## LEASE AGREEMENT

THIS LEASE AGREEMENT is made and entered into this 31st. \_\_\_\_\_\_day of DecemberMay, 20135 by and between CITY OF McALLEN c/o METRO MCALLEN, 1501 W. Highway 83, Suite 100, McAllen, TX 78501, hereinafter called "LESSOR," and Sto N Transit \_\_\_\_\_\_, hereinafter called "LESSEE."

# WITNESSETH:

WHEREAS, LESSEE is in need of access to the Metro McAllen queuing area bus slip for use in the operation of a private transportation system, and

WHEREAS, LESSOR is the owner of queuing area bus slip and is willing and desirous of leasing such area to LESSEE for LESSEES' use, subject to the terms and conditions of this agreement as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual covenants, conditions and premises as hereinafter set forth, it is mutually agreed as follows:

I.

CITY OF MCALLEN c/o METRO MCALLEN hereby agrees to lease to LESSEE ONE (1) transit bus slip in accordance with standard specifications as identified below:

The said bus slip shall be available no later than by December May 31 , 20135.

Π.

Upon availability, LESSEE will acknowledge in writing the use and availability of said bus slip, and the condition of same and agrees to surrender bus slip in same condition as received, normal wear excepted. LESSEE agrees, upon expiration of this lease or any earlier termination thereof, to cede use of bus slip.

III.

- A. LESSEE, during the term of this Lease and while the bus slip as described herein is made available, shall have the shared use of such bus slip. LESSEE will abide by all procedures as established, or established in the future, by CITY OF McALLEN c/o METRO MCALLEN and hereby agrees to conduct its operation without interfering with Metro McAllen Transit operation.
- B. LESSEE shall queue at said bus slip only at the times specified in EXHIBIT A of this Lease during the term hereof in accordance with the operating procedures of CITY OF McALLEN c/o METRO MCALLEN. LESSEE agrees to exhibit said bus slip and allow

inspection thereof at any time upon written demand of the CITY OF McALLEN c/o METRO MCALLEN of at least 24 hours.

- C. LESSEE shall abide by all the rules and regulations as specified in EXHIBIT A of this Lease.
- D. LESSEE shall furnish CITY OF McALLEN c/o METRO MCALLEN with a copy of its liability insurance showing CITY OF McALLEN c/o METRO MCALLEN as CERTIFICATE HOLDER on its liability insurance.
- E. LESSEE agrees to indemnify and hold harmless the CITY OF McALLEN c/o METRO MCALLEN, its officers, employees and agents, from and against any and all liabilities, claims, charges, penalties, fines, causes of action, suits, liens, losses, loss of use, damage costs and expenses of any kind (including legal fees and litigation costs) arising from or related to LESSEE's, its officers, employees' and agents' operation and/or control of said bus slip.
- F. LESSEE shall pay the City of MCALLEN c/o METRO MCALLEN the sum of \$1,021.14\subseteq \frac{511.00}{1.02}\$ on a monthly basis for usage of the bus slip assigned for use by LESSOR. The monthly payment is due on the 1st day of every month and must be submitted by the 10th day of every month. A 5% late fee will be added for every month that a payment is paid after the 10th day of every month.

IV.

- A. The vehicle shall comply with all United States Department of Transportation Motor Vehicle Safety Standards and comply with all federal and state motor vehicle pollution requirements if applicable.
- B. The vehicle shall have installed and in good working order an air conditioning system capable of cooling the interior of the vehicle to at least 75 degrees Fahrenheit under normal operating conditions.

V.

- A. The term of this agreement shall commence on the 31st \_\_\_\_day of December May 20135 and end on 30th \_\_\_\_day of DecemberMay, 20146.
- B. LESSOR reserves the right to terminate this Lease if LESSEE fails to comply with any term or obligation in this Lease. In addition, LESSOR may terminate this Lease with or without cause upon fifteen (15) days written notice.

VI

LESSEE agrees to comply with all reporting requirements as requested by the CITY OF McALLEN c/o METRO MCALLEN.

# VII.

LESSEE shall be subject to the Federal Transit Administration (FTA) Interlocal Agreement, by and between LESSOR and the Lower Rio Grande Development Council on file with the City Secretary of the City of McAllen.

# VIII.

All notices provided to be given under this Agreement, shall be given by certified mail or registered mail, addressed to the proper party, at the following address:

CITY OF MCALLEN

City of McAllen c/o Metro McAllen 1501 W. Highway 83, Suite 100 McAllen Texas 78501

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals on the day and year first above written.

"LESSE	E"	CITY OF MCALLEN "LESSOR"	
Ву:		By:	
Name:		Name: Roel "Roy" Rodriguez	
Title: Owner		Title: City Manager	
Date:		Date:	

# EXHIBIT A RULES AND REGULATIONS

The following rules and regulations have been formulated for the safety and well-being of all LESSEE'S of the Property. Strict adherence to these rules and regulations and any successors or additions thereto is necessary to guarantee that every tenant will enjoy a safe and undisturbed occupancy of its premises. LESSOR reserves the right to amend these rules and regulations and to promulgate additional rules and regulations. Any violation of these rules and regulations and any successors or additions thereto by LESSEE may constitute a default by LESSEE under the Lease. Lessee agrees that all its employees, agents, drivers and other representatives in any capacity while on City Premises or adjacent areas will observe and abide by the terms stated in Exhibit A. (A), and that any failure to do so will constitute a default of this agreement.

A. Throughout the Lease Term, LESSEE covenants and agrees to the following:

## **Operations**

- 1. Lessee shall at all times be responsible for the conduct and all actions and activities of its employees, agents, drivers and other representatives in any capacity while on City Premises or adjacent areas and/or while transporting any passenger.
- At all times during the term of this Agreement, each and every transit vehicle owned by Lessee shall be licensed continuously as a transit vehicle under McAllen Code of Ordinances, Chapter 114, Article VII, the Federal Motor Carrier Safety Administration, the Texas Department of Transportation, and the Texas Department of Public Safety.
- 3. At all times during the term of this Agreement, each and every driver, including owner operators, of Lessee's transit vehicles shall be a salaried or commissioned employee of Lessee, and have a valid and current Transit Vehicle Operators permit issued under McAllen Code of Ordinances, Chapter 114, Article II. Drivers shall comply with maximum work hour regulations as set forth by the Federal Motor Carrier Safety Administration and the Texas Department of Transportation.
- 4. Shall keep each transit vehicle in good operating condition, including functioning heating and air conditioning units, and shall maintain such vehicles in a clean trash-free condition without torn seats or dented bodies.
- Ensure that agents and employees abide by the hours of operation of Metro McAllen at all times, and only use said bus slip for the business of transporting passengers and baggage.
- 6. Understand that during the hours of operation for Metro McAllen said bus slip shall only be available twenty (20) minutes after the hour and must be vacated fifteen (15) minutes before the hour or when Metro McAllen buses are present, and access shall be strictly prohibited at all other times.

Commented [BR1]: Makes owner of company responsible for all activities at Central Station and subject to Operations Section A.

Commented [BR2]: New provision: Makes owners responsible for all agents

Commented [BR3]: New provision: Only permitted vehicles shall be able to service Central Station and such vehicles must comply with Federal and State regulations.

Commented [BR4]: New provision: Only permitted drivers shall be able to service Central Station and shall abide by Federal and State regulations.

Commented [BR5]: New provision: Vehicles must be in good operating and aesthetic conditions.

Commented [BR6]: Includes Metro McAllen instead of McAllen Express Transit and prohibition of bus slip during Metro's hours of operations

Commented [BR7]: Replaces McAllen Express Transit

7. Ensure that bus slip shall be used strictly for passenger loading/unloading. Idling shall be restricted to five (5) minutes only. Commented [BR8]: Allows for additional three minutes of idle 8. Ensure that transit vehicles shall service McAllen Central Station as part of a continuous route and temporarily stop to load and unload passengers only at approved bus stops Commented [BR9]: New provision: Continuous route for transit vehicles that can only service approved stops 9. Ensure that other than loading and unloading of passengers at said bus slip, the only other bus stops approved for passenger pick up shall be located at 900 South 10th Street, H.E.B. bus stop on the Frontage Road just east of 200 West Expressway 83, and at 2100 South Commented [BR10]: Adds a new stop to the transit route 10th Street in front of La Plaza Mall. 10. To use only approved stops for loading/unloading of passengers in the City of McAllen and shall not transfer passengers from one transit vehicle to another at any time. Only exception to this provision is in the event of an accident or break down of a transit Commented [BR11]: New provision: For route and prohibits vehicle. 11. Transit vehicles shall not cruise to solicit passengers at any time. Circling around McAllen Central Station shall only be allowed in the event that Metro McAllen buses are occupying bus slip area and shall be limited to one pass around the station. Commented [BR12]: New provision: prohibits cruising around 12. Mechanical repairs or modifications of any kind are strictly prohibited while at approved bus slip. 13. Ensure that no soliciting by agents, guests, invitees, and/or employees occurs on City Commented [BR13]: Probibits unauthorized activity from Premises or adjacent areas and/or within McAllen Central Station occurring on and around Central Station. 14. Not to use any equipment, machinery or advertising medium, except as may otherwise be permitted by this Agreement, or specifically approved in writing by Lessor Commented [BR14]: Removed landlord and includes Lessor to 15. Not to distribute or display any handbills or other advertising matters or devices on City Commented [BR15]: Removed not to solicit business clause since it is already used on provision 13. Premises or adjacent areas and/or within McAllen Central Station. 16. Not to permit or encourage any loitering on City Premises or adjacent areas. Not to Commented [BR16]: Added word City permit or encourage any canvassing, soliciting, peddling or demonstrating on City Commented [BR17]: Combined old provision 9 and 11 since Premises or adjacent areas. they were similar in nature 17. Not to engage in or encourage any violent or hostile behavior in any aspect of the operation. Lessee's drivers shall not engage in boisterous or rowdy conduct; employ profanity or use loud abusive language in conversation with customers, other drivers or any other person; or participate in gambling or any other unlawful activity on City Commented [BR18]: Addition to prevent Lessee's drivers from Premises or adjacent areas disrupting operations or prevent otherwise unlawful activity at Central Station.

18. Ensure that all drivers be fully and neatly dressed and exhibit good personal hygiene. Clothing shall not exhibit any symbols, phrases or otherwise obscene renderings. Shoes shall be clean and worn with socks and no sandals or flip-flops shall be allowed. Drivers Commented [BR19]: New provision for Lessee's drivers to shall not use City Premises or adjacent areas for sleeping. abide by dress code and prohibit sleeping similar to taxi concessionaire contract. 19. Not to employ any of Lessor's employees for any purpose whatsoever, or request such employees to do anything outside of their regular duties. 20. Not to wash or hire anyone to wash transit vehicle while in bus slip area. 21. Ensure that all drivers and transit vehicles operated by Lessee shall not deface or damage any structures on the premises or any other City property. Commented [BR20]: New provision: makes Lessee responsible for any damage caused to Central Station caused by negligence or 22. Ensure that no littering occurs on City Premises and ensure all trash and litter shall be deposited in the receptacles provided therefore Commented [BR21]: New provision: Prohibits littering. 23. Ensure all drivers obey the Rules and Regulations while operating at Central Station, as Commented [BR22]: Catchall provision for any other well as with all other applicable City Ordinances and with State (TX) motor vehicle laws. 24. Ensure all drivers comply with the lawful direction of McAllen Police and or the Traffic Director or their duly authorized representatives Commented [BR23]: Allows for authorized agents such as onel to request removal of vehicle or driver in non-compliance 25. Shall not discriminate on the basis of race, color, sex, gender, disability, age or national Commented [BR24]: Non-discrimination clause B. Indemnification: Lessee shall keep and hold City of McAllen harmless from and against any Commented [BR25]: New section taken from taxi and all claims, demands, actions, judgments, costs and expenses, including attorney's fees, asserted by any person or persons, including Lessee and its agents and employees, by reason of the death or injury to persons, and loss or damage to property resulting from Lessee's operation pursuant to this Agreement, or sustained in or upon City premises or adjacent areas as the result of action or omission of Lessee, its agents or employees. Commented [BR26]: New section taken from taxi C. Breach and Default In the event Lessee shall default in performance of any term, provisions, requirements or covenant contained herein and fail to correct such default within a period of forty-eight hours after delivery of written notice to correct same, Lessor shall have the right to declare a breach and terminate this Agreement by written order of the Transit Director or D. Penalties for Violation of Section A (Operations) or any other ordinance. If any one of Commented [BR27]: New section taken from taxi onaire contract that will allow better control of operation Lessee's drivers commits a default under Section A, Lessee agrees not to allow such driver to Central Station to non-compliant individuals operate a transit vehicle under this Agreement for forty-eight hours, such period beginning at 7:00 a.m. on the day following receipt of written notification of the default, and ending at

6:59 a.m. two days later. If any one of Lessee's drivers shall commit three violations of Section A in a sixty day period, Lessee agrees not to allow such driver to operate any one of Lessee's transit vehicles, even if employed by another company which has a similar

agreement with the City, for ninety days after written notification by City of such violations. City shall have the right to declare a breach of this Agreement at all times. Any other license or permit issued by the City of McAllen may be revoked or suspended after notice and hearing as per Section 114-28. Penalties, enforcement, revocation and suspension of the McAllen Code of Ordinances.

- E. Appeals: Appeals may be made if Lessee's driver has received three defaults within a ninety (90) day period or City has declared a breach of this Agreement, then Lessee and, in the case of driver's defaults, the driver, may request a hearing. Hearing request must be made in writing to the Transit Director or their authorized representative within ten (10) days of the notification of such third default or breach of Agreement. If a request for a hearing is not made within ten (10) days of notice, the Transit Director's initial decision shall be final. The hearing shall be held by the Transit Director and the driver or Lessee, as the case may be, shall have the right to present their own case or have their counsel do so. Within a reasonable time after the hearing, the Transit Director shall determine the validity of the defaults or breach, and will notify the driver and/or Lessee of the outcome. The driver and/or Lessee shall have ten (10) days after notification of the decision of the Transit Director to appeal such decision, in writing to the City Manager. If a request for an appeal hearing is not mad within ten (10) days of notice, the decision of the Transit Director shall be final. The driver or Lessee, as the case may be, shall have the right to present their own appeal to the City Manager or have their counsel do so. Within a reasonable time after the appeal hearing, the City Manager shall render a decision. The decision of the City Manager may be appealed to the Board of Commissioners; provided, that notice of appeal be perfected within ten (10) days of the City Manager's decision. Notice of appeal is perfected by sending a certified letter, return receipt requested, addressed to the Honorable Mayor and Board of Commissioners of the City of McAllen, stating that an appeal from the decision of the City Manager is desired to the Board of Commissioners. The City Secretary shall thereafter place such appeal on the next agenda for the next regular meeting of the Board of Commissioners. No waiver by City of any breach or default by Lessee shall be constructed or interpreted to be a waiver of any subsequent breach or default or failure by Lessee to perform all of its obligations hereunder. In the event of termination as herein provided, Lessee shall have no further right or claim against City under this Agreement, and shall immediately cease all activities at the bus terminal as a Transit Vehicle and return to City all bus slip access cards.
- F. Lessee acknowledges that it is the Lessor's intention that the Property be operated in a manner which is consistent with the highest standards of cleanliness, decency and morals in the community which it serves. Lessee shall not sell, distribute, display or offer for sale any item which, in Lessor's judgment, is inconsistent with the quality of operations of the Property or may tend to impose or detract from the moral character or image of the Property.
- G. Lesson reserves the right to exclude from City Premises or adjacent areas, at any time, any person who is not known to Lessor or does not provide proper identification to the Transit Director or designee. Lessor may at its option require all persons admitted to or leaving the City Premises or adjacent area to register. Lessee shall be responsible for all persons for whom it authorizes entry onto City Premises or adjacent areas and shall be liable to Lessor for all acts of such persons.

Commented [BR28]: New section that sets forth appeal process for violators of contract.

Commented [BR29]: Rearranged order of provision. Used to be B in former contract.

Commented [BR30]: Rearranged order of provision. Used to

# Reports

- Submit monthly ridership reports by the tenth (10<sup>th</sup>) day of each month for the previous month's activity. Such reports shall be turned in to the Administrative Office in Suite 100
- Report all incidents and or accidents occurring upon City Premises or adjacent areas and/or McAllen Central Station which involves Lessee's agents, employees, invitees, licensees, customers, clients, guests, and sub-tenants. Said occurrences shall be documented by Lessee and submitted to the Administrative Office in Suite 100 within twenty-four (24) hours of occurring.
- 3. Report any criminal activity occurring upon City Premises and/or McAllen Central Station which involves Lessee's agents, employees, invitees, licensees, customers, clients, guests, and sub-tenants. Said occurrences shall be documented by Lessee and submitted to the Administrative Office in Suite 100 within twenty-four (24) hours of occurring.
- 4. Submit to Lessor a corporate point of contact and/or a corporate press release in the event that a bus departing from City Premises and/or McAllen Central Station is involved in a fatal accident. Said information shall be disseminated to the media and/or public as deemed necessary by Lessor.

# NEW PROPOSED MONTHLY RENT FOR TRANSIT VEHICLES

T MONTHLY RENT BUS METRO MONTHLY TRANSIT VEHICLES	SLIP SHARE MONTHLY SHARE I MONTHLY SHARE	\$20,366 \$1,697 \$849 \$849 \$849	\$345	Total Rent: \$1,021 \$1,021 \$5111
NNUAL RENT MONT	BUS SLIP	\$20,366	\$4,144	
ANNUAL AMOUNT A		\$142,560	\$29,005	
-		<b>BUS SLIP RENT</b>	CAM	

Total CAM	17,163	
Total Bus Slips Sq Ft	8,137	

Sq Ft Rate \$1.69

**Sq Ft Rate** \$17.52

\$12,255	\$24,509	\$12,255	-\$12,255
ANNUAL RENT PER COMPANY	TOTAL ANNUAL RENT (2 COMPANIES)	NEW TOTAL ANNUAL RENT (2 COMPANIES)	TOTAL DIFFERENCE

<b>NET BUDGETARY IMPACT NO NEW LESSEES</b>	-\$6,127
NET BUDGETARY IMPACT 1 NEW LESSEE	-\$3,064
<b>NET BUDGETARY IMPACT 2 NEW LESSEES</b>	0\$
<b>NET BUDGETARY IMPACT 3 NEW LESSEES</b>	\$3,064