THE STATE OF TEXAS

COUNTY OF HARRIS

POLICE PRIVATE STORAGE LOT AGREEMENT

This Agreement is made and entered into by and between the City of Houston, Texas, a Texas home rule city, principally situated in Harris County ("the City") and the Operator, identified below.

RECTIALS:

1. Section 8-143 of the Code of Ordinances, Houston, Texas, authorizes the Mayor of City of Houston, upon recommendation of its Chief of Police, to execute agreements with operators of vehicle storage facilities situated within the City of Houston who hold licenses issued pursuant to the Vehicle Storage Facility Act (Chapter 2303 of the Texas Occupations Code - hereinafter referred to as the "Act") to act as "police private storage lots" within the meaning of Article III of Chapter 8 of the Code of Ordinances; and

2. the Operator, identified below, holds a vehicle storage facility license issued pursuant to the Act for the vehicle storage facility identified below, a true copy of which authorization or license is attached to and made part of this Agreement as "Exhibit A;" and

3. the Operator desires to operate the vehicle storage facility as a police private storage lot;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS, that in consideration of the premises and the covenants hereinafter set forth, the City of Houston and the Operator have mutually agreed as follows:

I.
Identity of Storage Lot, Operator and Agents

1.01 The vehicle storage facility to be operated as a police private storage lot pursuant to this Agreement is known as:

_____

(Name under which the vehicle storage facility is operated)

and is hereinafter referred to as the "vehicle storage facility" and is situated at:

_____

_____

(Street address of the vehicle storage facility)

1.02 The vehicle storage facility premises will be operated as a police private storage lot accepting vehicles towed without the consent of the vehicle owner on authorization of a City police officer pursuant to Section 8-116 of the Code of Ordinances and other vehicles as authorized by law. The capacity of the vehicle storage facility is _____ vehicles (not less than ten).

1.03 The "Operator" who operates the vehicle storage facility is:

_____

(Name of Owner[s], Corporation, or other business entity)

The Operator is (Check one, as applicable):

a.	[ ] a proprietorship.	b.	[ ] a partnership.
c.	[ ] a limited partnership.	d.	[ ] a corporation.
e.	[ ] a limited liability company.	f.	[ ] a limited liability partnership.

Evidence of the ownership of the business is attached to and made a part of this Agreement as "Exhibit B" (Attach true copy of [1] assumed name certificate if a proprietorship, [2] partnership agreement disclosing the names of all general or limited partners if a partnership, [3] a copy of the articles of incorporation and certificate from the corporate secretary setting forth the names of all persons owning ten percent (10%) or more of the outstanding stock if a corporation, or [4] a copy of the membership agreement if an LLC).

1.04 The property upon which the vehicle storage facility is situated is owned (Check one, as applicable):

a. [ ] in its entirety by the Operator.
b. [ ] in part by the Operator and in part by others.
c. [ ] in whole by others.

Evidence of the Operator's right of possession and control of the vehicle storage facility premises is attached hereto and made a part hereof as "Exhibit C" (Attach copies of deed[s], lease[s] or other document[s] as applicable).

1.05 The publicly listed telephone number for the storage facility at which the Operator or his employee or agent may be reached twenty-four hours per day, seven days per week to come to and unlock the vehicle storage facility and provide access to or release of a vehicle is:

_____

The nonpublic telephone number where Auto Dealers officers may contact the Operator or his agent should there be no response to the publicly listed number is:

_____

1.06 Pursuant to Section 2.01, below, the Operator has provided and agrees to maintain the surety contemplated in subsection (a) or (b) of Section 8-153 of the Code of Ordinances by

(Check one, as applicable):

a. [ ] Surety bond.
b. [ ] Assignment of financial institution account.

Proof thereof is attached hereto and made a part thereof as "Exhibit D." The amount of the bond or account is based upon the number of vehicles specified in Section 1.02.

1.07 The Operator represents that the vehicle storage facility is in compliance with Section 8-172 of the Code of Ordinances regarding signage. As proof thereof, a photograph or photographs whose minimum dimensions are eight inches by ten inches is[are] attached hereto and made a part thereof and identified sequentially beginning with "Exhibit E."

1.08 The Operator has a current Sales Tax Permit and Certificate of Occupancy for the vehicle storage facility, copies of which are attached as Exhibits “F” and “G”.

II.
Police Private Storage Lot Designation

2.01 The Operator represents that he is familiar with the provisions of subsections (a), (b) and (c) of Section 8-153 of the Code of Ordinances, Houston, Texas, as amended, which is hereby incorporated into and made a part of this Agreement by reference. The Operator agrees to comply with the said provisions and the other terms and conditions of this Agreement in the operation of the vehicle storage facility. It is expressly understood and agreed that any amendments hereafter adopted by the City Council of the City of Houston, Texas, to the aforesaid Section 8-153 or Division 3 of Article III of Chapter 8 of the Code of Ordinances will become part of this Agreement by reference upon their effective date. It shall be the obligation of the Operator to take notice of such amendments by virtue of their adoption, and the City shall not be obligated to provide any personal notice of such amendments to the Operator. Operator shall provide satisfactory proof that he has garagekeepers’ legal liability insurance or equivalent legal liability insurance for the storage lot as required by Section 8-153 (c) of the Code of Ordinances, Houston Texas, as amended.

2.02 The City of Houston hereby designates the Operator identified in Section 1.03 above to operate the vehicle storage facility identified in Section 1.01 above as a "police private storage lot" within the meaning of that term as provided in Article III of Chapter 8 of the Code of Ordinances, Houston, Texas. In accordance with the aforesaid ordinance provisions the selection of a particular police private storage lot to be utilized generally rests with the wrecker driver who undertakes the tow of the vehicle; therefore it is expressly understood that this Agreement does not constitute any promise of obligation by the City to cause any vehicle to be stored at the Operator's vehicle storage facility.

III.
Term

3.01 The term of this Agreement shall commence on October 1, 2012 and terminate on September 31, 2017, unless sooner terminated or suspended in accordance with Section 3.02, 3.03, 3.04, 3.05, 4.01, or 6.01.

3.02 The Operator may terminate this Agreement, without cause, upon thirty (30) days written notice to the City of Houston.

3.03 With the prior authorization of the City Council of the City, the Chief of Police may terminate this Agreement, without cause, upon thirty (30) days written notice to the Operator.

3.04 In the event he has grounds to believe that the Operator has failed to timely or fully perform any obligation assumed under this Agreement or any prior Agreement, the Chief of Police may suspend this Agreement upon five (5) days written notice to the Operator. The grounds for the suspension shall be stated in the notice. In the event of a proposed suspension or termination for cause, the storage facility operator shall be afforded an opportunity for a hearing before the director of administration and regulatory affairs or his designee ("the hearing officer") prior to suspension or termination of the agreement. The hearing shall be held pursuant to Section 8-143(a) of the Code of Ordinances, Houston, Texas.

If the hearing officer finds that there has been a breach then he may terminate the Agreement or he shall suspend the Agreement and impose a penalty of reasonable restitution up to triple the amount of damages to any person(s) damaged by the breach. Unless otherwise directed by the hearing official, restitution must be made within sixty (60) days following the imposition of the penalty or the Agreement shall be terminated. Any restitution that cannot be made to the proper party, for whatever reason, shall be deposited in the Auto Dealers Fund and may be expended as provided by law. In lieu of termination, the hearing officer shall impose a suspension of from zero (0) to three hundred sixty-five (365) days for the violations identified in the notice of suspension. A second occurrence of similar violations occurring after being identified as such in any previous hearing conducted within the preceding three hundred and sixty-five (365) days shall constitute a second offense and in lieu of termination of the Agreement, a suspension of from thirty (30) to three hundred and sixty-five (365) days shall be imposed. A third occurrence of similar violations occurring after being identified as such in any previous hearings conducted within the preceding three hundred and sixty-five (365) days shall constitute a third offense and this agreement shall be terminated. The effective date of suspension shall be set by the Police Department in order to provide notice to all parties affected thereby and shall continue beyond the date of expiration of this Agreement if applicable. If no request for a hearing is received within then (10) days after the date notice is given then this agreement shall be terminated. The decision of the Director of Finance and Administration or his designee shall be made in writing and notice thereof shall be given to the Operator. .

3.05 In the event of the termination, expiration, suspension or cancellation of the Operator's vehicle storage facility license issued pursuant to the Act or the Operator's City private storage lot authorization, as applicable, this Agreement shall be terminated contemporaneously therewith and without notice.

3.06 Effective as of 11:59 o'clock p.m. the date of termination or expiration of this Agreement, the Operator shall not accept any additional vehicles that have been towed without the consent of the owner upon authorization of a police officer of the City. However, this Agreement shall survive its expiration or termination and shall continue to be applicable with respect to the release and disposition of any vehicles received prior to its expiration or termination that

remain within the custody of the Operator.

IV.
State Regulations

4.01 To the extent of any difference in terms between the Act or any valid and applicable Rule or Regulation adopted thereunder from time to time by the Texas Department of Licensing and Regulation and the terms and provisions of this Agreement, the more restrictive shall apply. However, no provision of this Agreement shall be construed to obligate the Operator to violate the Act or any valid and applicable Rule or Regulation adopted thereunder.

The Operator and the City acknowledge that they are not aware of any situation in which compliance with this Agreement will cause the Operator to violate the Act or any valid and applicable Rule or Regulation adopted thereunder. In the event that such a situation should arise, the Operator shall discontinue operations hereunder as a police private storage facility and notify the Chief of Police thereof in writing; the giving of such notice shall terminate this Agreement unless it is revived and amended by mutual written agreement of the City and the Operator.

V.
Notices

5.01 Any notice that is required or permitted to be given by the City to the Operator hereunder may be mailed to the Operator by Certified U. S. Mail, return receipt requested, postage prepaid, addressed to:

_____

_____

_____

or may be given by personal delivery to the Operator or any of his agents or employees at the following local address:

_____

_____

_____

5.02 Any notice that is required or permitted to be given by the Operator to the City or to the Chief of Police hereunder may be mailed to the City by Certified U. S. Mail, return receipt requested, postage prepaid, addressed to:

Lieutenant in Command
Auto Dealers Detail
Houston Police Department
P. O. Box 3408

Houston, Texas 77253-3408

or may be given by personal delivery to:

Lieutenant in Command
Auto Dealers Detail
Houston Police Department
1002 Washington, Basement Level
Houston, Texas 77002

5.03 Notices mailed as above shall be deemed given on the third regular postal delivery day after the date of their deposit in the U. S. Mail. Notices delivered by personal delivery shall be deemed given upon their delivery.

5.04 Either party may change its address for notice upon written notice to the other party hereto.

VI.
General

6.01 The rights herein granted to the Operator and the obligations herein assumed by the Operator shall be personal to the Operator and shall only apply to the vehicle storage facility identified in Article I, above. This Agreement shall terminate upon any attempted assignment, subcontract, lease or other subletting of any obligation assumed hereunder in any manner or any relocation of the vehicle storage facility unless the Chief of Police has given prior written approval therefor. This Agreement shall also terminate upon any attempted sale of the vehicle storage facility business or any interest therein (including, but not limited to, the conveyance of any partnership interest, if a partnership, or the cumulative transfer of ten percent (10%) or more of the outstanding stock, if a corporation) unless the Chief of Police has given prior written approval therefor.

6.02 This instrument, inclusive of the documents incorporated herein by reference or as exhibits hereto, constitutes the entire agreement between the parties relating to the rights herein granted and the obligations herein assumed, and it may only be amended by instrument of equal dignity hereto executed by both parties.

6.03 This Agreement shall be construed in accordance with the laws of the State of Texas and the Charter and Ordinances of the City.

6.04 All obligations hereunder shall be performed in the City of Houston.

6.05 The Operator agrees not to employ or allow any person to continue to be employed as an agent or employee upon or in any connection with the vehicle storage facility who has been the owner or manager in any capacity of a police private storage lot for which an Agreement with the city has been terminated for cause within the five (5) year period preceding the effective date of this agreement.

6.06 It is agreed that the Chief of Police or any member of the Police Department that he

may designate shall have the right to inspect the vehicle storage facility and all records relating to vehicles that are or have been parked or stored thereon pursuant to this Agreement. Complete inspection of the storage facility and all records shall be conducted in accordance with the provisions of Section 8-201(c) of the Code of Ordinances, Houston, Texas. In all other circumstances, access to the storage facility and its records shall be provided within one hour of a telephone call to the number specified in Section 1.05 and said inspection shall be limited to the vehicles which are being stored on the premises and the records of those vehicles.

6.07 All records relating to vehicles that are or have been parked or stored pursuant to this Agreement shall be maintained by the Operator at the facility for a period of two (2) years. All records, including computer source data for those records, will be subject to inspection and copying. All records shall be kept in a manner prescribed by the Auto Dealers Detail and shall be kept in a controlled environment, free of insects, rodents, rodent excrement, and water damage.

6.08 It is expressly understood and agreed that a suspension or termination for cause under Section 3.04 above that has occurred under this Agreement shall apply equally to any and all other Police Private Storage Lot Agreements held by the Operator. A suspension or termination hereunder shall not affect the Operator's right to utilize the vehicle storage facilities for any other lawful purpose for which the Operator still holds current and valid permits or licenses, as required by law.

6.09 It is expressly understood and agreed that the telephone number listed in Section 1.05 shall be posted on a sign whose form and content shall be specified by the Police Department and shall be readable from the street. The number listed must be available through Southwestern Bell Telephone Company Directory Assistance, or any successor thereof, for the business name and street address specified in Section 1.01. Operator further agrees to post a sign on its property visible to the public which provides notice to the owner of a police authorized towed vehicle of the (i) phone number to the storage lot after-hours; (ii) accepted methods of payment (as referred to in Section 6.19) including the name of the type of credit cards accepted by Operator; and (iii) phone number to the Police Department’s Auto Dealers Detail Unit to report any issues or complaints the vehicle’s owner may have against the storage lot.

6.10 It is expressly understood and agreed that in all instances involving a vehicle towed upon authority of a City police officer, the Operator, or his employee or agent, must respond to the telephone number listed in Section 1.05. In the event that the employee or agent is an answering service or answering machine, the Operator shall be responsible for the information provided by the service or the content of the message relayed by the answering machine. An answering service must identify itself as such to the caller. Should the caller have a complaint regarding the storage of his/her vehicle, the answering service must provide the caller with the Police Department storage facility complaint telephone number of (832)394-4869 or (832)394-HTOW. This same telephone number must be provided at the end on a recorded message if the Operator uses an answering machine. An answering service or recorded message must inform the caller, vehicles will be released within one hour of their request for release with proof of ownership, and may not suggest, imply, or state that release of a vehicle is limited to certain business hours or days of the week. A police officer from the Auto Dealers Detail may pose as a citizen for the purposes of testing responses to calls for the release of a vehicle towed under authority of a City police officer.

6.11 It is expressly understood and agreed that in accordance with Section 8-178 of the Code of Ordinances, Houston, Texas, that if no attendant is present at the vehicle storage facility an operable public telephone must be provided. The telephone shall be conspicuously located at the primary entrance to the vehicle storage facility in a place that must be well lighted and accessible, provided the Lieutenant in Command of the Auto Dealers Detail shall, upon written request therefor, grant written permission for the use of equivalent telephone locations that will provide a comparable degree of accessibility, convenience and safety to members of the public.

6.12 It is expressly understood and agreed that any vehicle towed at the direction of the police officer shall be delivered as specified in the wrecker slip issued under Section 8-116(a) and (b) and 8.117 of the Code of Ordinances, Houston, Texas, to the storage facility specified on the police tow ticket without delay and may not be redirected except as authorized in Section 8-116(b) of the Code of Ordinances, Houston, Texas. In the event the address on the police tow ticket is the address of a storage facility and an automotive repair facility the vehicle shall be delivered to the storage facility located at the address.

6.13 It is expressly understood and agreed that in accordance with Section 8-193 of the Code of Ordinances, Houston, Texas, and the provisions of House Bill 849 passed during the 78th Regular Session of the Texas Legislature, that no fees other than or in excess of those provided by ordinance or state law regulating non-consent storage may be charged for any vehicle towed or delivered to the vehicle storage facility without the consent of the vehicle owner or from a police scene.

6.14 It is expressly understood and agreed that any vehicle delivered to the storage facility without the consent of the vehicle owner and subsequently deemed abandoned as defined in Chapter 683 of the Texas Transportation Code, shall be disposed of under the provisions of that chapter. A vehicle reported by the Operator as abandoned to the Police Department must, if not reclaimed within thirty (30) days following this notice, be reported to the Police Department on an auction list. Failure to list the vehicle for auction shall limit storage fees to a maximum of forty-five (45) days whether the vehicle is later released to the vehicle owner or auctioned. .

6.15 Operator acknowledges and understands that the City shall not be obligated to pay any fees for the purpose of this Agreement. The only consideration Operator shall receive are the fees it collects from the vehicle owners.

6.16 It is expressly understood and agreed that any vehicle delivered to the storage facility without the consent of the vehicle owner shall be treated as a non-consent tow until actual release from the storage facility to the vehicle owner.

6.17 It is expressly understood and agreed that if the vehicle storage facility identified in 1.01 closes as a business or will no longer operate as a vehicle storage facility, the Operator must make arrangements with another approved Police Storage Lot to transfer all remaining police tows to the other Police Storage Lot. Operator agrees and understands that the transfer will take place at the Operator's expense. Furthermore, it is expressly agreed and understood that if the Operator does not affect the transfer of police towed vehicles to another approved Police Storage Lot, the Operator agrees and understands that the Auto Dealers Detail may enter the

property of the vehicle storage facility and take possession of all police tows remaining on the vehicle storage facility. It is expressly agreed and understood that the City of Houston will reimburse the Operator for damages to a lock mechanism if it is necessary to damage such lock mechanism while entering the vehicle storage facility.

6.18 Operator agrees that the storage lot will maintain a computerized inventory system. The computerized inventory will conform to commonly accepted industry standards. And inspection of the inventory system may be conducted in accordance with 6.07 of the Agreement. Operator further agrees and is mandated to participate in the Towed Vehicle Reporting Management System which provides the general public, Police Department personnel and vehicle storage lot operator's access to information pertaining to vehicles stored as a result of non-consent tows.

6.19 Operator agrees to maintain the ability to accept and process the following forms of payment: electronic checks, debit cards, and credit cards. Operator agrees to maintain the ability to accept at least two major credit card issuers of the following: VISA, MasterCard, American Express, and Discover Card. Furthermore, all credit or debit transactions will reflect the storage lot's name as payee. A cash dispensing machine cannot be utilized in lieu of the foregoing requirement. Operator shall accept payment at the same physical location as the vehicle storage facility.

6.20 It is expressly agreed and understood that before a storage lot accepts a vehicle from a wrecker driver, the Operator or an agent must verify that the wrecker driver delivering the vehicle is in possession of a valid City of Houston wrecker license. The preceding clause applies only to such tows that the Operator is obligated to report to the City of Houston.

6.21 Operator agrees to comply with the Federal Reporting Requirements stipulated in the National Motor Vehicle Title Information System issued by the Department of Justice, wherein Operator must report all junk and salvage vehicles that it purchases from a private party, take possession of in lieu of towing or storage cost or sell at auction.

6.22 It is expressly agreed and understood that if the Operator or storage lot breaches any contract or agreement between the Operator or storage lot and the City of Houston, the City of Houston may terminate this Agreement.

Executed in triplicate counterparts, each having the force and effect of the original.

OPERATOR

By: _____

_____
(Print or type name)

_____
(Title)

ATTEST (if a corporation)

By: _____
Corporate Secretary

CITY OF HOUSTON

By: _____
Art Acevedo
Chief of Police

COUNTERSIGNED

By: _____
Chris Brown
City Controller

DATE OF COUNTERSIGNATURE

_____ day of _____, 20___.

POLICE PRIVATE STORAGE LOT AGREEMENT INSTRUCTIONS

1. Fill out and execute each of the three copies of the Agreement in your package. Included with the Agreement should be the following exhibits.
2. **Exhibit A**
   - Attach three copies of the state storage facility license.
3. **Exhibit B**
   - Attach three copies of the documents indicating ownership as required by Section 1.03 of the Agreement.
     - Assumed Name Certificate must match the name under which the police private storage lot will operate as identified in Section 1.01 of the Agreement.
     - Partnership agreements must list all parties.
     - Articles of Incorporation must be verifiable through the Secretary of State and corporations must be in good standing with officers listed.
4. **Exhibit C**
   - Attach three copies of the right of possession and control of the vehicle storage facility premises.
5. **Exhibit D**
   - Attach three copies of the proof of *Surety bond* or *Assignment of financial institution account* as required by Section 1.06 of the Agreement and outlined in 8-153 (a) and (b).
     - Storage Lot with space to store no more than 50 vehicles = $1,000.00.
     - Storage Lot with space for more than 50 but less than 100 vehicles = $2,000.00.
     - Storage Lot with space for more than 100 vehicles = $5,000.00.
6. **Exhibit E**
   - Attach three copies of the photograph(s) required by Section 1.07 of the Agreement, each set marked sequentially.
7. **Exhibit F**
   - Attach three copies of a current Sales Tax Permit for the Vehicle Storage Facility
8. **Exhibit G**
   - Attach three copies of the Certificate of Occupancy for the Vehicle Storage Facility

9. Make sure the telephone number listed in Section 1.05 is available through Directory Assistance (Yellow Pages) for the exact business name and address provided in the Agreement.

10. Attach a single check payable to the Auto Dealers Detail covering the $1,410.00 administrative fee.