system is a state-of-the-art maintenance tracking system in use today and will ensure that your buses are serviced on time and that they will operate dependably for the theme park patrons. We have the necessary experience in maintaining airport buses to effect a smooth transition for our maintenance services.
Staffing Provisions

The combination of a seasoned workforce and the know-how of the Penske maintenance management team will assure a smooth transition. At Penske, we pride ourselves in attracting and retaining the most qualified applicant for each position within our organization. Upon successfully completing a thorough prescreening process, our employees enter into a rigorous orientation and training program centered on the individual's position in the company. Throughout their career with Penske, employees receive continuous training to meet our customer's needs in an ever-changing business environment.

The following are Penske's minimal job requirements for our Service Managers and Technicians (mechanics):

**Penske Service Manager**

- Assign work schedules
- Monitor PM program (provide periodic management inspections of PMs)
- Schedule training / safety meetings
- Communicate with shop personnel
- Communicate with Anaheim Resort Transit / attend driver meetings as needed
- Maintain Penske and captive Anaheim Resort Transit shop facilities
- Control expenses
- Monitor repairs (inside and outside)
- Review shop purchases
- Hire quality personnel
- Counsel performance problems
- Conduct personnel reviews
- Maintain maintenance program compliance
- Recommend specification changes when appropriate
- Monitor repair and purchase orders
- Monitor warranty submissions
- Monitor waste management
- Ensure environmental compliance
- Manage outside vendors
- Miscellaneous related duties as required

**Technician**

- Minimum three years as a fleet mechanic
- Knowledge of both gas and diesel engines
- High level of diagnostic skills including aerial maintenance
- Proficient in electrical, hydraulics, and driveline components
- All tasks to be completed on time with little direct supervision
- Possess all necessary and recommended tools
Penske Technical Training

Penske understands that certain technical functions can only be performed by technicians who are either licensed or certified. We will be in 100% compliance with all national and local regulations including but not limited to, PM inspections, brake systems, and any regional or aerial inspections. Repairs to vehicles or components that require the technician to be licensed or certified will only be performed by techs that are properly certified or licensed.

Penske has established training programs using vendor materials for all chassis and OEM equipment. With more than 2500 technicians, Penske maintains an in-house technical training department staffed by six full time trainers. Our programs include maintenance, diagnostics and equipment repair, as well as chemical and physical safety programs.

Drug and Alcohol Policy for Penske Shop Technicians

Penske has an established pre-employment standard for drug and alcohol tests, background checks and medical examinations. All employees working on Anaheim Resort Transit's vehicles or equipment will be screened and appropriately licensed. Penske is committed to providing a safe and secure work environment. All shop employees have a responsibility to report for work and perform their jobs in a fit mental and physical condition. The nature of our business is such that any unnecessary risk could affect the public in general, therefore, our drug and alcohol procedures have been developed to insure not only the safety of our employees and customers, but the general public's as well.

It is Penske's expectation that maintaining satisfactory performance is the responsibility of all employees and that the decision to acknowledge substance abuse related problems and seek assistance is also the responsibility of the employee. Penske recognizes that drug abuse is a treatable problem and we will assist employees by helping them to understand the problem and correct it before it impairs their performance and jeopardizes their employment.

All of our shop personnel are subject to regular, random drug testing according to our operating guidelines. Tests will also be done when there is reason to suspect that an employee is working under the influence of drugs, has been involved in a motor vehicle accident while operating a company owned vehicle or under other circumstance deemed appropriate by Penske management.
Penske Quality for Anaheim Resort Transit

Penske Truck Leasing is committed to being the best provider of support services for our customer’s transportation and distribution requirements. This commitment to excellence is an integral part of everything we do and drives continuous improvement in all areas of our business.

In order to drive our company toward continuous improvement, Penske has established programs to monitor and improve the process within our organization and with our valued customers.

A brief description of each program follows.

Voice of the Customer measures satisfaction with each customer at every location twice a year. The process provides performance information on all key aspects of the services we are providing. We can easily identify the areas our customers value as well as where we can improve.

Maintenance Effectiveness Process measures technician performance against goal standards on a per job basis. A written annual review of each technician’s overall performance is done. Additionally, each shop audits preventive maintenance inspections for quality and cost effectiveness on a weekly basis. Continuous monitoring of the process enables Penske to institute corrective measures based on the goals of the program and the frequency of repeat repairs.

Shop Team Meetings are monthly gatherings of all shop employees to review company and district performance, identify opportunities for improvement, provide a forum to share ideas, and recognize individual and group achievement. The overall goal of this process is to improve the intra-organizational communication of Penske Truck Leasing and to improve our performance.

Six Sigma Quality Perspective is a rigorous approach to quality improvement. Penske Truck Leasing has adopted these quality processes as part of everything we do. Our goal culturally is to be nearly flawless in executing our key processes.

Penske is committed to delivering cost control through management of the Anaheim Resort Transit vehicle fleet operation. Penske’s objectives focus on total cost control, high customer satisfaction, consistent and improved performance of repairs, and better utilization of fleet assets. We have a commitment to superior performance for all internal and external customers and a readiness to serve as a strategic partner in this endeavor. Penske is committed to achieving and exceeding these goals. Our philosophy will focus on superior quality and a true partnership in an effort to reduce overall transportation costs to their lowest possible level while at the same time providing maximum fleet uptime.

Our goal is to become an ally with Anaheim Resort Transit with the maximum incentive to reduce maintenance costs and improve operational performance. We feel the objectives can be accomplished through a constant dialogue focused on cost reductions and service enhancements.
Penske shall furnish authorized representatives of Anaheim Resort Transit with every reasonable opportunity for determining whether or not work is being performed in accordance with the requirements of the contract and will permit representatives to make such inspections at reasonable times and places.

**Penske Key Performance Indicators (KPI)**

Penske tracks quality measurements and key performance indicators at all of its maintenance facilities. ServiceNet, our online service tracking system, and other corporate analytical reports are used together to monitor the efficiency and level of service provided to every customer.

Penske customers periodically receive important analytical reports generated by our ServiceNet system. Most KPI reports are delivered to our customers electronically on a weekly, monthly, quarterly or annual basis.

To assure that we are working with our customers on the issues that concern them the most, our account executives visit each customer and conduct an Annual Customer Review. Penske representatives compile and present a summary of our KPIs to our customers. Our goal is to identify what is most important to the customer and to construct a working plan for the next twelve-month period.

Finally, customers rate Penske across a wide array of services annually using our Voice Of the Customer survey. The critical feedback from this survey helps to identify areas where Penske should allocate resources and what process improvements we can make that will bring immediate value to our customers.

The following is the current list of the Key Performance Indicators that Penske management uses to drive continuous improvement as well as to help our customers manage their transportation requirements proactively.

Our key performance indicators report and measure:

1. **The percentage of vehicles in the fleet that is current with their scheduled preventive maintenance.**

2. **The number of vehicles requiring service within 90 days of a PM for any item that is inspected or repaired/replaced as part of the PM service.**

3. **The percentage of repair orders that complete all items on the order by the scheduled pick-up time.**

4. **The total number of repair orders that were complete by the customer's "needed time."**

5. **The reason and causes why any repair order was unable to be delivered on-time or complete.**

6. **The number of vehicles receiving emergency road call service.**

7. **The number of vehicles sent to a third-party vendor for repairs.**
Quality Assurance Program for Anaheim Resort Transit

Fleet Availability

Penske will use all of its quality resources to ensure that maximum fleet availability is maintained for Anaheim Resort Transit operations. At a minimum we will monitor the daily activity of any vehicles down for repair and communicate the anticipated return to service date/time to the Anaheim Resort Transit operator.

PM Performance

It is Penske’s experience that 100% on-time and complete PM performance can be regularly achieved for our contract maintenance customers. Most of our shop operations operate at 99+% on time and complete PMs as a regular measurement. With the Anaheim Resort Transit maintenance operations our goal would be to be 100% current on all PM services.
Project Implementation / Transition Plan

Penske has extensive experience in transitioning fleets to our Comprehensive Fleet Maintenance and Management Programs. We are proposing a 30-day implementation plan that will effect a smooth transition for all Anaheim Resort Transit buses for your current program with OCTA. Most importantly, under our proposed plan service to the equipment, bus availability and Anaheim Resort Transit's satisfaction level will remain high during the transition period.

We are proposing a transition plan that will phase in Penske maintenance of 35 full size LNG powered buses. We would anticipate a detailed discussion with Anaheim Resort Transit’s management team to mutually set the sequence and priority for each stage of the transition. As a minimum, Penske anticipates performing the following tasks as listed below during the 30 days from contract execution for our services:

1. Conduct Tour of Penske Anaheim Shop Facility for all key Anaheim Resort Transit Staff (already done)
2. Review current Bus fleet PM status and input next needed PM’s into our shop IT system
3. Confirm and Compile Key Contacts List for Anaheim Resort Transit / Penske
4. List all Key Outside Vendors to be used for any needed outside repairs
5. Install key bus information in Penske maintenance IT system
6. Set up joint start-up meeting for Anaheim Resort Transit and Penske
7. Penske to finalize any additional staffing needed for contract
8. Set up driver orientation meeting to introduce key Penske maintenance staff
9. Confirm all needed insurance is in place per contract requirements
10. Confirm billing address and any special billing procedures for Anaheim Resort Transit
11. Final meeting to review all start-up procedures have been completed
12. Initiation of maintenance services
Penske Proximity Advantages for Anaheim Resort Transit

Listed below is a map showing the very close proximity of Penske's Anaheim shop facility to Anaheim Resort Transit. We are only 1.6 miles away from your current operations and have excellent resources available to service your buses. If Anaheim Resort Transit was to build such a facility it would cost millions of dollars. With a Penske Maintenance Agreement in place you have the luxury of a state-of-the-art heavy-duty shop facility available to you at a fraction of the cost of operating it yourselves. You also avoid all of the OSHA and Environmental liabilities by having us performing the majority of your maintenance at our facility.

Our plan for maintenance out of this facility would be to perform all Preventive and Corrective Maintenance out of this facility. On a daily basis we will communicate the status of all buses in the shop for PM's and repairs. Our mobile service trucks would be ready to response on any road calls during working hours for the buses backed up 24 hours a day by our SOS Emergency Team. We have the ability to do your tire work if you decide not to pursue the tire lease program. For this we would mount up tires ready to go in the shop of your size to be ready to replace tires quickly when needed.

All records of work performed would be available online for Anaheim Transit Staff the very next day after work is performed. No other service provider has this level of visibility to work performed that you can see right from your own computer.
Access to Fleet Information

Solution:
Penske offers extensive fleet reporting capabilities using data captured through our ServiceNetSM web-based maintenance system.

Value:
Flexible reports provide critical data to better manage your fleet, as well as help create benchmarks and aid continuous improvement efforts.

Penske services:
• Data can be sorted by fleet or by vehicle - including maintenance history and repair re-bill history
• Measurement examples - 100% complete, on-time, PM currency
Fleet Profile

- Full view of units under Penske lease and contract maintenance
- Unit details (VIN, license, last PM date)
- Downloadable fleet reports in spreadsheet format

### Fleet Profile

#### View By:
- All

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<tr>
<th>My Unit #</th>
<th>Penske Unit #</th>
<th>Category</th>
<th>Description</th>
<th>Year</th>
<th>Make</th>
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Maintenance

- Calendar of upcoming preventive maintenance appointments
- Reschedule appointments
- Add additional repairs

Preventive Maintenance

April 2008

Units
Penske # My Unit #
437226
437227
437228
472339
473048

Home
Fleet Profile
Maintenance
SOS Status
Fuel Locator
Fleet I.Q.
Safety / Compliance

Show units that are due in: This Week | Next Week | Rest of the Month

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### SOS Status

- Active SOS calls with up-to-the-minute status
- SOS call history

#### SOS Status

**Start Date:** mm/dd/yyyy  
**End Date:** mm/dd/yyyy  
**Report Status:** Both  
**Last Updated:** 04/09/2008 08:16 PM

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<tr>
<td>2337998</td>
<td>427895</td>
<td></td>
<td>04/02/08 05:10 AM</td>
<td>04/02/08 11:00 AM</td>
<td>LANDOVER</td>
<td>Complete</td>
</tr>
<tr>
<td>2358118</td>
<td>437226</td>
<td></td>
<td>04/07/08 10:09 AM</td>
<td>04/07/08 09:50 AM</td>
<td>CLEVELAND</td>
<td>Complete</td>
</tr>
<tr>
<td>2352810</td>
<td>473050</td>
<td></td>
<td>03/28/08 12:35 AM</td>
<td>03/28/08 11:50 AM</td>
<td>CLEVELAND</td>
<td>Complete</td>
</tr>
</tbody>
</table>

#### Unit Details

To see unit details, click on an individual unit number above.
Safety / Compliance

- Calendar of Penske-hosted safety events
- Access to special pricing with JJ Keller and Smith Systems programs
- Safety and compliance bulletins

Safety / Compliance

Safety Bulletins

Safety Bulletins (Archive)

NEW! Highway Construction Work Zones
Across various sections of our country, the arrival of April - and warmer weather - generally kicks off highway construction...read more (pdf)

Partner Programs

Smith System
Behind-the-wheel driver training is the foundation of the Smith System Driver Improvement Institute. More Information | Go To Smith System

JJ Keller
Penske customers receive preferred pricing when they sign up for JJ Keller's services More Information | Go To JJ Keller

Safety Events Calendar

Date | Location | Time | Meeting Type | Topic | Contact

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## Anaheim Transportation Network

**Fleet Maintenance Services**

35 Liquefied Natural Gas NABI Low Floor Buses

---

**PENSKE**

### Fixed Cost Per Bus

<table>
<thead>
<tr>
<th>Preventive Maintenance (PM)</th>
<th>$450</th>
</tr>
</thead>
<tbody>
<tr>
<td>Including all parts, supplies, fluids, disposal and records. Estimated # of PMs per bus per year is five (5) Included</td>
<td></td>
</tr>
</tbody>
</table>

### Hourly Rate

<table>
<thead>
<tr>
<th>DOT/CHP Inspection</th>
<th>$92/hr</th>
</tr>
</thead>
</table>

*Labor Rate. In the adjacent space, please provide total number of personnel to be assigned to DOT/CHP inspection*

<table>
<thead>
<tr>
<th>Pre-Trip &amp; Post-Trip Staffing</th>
<th>$92/hr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor Rate</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Road Calls</th>
<th>$92/hr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor Rate</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Towing Service</th>
<th>$92/hr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Hourly Rate</td>
<td>Not to exceed $200</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Non-major components repair</th>
<th>$92/hr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total repair, including labor &amp; parts under $2,500</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Major components repair</th>
<th>$92/hr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Over $2,501 * Labor Only -- Parts Pass Through</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Travel Time to Off Site Repair Facility</th>
<th>$92/hr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor Rate</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Off-Site Bus Fueling</th>
<th>$92/hr</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor Rate</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Parts Fleet Pricing Discount</th>
<th>10%</th>
</tr>
</thead>
</table>

* Three (3) competitive bids and prior approval required.
Submitted By: Vonic Fleet Services, Inc.

<table>
<thead>
<tr>
<th>Description</th>
<th>Fixed Cost Per Bus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Preventive Maintenance (PM)</td>
<td>2000.00 per month</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$70000.00 due on 1st each month preceding</td>
</tr>
<tr>
<td>Included</td>
<td>$70000.00 due on 1st each month preceding</td>
</tr>
<tr>
<td>DOT/CHP Inspection</td>
<td>included</td>
</tr>
<tr>
<td>Hourly Rate</td>
<td>4</td>
</tr>
<tr>
<td>Pre-Trip &amp; Post-Trip Staffing</td>
<td>included</td>
</tr>
<tr>
<td>Labor Rate</td>
<td></td>
</tr>
<tr>
<td>Road Calls</td>
<td>110.00 per hour</td>
</tr>
<tr>
<td>Labor Rate</td>
<td></td>
</tr>
<tr>
<td>Towing Service</td>
<td>125.00 per hour</td>
</tr>
<tr>
<td>Fixed Hourly Rate</td>
<td></td>
</tr>
<tr>
<td>Non-major components repair</td>
<td>105.00 per hour plus parts</td>
</tr>
<tr>
<td>Total repair, including labor &amp; parts under $2,500</td>
<td>105.00 per hour plus parts</td>
</tr>
<tr>
<td>Major components repair</td>
<td></td>
</tr>
<tr>
<td>Over $2,501 * Labor Only -- Parts Pass Through</td>
<td></td>
</tr>
<tr>
<td>Travel Time to Off Site Repair Facility</td>
<td>included</td>
</tr>
<tr>
<td>Labor Rate</td>
<td></td>
</tr>
<tr>
<td>Off-Site Bus Fueling</td>
<td>not included</td>
</tr>
<tr>
<td>Labor Rate</td>
<td></td>
</tr>
<tr>
<td>Parts Fleet Pricing Discount</td>
<td>25%</td>
</tr>
</tbody>
</table>

* Three (3) competitive bids and prior approval required.
### Final Cost Proposal

**ATN Maintenance Program_10/31/2013 Revised**  
**Start April 2014**

<table>
<thead>
<tr>
<th>Budget Line Item</th>
<th>Cost per Budgetary Unit (as applicable)</th>
<th>Annual Costs 30 Dedicated LNG Buses</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rolling Stock*</td>
<td>$ 30,000</td>
<td>$ 178,000</td>
</tr>
<tr>
<td>Facility (Contribution to ATN Facility Lease)</td>
<td>$ 5,000</td>
<td>$ 60,000</td>
</tr>
<tr>
<td>Dispatch</td>
<td></td>
<td>$ 280,680</td>
</tr>
<tr>
<td>Driving Personnel (Est. Billing Rate/VSH)</td>
<td>$ 25.60 hr</td>
<td>$ 3,137,460</td>
</tr>
<tr>
<td>ATN Administration</td>
<td></td>
<td>$ 100,000</td>
</tr>
<tr>
<td>ATN Maintenance Personnel</td>
<td></td>
<td>$ 450,000</td>
</tr>
<tr>
<td>Maintenance Program (Parts)</td>
<td></td>
<td>$ 320,000</td>
</tr>
<tr>
<td>Burden</td>
<td></td>
<td>$ 187,550</td>
</tr>
<tr>
<td>Insurance (Annual Premium)</td>
<td></td>
<td>$ 53,200</td>
</tr>
<tr>
<td>ATN Overhead</td>
<td></td>
<td>$ 125,000</td>
</tr>
<tr>
<td><strong>TOTAL OPERATING COSTS</strong></td>
<td></td>
<td><strong>4,891,890</strong></td>
</tr>
<tr>
<td><strong>(excluding fuel)</strong></td>
<td></td>
<td><strong>116,721</strong></td>
</tr>
</tbody>
</table>

**Revenue Vehicle Hours:**  
- **Billing Rate_2015 ATN Maintenance Program** (Excluding Fuel): $ 41.91  
- **Billing Rate_2015 ATN Maintenance Program** (Including Fuel): $ 44.92  
- **Billing Rate_2016 ATN Maintenance Program** (Excluding Fuel): $ 43.17  
- **Billing Rate_2016 ATN Maintenance Program** (Including Fuel): $ 46.18  
- **Billing Rate_2017 ATN Maintenance Program** (Excluding Fuel): $ 44.46  
- **Billing Rate_2017 ATN Maintenance Program** (Including Fuel): $ 47.47  
- **Billing Rate_2018 ATN Maintenance Program** (Excluding Fuel): $ 45.80  
- **Billing Rate_2018 ATN Maintenance Program** (Including Fuel): $ 48.81  
- **Variable Billing Rate_2015 Beyond 110,000 VRH** (Excluding Fuel): $ 36.53  
- **Variable Billing Rate_2015 Beyond 110,000 VRH** (Including Fuel): $ 39.54  
- **Variable Billing Rate_2016 Beyond 110,000 VRH** (Excluding Fuel): $ 37.63  
- **Variable Billing Rate_2016 Beyond 110,000 VRH** (Including Fuel): $ 40.64  
- **Variable Billing Rate_2017 Beyond 110,000 VRH** (Excluding Fuel): $ 38.75  
- **Variable Billing Rate_2017 Beyond 110,000 VRH** (Including Fuel): $ 41.76  
- **Variable Billing Rate_2018 Beyond 110,000 VRH** (Excluding Fuel): $ 39.92  
- **Variable Billing Rate_2018 Beyond 110,000 VRH** (Including Fuel): $ 42.93

**Pass Through Operating Costs:**
- **Fuel**: $ 467,500.00

**Variable Rate Composition per Vehicle Revenue Hour:**
- Dispatch: $ 4.11
- Driving Personnel (Contractor): $ 25.60 Effective April 1, 2014
- Maintenance (Parts Only): $ 5.21
- Maintenance (Personnel): $ 1.61
- Fuel: $ 3.01

* Amortized Buy-Out Cost Over a 5-year Contract Term  
** 3% CPI
Vehicle Maintenance Agreement  
Schedule “A”

THIS AMENDMENT is made this day of , 20 to the Vehicle Maintenance Agreement dated as of (the “VMA”) between PENSKE TRUCK LEASING CO., L.P. (“Penske”) and (“Customer”).

Intending to be legally bound, the parties agree that the VMA is amended as follows:

1. Article 2, by adding the following sentence to the end thereof:
   “Penske shall provide all Included Services and Additional Services in a good and workmanlike manner, meeting or exceeding manufacturers’ recommendations.”

2. Article 7 is amended as follows:
   • 7.b, fifth sentence, by deleting the words “thirty (30) days” and replacing them with the words “sixty (60) days”.
   • 7.c. is deleted in its entirety and replaced with the following:
     “c. Deposit. Intentionally omitted.”

3. Article 9 is amended as follows:
   • 9.a., by adding the following sentence to the end thereof:
     “Notwithstanding the foregoing, Customer does not assume the risk of any loss or damage caused solely by Penske’s negligence or willful misconduct.”
   • 9.b., by deleting the words “One Million Dollars ($1,000,000.00)” and replacing them with the words “Ten Million Dollars ($10,000,000.00)”.
   • 9.b, by adding the following immediately after the first sentence thereof:
     “For the Vehicles described on Schedule _____, Customer represents and warrants that it is engaging one or more third-party contractors (each, a “Driving Company”) to operate the Vehicles on Customer’s behalf, and that Customer will not operate the Vehicles in any manner whatsoever. Customer shall contractually require that each Driving Company procure and maintain automobile liability insurance policies in conformance with the previous sentence with limits of at least a combined single limit of Ten

Schedule “A” annexed to and made a part of Vehicle Maintenance Agreement dated between and PENSKE TRUCK LEASING CO., L.P., effective on the day of , 20.

PENSKE TRUCK LEASING CO., L.P.  

Signature:  
Title:

CUSTOMER:

Signature:  
Title:
Million Dollars ($10,000,000.00) per occurrence. If any Driving Company fails to procure or maintain such policies of insurance, Customer shall, at its sole cost and expense, procure and maintain such insurance."

- 9.b, third sentence, by adding the word “All” to the beginning of the sentence immediately before the word “Such”, deleting it in its entirety and replaced with the following:

  “Driving Company’s insurance shall be primary and noncontributory. Customer’s insurance shall apply on an excess basis only to the extent Driving Company’s policy is insufficient to cover the entire loss. All coverage shall be in conformity with the motor vehicle minimum financial responsibility laws as respects “Uninsured Motorist”, “No Fault”, or other optional coverages.

4. Article 10, by adding the following sentence immediately after the first sentence:

  "CUSTOMER SHALL ALSO PROTECT, DEFEND, INDEMNIFY, AND HOLD PENSKE HARMLESS FROM AND AGAINST ALL OF THE FOREGOING TO THE EXTENT CAUSED BY ANY DRIVING COMPANY. NOTWITHSTANDING THE FOREGOING, CUSTOMER SHALL NOT INDEMNIFY PENSKE FOR SUCH CLAIMS, SUITS, COSTS, DAMAGES, EXPENSES, OR LIABILITIES CAUSED SOLELY BY PENSKE’S NEGLIGENCE OR WILLFUL MISCONDUCT.”

5. Article 13 is amended as follows:

- 13.c., second sentence by deleting it in its entirety and replaced with the following:

  “The prevailing party in any legal action under this VMA is entitled to recover reasonable attorneys’ fees and costs from the other party (including those incurred on any appeal).”

- By adding the following new paragraph to the end thereof:

  “d. Penske Default. In the event Customer believes that Penske is in default of this VMA, Customer shall provide written notice to Penske, specifically describing the alleged default and including any and all supporting documentation (‘Default Notice’). If Penske fails to cure any such default within thirty (30) days of Penske’s receipt of the Default Notice (‘Cure Period’), such failure shall be a “Penske Event of Default” unless Penske (i) has made a reasonable request for additional information, (ii) has made a good faith attempt to schedule Customer for service, or (iii) has otherwise commenced such cure within the Cure..."
Period and thereafter pursues such cure to completion in good faith. In the event of a Penske Event of Default, Customer may immediately terminate this VMA upon written notice to Penske. Notwithstanding these rights, nothing in this paragraph shall modify, abridge or alter any other rights, obligations, or waivers under this VMA."

6. Article 14, by adding the following sentence to the end thereof:

"Additionally, Customer shall have the option of terminating this VMA as to a Vehicle described on Schedule ‘A’ No. _____ at any time on or after the second anniversary of their In-Service Dates by giving Penske not less than ninety (90) days’ prior written notice. Furthermore, Customer shall have the option of immediately terminating this VMA in the event of a Change of Control. For purposes of this Article 14, “Change of Control” shall mean Penske’s sale of all or substantially all of its assets; any merger, consolidation or acquisition of the Penske with, by or into another corporation, entity or person; or any change in the ownership of more than 50% of the voting capital stock of Penske in one or more related transactions."

Schedule “A” annexed to and made a part of Vehicle Maintenance Agreement dated _______________ between ____________________________ and PENSKE TRUCK LEASING CO., L.P., effective on the __________ day of __________, 20__.  
PENSKE TRUCK LEASING CO., L.P.  
Signature: ____________________________  
Title: ____________________________  
CUSTOMER: ____________________________  
Signature: ____________________________  
Title: ____________________________
VEHICLE MAINTENANCE AGREEMENT

This Vehicle Maintenance Agreement is executed this 4th day of April, 2010 by and between PENSKE TRUCK LEASING CO., LLP., a Delaware limited partnership with an address at Route 10-Green Hills, P.O. Box 563, Reading, PA 19603-0563 ("Penske"), and Anaheim Transportation Network (indicate which) (X) a corporation, ( ) a partnership, ( ) a limited liability company under the laws of the State of California with an address at 1354 South Anaheim Blvd. Anaheim, CA 92805 ("Customer") and relates to the vehicle(s) described on the Schedule(s) A (the "Vehicle" or "Vehicles") annexed to this Vehicle Maintenance Agreement now or hereafter. The term "VMA" means this Vehicle Maintenance Agreement and all Schedules attached hereto now or hereafter. It is expressly understood that this is a contract of maintenance ONLY, and that Penske has not and does not by these presents acquire any title to Vehicles described in any Schedule A.

1. GENERAL; TERM AND EXPIRATION
   a. Term. This VMA shall become effective with respect to each Vehicle on the in-service date listed on the in-service documentation provided by Penske (the "Date in Service") and shall end on the last day of the calendar month that is the number of months identified in the "Term Mth." column on Schedule A from the Date in Service.
   b. Initial Vehicle Condition. With respect to each Vehicle under this VMA, Penske shall within a reasonable period of time after each Vehicle's Date in Service, at Customer's expense (i) approve the specifications for such Vehicle, and (ii) perform any and all work necessary to make sure such Vehicle is in compliance with all applicable federal, state and local laws and regulations and Penske's established safety-related standards.

2. PENSKE'S OBLIGATIONS. With respect to each Vehicle, Penske may provide two (2) types of services: (a) those services listed on that Vehicle's Schedule A as being included in the Vehicle's fixed, mileage or hourly charges ("Included Services") and/or (b) all other services, whether or not listed in a Vehicle's Schedule A, to the extent that such services are customary and reasonable. Additional Services will be billed to Customer on a per service basis in accordance with the rates and charges set forth in the Schedule A. For applicable Additional Services, Penske will provide and bill Customer for parts in accordance with Penske's Fleet Price, (y) Penske will bill Customer for labor at the hourly labor charge rate specified on the subject Vehicle's Schedule A (which labor charge rate will be adjusted pursuant to Article 15 below), and (z) for repairs performed by third parties hired by Penske, Penske will bill Customer at the third party's invoice price plus a reasonable markup. Certain Included Services may, at Penske's option, cease to be included in the fixed, mileage or hourly charge, and will be considered Additional Services upon the occurrence of one or more of the specific events identified in that Vehicle's Schedule A, each, as a "Trigger Event." Trigger Events may include, but are not limited to, exceeding a specified number of miles, months or hours, as the case may be. The change from Included to Additional Services shall be effective upon the date Penske becomes aware of the respective Trigger Event and the charges related to this change will appear in the Customer's billing for the succeeding month(s) following the Trigger Event, at which time Penske will issue written notice of such change to Customer. Penske shall provide all Included Services and Additional Services in a good and workmanlike manner, free of defects or deficiencies noted in the course of a Preventive Maintenance Inspection ("Mechanical Repairs") will be repaired by Penske at such time. If Penske rents a substitute vehicle as part of the Included or Additional Services, Customer shall execute Penske's rental agreement, which shall govern the terms and conditions of such rental.

3. CUSTOMER OBLIGATIONS. Customer shall not cause or permit any person other than Penske or persons authorized by Penske to provide any Included Services for a Vehicle and shall abide by Penske's directions concerning emergency repairs. Customer will cause its drivers to promptly report any trouble concerning a Vehicle and check oil and coolant levels in each Vehicle on a daily basis. Customer will return each Vehicle to Penske at the service location set forth on its Schedule A, or as otherwise directed by Penske, for performance of Preventive Maintenance Inspections (as defined below) at such intervals as Penske shall direct, based upon Penske's standards and any applicable Included or Additional Services at mutually agreed upon scheduled times. For purposes of this VMA and any Schedules attached hereto, Preventive Maintenance Inspection means (a) inspecting a Vehicle pursuant to Penske's standard checklist for that type of vehicle, (b) performing an oil coolant analysis, (c) conducting Federal and state inspections, (d) tightening bolts, and (e) checking and (if necessary) replacing lubrication fluids and engine and fuel filters. Any defects, defects or deficiencies noted in the course of a Preventive Maintenance Inspection ("Mechanical Repairs") will be repaired by Penske at such time. If Penske rents a substitute vehicle as part of the Included or Additional Services, Customer shall execute Penske's rental agreement, which shall govern the terms and conditions of such rental.

4. SPECIFICATIONS; MANUFACTURER'S WARRANTIES. Customer shall make reasonable efforts to furnish to Penske complete specifications and prior maintenance and warranty records of each Vehicle prior to its placement into service under this VMA. Customer authorizes the manufacturer of each Vehicle to provide Penske with all major component information of such Vehicle (including without limitation vehicle sales order data, but excluding any proprietary customer specific ordering information). Customer acknowledges and agrees that Penske will provide a copy of this authorization to the vehicle manufacturer, which manufacturer shall be entitled to fully rely on this authorization. Customer shall furnish or assign to Penske all manufacturer's warranties applicable to the Included Services to be provided and shall assist Penske in obtaining the benefits of such warranties. Customer hereby appoints Penske to be Customer's attorney-in-fact for the purpose of making and pursuing warranty claims. In the event a manufacturer requires Customer to submit warranty claims directly, Penske will provide the data to enable Customer to prepare and submit its own warranty claim form. Amounts paid by manufacturers to Penske or for warranty claims made pursuant to Included Services will be the property of Penske, and Customer will promptly advise Penske of its submission of the warranty claim and immediately remit the proceeds of any claim to Penske. All amounts paid by manufacturers to Penske for warranty claims made pursuant to Additional Services will be credited against the Customer's invoice for the month immediately following the month Penske receives such proceeds.

5. FUEL
   a. Provision of Fuel. If Penske provides fuel, it shall be provided at charges that vary over time from Penske facilities or from facilities participating in the Penske Fuel Stop Program. Penske shall invoice Customer for the charges and all applicable taxes and fees for the fuel. Customer may procure fuel from other sources at its own expense. If Customer is past due on payment of any invoices rendered by Penske or an "Event of Default" (as defined in Article 13.2 below) has occurred, Penske may (in addition to any other remedy under this VMA) immediately discontinue providing fuel to Customer.
   b. Fuel Cards. If Penske provides Customer with any fuel cards for the purchase of fuel, Customer shall be fully responsible for all purchases made under such fuel cards, even if made improperly or illegally. Customer shall immediately report lost or stolen fuel cards to Penske, if Customer fails to pay fuel card charges when due, Penske may (in addition to any other remedy under this VMA) immediately cancel Customer's fuel cards.

6. TAXES. Customer shall pay all taxes and assessment that are now in force or may hereafter be levied on the Vehicles or in respect of this VMA or the charges hereunder or the services provided by Penske hereunder.

VMA Rev. 4/10 1 of 4
7. CHARGES.

a. Charges. As used in this VMA, "Charges" means the fixed charges, mileage charges, labor charges, hourly charges, refrigeration fuel charges, fuel charges, charges for Additional Services, and any other amounts and charges listed on Schedule A and/or described elsewhere in this VMA.:

b. Invoiced Charges. Customer shall pay Penske all Charges within seven (7) days of the date of Penske's invoice, without deduction or offset. Penske reserves the right to interest on unpaid Charges (at the rate of 1% per month) and to collect all reasonable fees and costs associated with the collection of paid-in-full Charges.

c. Deposit. Intentionally omitted.

8. VEHICLE USE AND DRIVERS.

a. Operation. Vehicles shall be operated by a qualified, properly licensed driver, who, for purposes of this VMA only, shall conclusively be presumed to be Customer's agents, servants or employees, and subject to Customer's exclusive direction and control, Vehicles shall not be operated:

b. Transportation of goods (including but not limited to, in transit, export, delivery) unless specified in Schedule A;

c. Delegated extensive duties (including but not limited to, in transit, export, delivery) unless specified in Schedule A.

9. PHYSICAL DAMAGE AND LIABILITY COVERAGE.

a. Physical Damage. Customer shall accept the cost of procuring and maintaining liability coverage for each Vehicle, with an insurance carrier having an AM rating of B+ or above, for injuries, damages, or deaths that are attributable to or incurred by the use or operation of the Vehicle, whether or not the incident results in a collision, damage to a vehicle, property, or person, and whether or not the incident involves a third party or other vehicle.

b. Responsibility for Damage. Customer shall be solely responsible for the cost of any repair or replacement of any part of the Vehicle, including, but not limited to, the cost of labor, materials, and parts.

c. Notification of Accidents. Customer shall notify Penske with regard to any accident involving the Vehicle, at any time, and in any manner, including, but not limited to, phone, fax, or email.

d. Physical Damage and Liability Coverage. Physical Damage and Liability Coverage shall be provided by a qualified insurance carrier with an AM rating of B+ or above, and shall cover all incidents involving the Vehicle, including but not limited to, collision, theft, vandalism, and any other incidents that may arise.

10. INDEMNIFICATION.

a. Indemnification. Customer shall indemnify, defend, and hold harmless Penske, its officers, directors, agents, employees, representatives, and any other parties, from any and all claims, suits, costs, losses, damages, expenses, and liabilities (including reasonable attorneys' fees), even if Penske is claimed to have been or is proven to be negligent, arising from, but not limited to:

b. Customer's failure to comply with the terms of the lease or the operation of the Vehicle.

c. Any loss or damage incurred by Penske, its officers, directors, agents, employees, representatives, or any other party, from any and all claims, suits, costs, losses, damages, expenses, and liabilities caused by the use of the Vehicle by any other party.
OBLIGATIONS UNDER THIS ARTICLE 10 SHALL SURVIVE THE TERMINATION OR EXPIRATION OF THIS VMA.

11. BASE OF OPERATION. If Customer moves the base of operation of a Vehicle from that shown on such Vehicle’s Schedule A or changes the nature of such Vehicle’s operation, Penske shall have the right to adjust the Charges for such Vehicle to compensate for such changes or to terminate this VMA with respect to such Vehicle immediately upon written notice to Customer.

12. FORCE MAJEURE. Neither party shall incur liability to the other party for a failure to perform any obligations under this VMA (excluding payment and insurance obligations) that is caused by events beyond such party’s reasonable control, such as (but not limited to) war, terrorist attack, fire, governmental regulations, acts of God, labor disputes, manufacturer, supplier or transportation shortages or delays, fuel allocation programs, or manufacturer’s defects.

DEFAULT AND REMEDIES.

a. Event of Default. An ‘Event of Default’ shall occur if (i) Customer fails to pay any Charges when due or if Customer or Penske fails to maintain any insurance coverage required under this VMA, or (ii) Customer or Penske fails to perform or violates any other term of this VMA and such failure continues for five (5) days after written notice thereof is sent to the violating party or Customer, or (iii) Customer or Penske any guarantor of Customer’s obligations files or suffers the filing against it of a petition under the Bankruptcy Code or under any other insolvency law or law providing for the relief of debtors, or (iv) any material representation or warranty made by Customer in this VMA or in any document furnished to Penske by Customer or any guarantor of Customer’s obligations is incorrect in any material aspect.

b. Remedies. Upon the occurrence of an Event of Default, Customer or Penske as the case may be shall not be required to perform its obligations under this VMA and may immediately terminate this VMA and/or proceed by appropriate court action to enforce the terms of this VMA and/or to recover damages for the breach of any of its terms.

c. Interest; Attorney’s Fees. Should Customer fail to pay any Charges when due, Customer shall be liable for interest on such delinquent amounts at the rate of one and one-half percent (1.5%) per month or the maximum permissible rate allowed in the jurisdiction in which Customer’s principal place of business is located, whichever is lower, from the date on which payment was due until paid. If Penske initiates any legal action against Customer as the result of an Event of Default, Penske shall be entitled to reimbursement from Customer of all expenses of collection and recovery reasonable attorneys’ fees and costs from the other party (including those incurred on any appeal).

d. Penske Default. In the event Customer believes that Penske is in default of this VMA, Customer shall provide written notice to Penske, specifically describing the alleged default and including any and all supporting documentation (“Default Notice”). If Penske fails to cure any such default within thirty (30) days of Penske’s receipt of the Default Notice (“Cure Period”), such failure shall be a Penske Event of Default” unless Penske (i) has made a reasonable request for additional information, (ii) has made a good faith attempt to schedule Customer for service, or (iii) has otherwise commenced such cure within the Cure Period and thereafter pursues such cure to completion in good faith. In the event of a Penske Event of Default, Customer may immediately terminate this VMA upon written notice to Penske. Notwithstanding these rights, nothing in this paragraph shall modify, abridge or alter any other rights, obligations, or waivers under this VMA.

14. TERMINATION PRIVILEGES. Either party may, upon any sixty (60) days’ prior written notice to the other, terminate this VMA as to any Vehicle(s) on any annual anniversary of such Vehicle’s In-Service Date. Additionally, Customer shall have the option of terminating this VMA, as to a Vehicle described on Schedule A, No., at any time on or after the second anniversary of their In-Service Dates by giving Penske not less than ninety (90) days’ prior written notice.

15. ADJUSTED COST. For each rise of at least one percent (1%) in the Consumer Price Index for All Urban Consumers for the United States published by the United States Department of Labor, Bureau of Labor Statistics ("CPI"), or any successor index designated by Penske, above the CPI figure applicable for each Vehicle as of the "Effective Date" indicated on its Schedule A, the Charges for such Vehicle shall be adjusted upward based upon such percentage increase in the CPI. All increases under this Article A shall be implemented semiannually on January 1 and July 1. Upon adjustment, the fixed charge and hourly labor charge shall be rounded off to the nearest whole cent and all adjustments in the basic mileage and refrigeration charges shall be rounded off to the nearest tenth of a mil.

16. NON-LIABILITY FOR CONTENTS. Penske shall not be liable for loss of, or damage to, any cargo or other property left, stored, loaded or transported in, under, or by any Vehicle at any time or place.

17. ASSIGNMENT AND SUBLETTING.

a. By Customer. WITHOUT THE PRIOR WRITTEN CONSENT OF PENSKES, WHICH CONSENT WILL NOT BE UNREASONABLY WITHHELD, CUSTOMER SHALL NOT VOLUNTARILY OR INVOLUNTARILY ASSIGN OR PLEDGE THIS VMA, OR UNDERGO A CHANGE OF CONTROL THAT WOULD OTHERWISE ASSIGN THIS VMA BY OPERATION OF LAW.

b. By Penske. This VMA and any sums due or to become due hereunder may be assigned or otherwise transferred, either in whole or in part, by Penske, without giving any obligations of Customer and, in such event, Customer’s rights shall be subject to any lien, security interest or assignment given by Penske in connection therewith, and the transferee or assignee shall have all of the rights, powers, privileges and remedies of Penske, however Penske may not assign maintenance obligations under this VMA without Customer’s prior written consent, which consent will not be unreasonably withheld.

18. DISCLAIMER. OTHER THAN MANUFACTURER’S WARRANTY OF PARTS AND PENSKES WARRANTY OF LABOR FOR MAINTENANCE AND REPAIRS UNDERTAKEN.

19. MISCELLANEOUS. This VMA (including all the schedules attached hereto) shall be considered to be a single integrated contract and constitute the entire agreement between the parties regarding the Vehicles. Upon execution by Penske and Customer, this VMA shall be binding on the respective parties and their legal representatives, successors and assigns and its terms shall not be amended or altered by failure of either party to insist on performance, or failure to exercise any right or privilege, or in any manner unless such amendment or alteration is in writing and signed on behalf of the parties hereto. Time shall be of the essence of this VMA. No waiver or breach of any covenant or obligation herein shall be construed to be a waiver of the covenant or obligation itself, or any subsequent breach thereof. This VMA shall supersede any and all proposals or agreements, written or verbal, between the
parties, relating to the subject matter hereof and may not be modified, terminated or discharged, except in a writing signed by the party against whom the enforcement of the modification, termination or discharge is sought. Any notice required hereunder shall be sent by certified mail or overnight mail to the address written above (except that notices sent to Penske via overnight courier shall be sent to Route 10 and Pheasant Road, Reading, PA 19607) or such other address as either party shall furnish and shall be deemed delivered upon deposit in the United States mail or confirmed receipt by the overnight courier. This VMA is to be interpreted, construed and enforced in accordance with the laws of the Commonwealth of Pennsylvania. In the event any of the terms and provisions of this VMA are in violation of or prohibited by any law, statute, regulation, or ordinance of the United States and/or state or city where the VMA is applicable, such terms and provisions shall be deemed amended to conform to such law, statute, regulation, or ordinance without invalidating any of the other terms and provisions of this VMA.

IN WITNESS WHEREOF, the parties have caused this VMA to be executed by their duly authorized representative as of the date first above written.

PENSKE TRUCK LEASING CO., L.P.

Signature:___________________________
Title:______________________________
Witnessed or
Attested By:_____________________

CUSTOMER: Anaheim Transportation Network

Signature:___________________________
Title:______________________________
Witnessed or
Attested By:_____________________

VMA Rev. 4/10