

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 of the State of Texas, principally situated in Harris County ("the City") and the Contractor, identified below sometimes referred to as parties.

RECTIALS:

1 Section 8-143 of the Code of Ordinances, Houston, Texas, authorizes the Mayor of City of Houston, upon recommendation of its Police Chief, to execute agreements with Contractors who own 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 Contractor identified below, holds a vehicle storage facility license issued pursuant to the Act for the vehicle storage facility identified below, and

3 Contractor 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 Contractor mutually agree as follows:

I. Identity of Storage Lot, Contractor 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)

Contractor shall deliver to the Houston Police Department Auto Dealers Detail ("Auto Dealers Detail") a true copy of Contractor's vehicle storage facility license issued pursuant to the Act for the vehicle storage facility identified herein.

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 storage lot must have at least 1.25 acres of space that will be dedicated to the storage of motor vehicles. A vehicle storage facility that is less than 1.25 acres but has been in continual existence since _____ is exempt from this requirement. A survey must be provided and will be kept on file with the Auto Dealers Detail and one must be kept on the premises for inspection. Any increase or decrease in lot size must be approved by the Police Chief. If there is a dispute regarding the size of the lot or the location of the boundaries, a new survey may be requested by the Auto Dealers Detail at the Contractor's expense.

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

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

The Contractor 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.
- g. an ownership interest in a business that is equivalent to a fair market value of more than 20%.

A true copy of evidence of the ownership of the business shall be provided to Auto Dealers Detail at the same time Contractor delivers this Agreement as follows: [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 twenty percent (20%) or more of the outstanding stock if a corporation, or [4] a copy of the membership agreement if an LLC).

"Contractor" includes all persons who have an ownership interest in the vehicle storage facility as listed above and the Applicant for this Agreement. Any person designated by Contractor to perform vehicle storage facility operations is an Operator. Persons operating the vehicle storage facility shall be deemed to be designated by Contractor.

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

- a. in its entirety by Contractor.
- b. in part by Contractor and in part by others.
- c. in whole by others.

Evidence of Contractor's right of possession and control of the vehicle storage facility premises (copies of deed[s], lease[s] or other document[s] as applicable) shall be delivered

to Auto Dealers Detail along with this Agreement.

1.05 The publicly listed telephone number for the vehicle storage facility at which Contractor 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 Detail officers may contact Contractor or his agent should there be no response to the publicly listed number is: _____.

1.06 Contractor 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 shall be delivered to Auto Dealers Detail along with this Agreement.

1.07 Contractor shall have a current Sales Tax Permit and Certificate of Occupancy for the vehicle storage facility, copies of which shall be delivered to Auto Dealers Detail along with this Agreement.

1.08 If Contractor is charged with, indicted for, or convicted of a criminal offense pertaining to the towing, storage, or automotive industries, or an offense listed Section 1-10(a)(1) of the Code of Ordinances, the Police Chief or any Executive Assistant or Assistant Police Chief may suspend this Agreement upon written notice to Contractor. .

II. Police Private Storage Lot Designation

2.01 Contractor agrees to comply with the Division 3 of Article III of Chapter 8 of the Code of Ordinances 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 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 Contractor 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 Contractor.

2.02 The City hereby designates Contractor 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 or obligation by the City to cause any vehicle to be stored at Contractor's vehicle storage facility.

III. Term and Termination

3.01 The term of this Agreement shall commence on the date of countersignature by the City Controller and terminate on September 30, 2025.

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

3.03 In the event of the termination, expiration, suspension or cancellation of Contractor's State of Texas vehicle storage facility license issued pursuant to the Act, this Agreement shall be terminated contemporaneously therewith and without notice.

3.04. TERMINATION FOR CONVENIENCE BY CITY

3.04.1 The Police Chief may terminate this Agreement at any time by giving 30 days' written notice to Contractor. The City's right to terminate this Agreement for convenience is cumulative of all rights and remedies, which exist now or in the future.

3.04.2 On receiving the notice, Contractor shall, unless the notice directs otherwise, immediately discontinue all services under this Agreement.

3.05 Extensions. Thirty days prior to termination, the Police Chief may request one or more extensions of time to complete a new Police Private Storage Lot Agreement. The Police Chief may extend the term so long as each extension does not exceed 180 calendar days. The extensions must be in writing but do not require amendment of this Agreement. Notice to the Contractor of any extension shall be given as authorized by Section 5.01 of the Original Agreement.

3.06 Effective as of 11:59 o'clock p.m. the date of termination or expiration of this Agreement, the Contractor 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 Contractor and the payment of the fees prescribed in subsection (e) of section 8-123 of the Code to City.

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 Contractor to violate the Act or any valid and applicable Rule or Regulation adopted thereunder.

Contractor and the City acknowledge that they are not aware of any situation in which compliance with this Agreement will cause Contractor to violate the Act or any valid and applicable Rule or Regulation adopted thereunder. In the event that such a situation should

arise, Contractor shall discontinue operations hereunder as a police private storage facility and notify the Police Chief 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 Contractor.

4.02 Contractor agrees to conduct storage lot operations with honesty, trustworthiness, and integrity and shall ensure that all employees are held to that standard. The company shall utilize sound judgment to provide quality customer service to address customer needs, minimize complaints, and resolve disputes. Contractor shall work with the Auto Dealers Detail in a cooperative and professional manner. Contractor shall make all employees available in a timely manner to any Police Department employee upon request.

V. Notices

5.01 Any notice that is required or permitted to be given by the City to Contractor hereunder may be mailed to Contractor by Certified United States Postal Service mail, return receipt requested, postage prepaid, addressed to: or may be given by personal delivery to Contractor 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 Contractor to the City or to the Police Chief hereunder may be mailed to the City by Certified U. S. Postal Service 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 email to: hp.d.autodealers@houstonpolice.org

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. Postal Service 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.

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VI. General

6.01 The rights herein granted to Contractor and the obligations herein assumed by the Contractor shall be personal to Contractor 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 Police Chief 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 Police Chief has given prior written approval therefor.

6.02 This Agreement, inclusive the of the recitals and documents incorporated herein by reference 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. The Police Chief shall have the authority to execute amendments for the City. The Contractor agrees to notify the Police Department in writing within 2 business days of any change in the information required by this Agreement and the documents required by Sections 1.01, 1.03, 1.04, 1.06, 1.07, and 6.08.1.3 to be delivered to Auto Dealers Detail.

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 RELEASE

CONTRACTOR AGREES TO AND SHALL RELEASE THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE "CITY") FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT, EVEN IF THE INJURY, DEATH, DAMAGE, OR LOSS IS CAUSED BY THE CITY'S SOLE OR CONCURRENT NEGLIGENCE AND/OR THE CITY'S STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY. CONTRACTOR HEREBY CONVENANTS AND AGREES NOT TO SUE THE CITY FOR ANY CLAIMS, DEMANDS, OR CAUSES OF ACTION DIRECTLY OR INDIRECTLY RELATED TO ITS RELEASE UNDER THIS SECTION, FOR THE AVOIDANCE OF DOUBT, THIS COVENANT NOT TO SUE DOES NOT APPLY TO CLAIMS FOR BREACH OF THIS AGREEMENT.

6.06 INDEMNIFICATION

1. CONTRACTOR AGREES TO AND SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES

(COLLECTIVELY THE “CITY”) HARMLESS FOR ALL CLAIMS, CAUSES OF ACTION, LIABILITIES, FINES, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS’ FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS AND INTEREST) FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, THOSE CAUSED BY:

1.1 CONTRACTOR’S AND/OR ITS AGENTS’, EMPLOYEES’, OFFICERS’, DIRECTORS’, CONTRACTORS’, OR SUBCONTRACTORS’ (COLLECTIVELY IN NUMBERED PARAGRAPHS 1-3, “CONTRACTOR”) ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS;

1.2 THE CITY’S AND CONTRACTOR’S ACTUAL OR ALLEGED CONCURRENT NEGLIGENCE, WHETHER CONTRACTOR IS IMMUNE FROM LIABILITY OR NOT; AND

1.3 THE CITY’S AND CONTRACTOR’S ACTUAL OR ALLEGED STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, WHETHER CONTRACTOR IS IMMUNE FROM LIABILITY OR NOT.

2. CONTRACTOR SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY HARMLESS DURING THE TERM OF THIS AGREEMENT AND FOR FOUR YEARS AFTER THE AGREEMENT TERMINATES. CONTRACTOR’S INDEMNIFICATION IS LIMITED TO \$500,000 PER OCCURRENCE. CONTRACTOR SHALL NOT INDEMNIFY THE CITY FOR THE CITY’S SOLE NEGLIGENCE.

6.07 INDEMNIFICATION PROCEDURES

6.07.1. Notice of Claims. If the City or Contractor receives notice of any claim or circumstances which could give rise to an indemnified loss, the receiving party shall give written notice to the other party within 30 days. The notice must include the following:

6.07.1.1 a description of the indemnification event in reasonable detail,

6.07.1.2 the basis on which indemnification may be due, and

6.07.1.3 the anticipated amount of the indemnified loss.

6.07.1.A This notice does not estop or prevent the City from later asserting a different basis for indemnification or a different amount of indemnified loss than that indicated in the initial notice. If the City does not provide this notice within the 30-day period, it does not waive any right to indemnification except to the extent that Contractor is prejudiced, suffers loss, or incurs expense because of the delay.

6.07.2. Defense of Claims

6.07.2.1 Assumption of Defense. Contractor may assume the defense of the claim at its own expense with counsel chosen by it that is reasonably satisfactory to the City Attorney. Contractor shall then control the defense and any negotiations to settle the claim, subject to the City Attorney's consent or agreement to the settlement, which consent, or agreement shall not unreasonably be withheld. Within 10 days after receiving written notice of the indemnification request, Contractor must advise the City as to whether or not it will defend the claim. If Contractor does not assume the defense, the City shall assume and control the defense, and all defense expenses constitute an indemnification loss.

6.07.2.2 Continued Participation. If Contractor elects to defend the claim, the City may retain separate counsel to participate in (but not control) the defense and to participate in (but not control) any settlement negotiations.

6.08 Bond and Insurance

6.08.1 Surety Bond. Contractor has provided and agrees to maintain the surety bond as described in Section 8-144, executed by the Contractor as principal and by a good and sufficient corporate surety authorized and admitted to write surety bonds in Texas.

6.08.1.1. The amount of the surety bond shall be equal to the average of the previous 12 months of release fees collected by Contractor pursuant to section 8-123(e). For new vehicle storage facilities, the amount of the bond shall be \$5,000 for the first year. For each subsequent year the bond amount will be equal to the average of the previous 12 months of release fees collected pursuant to section 8-123(e).

6.08.1.2. The surety bond shall be given by the Surety on behalf of the principal and by the principal, to the City as Obligee, to guarantee the payment of fees due on behalf of the principal as prescribed in subsection (e) of section 8-123 of the Code. The payment of fees assured and guaranteed herein shall be made to the Obligee within thirty (30) days after the Obligee notifies the Surety that the Principal is delinquent in remitting these fees in accordance with subsection (e) of section 8-123 of Code. The bond shall provide that it will remain in full force and effect for the full year that the authorization is in effect, unless the Surety has delivered notice in writing to the Auto Dealers' Detail of an intent to terminate the bond at least 30 days prior to any termination of the bond and has mailed such a notice to the vehicle storage facility Contractor at the address of the vehicle storage facility. The notice to the Auto Dealers' Detail may be delivered by personal delivery or by United States Postal Service certified mail, return receipt requested.

6.08.1.3 The bond amount shall be reviewed annually and adjusted based on the previous 12-month average of release fees paid. Proof of the bond shall be delivered to Auto Dealers Detail including any renewals.

6.08.2. Insurance. Contractor has provided and agrees to maintain satisfactory proof that Contractor has Commercial General Liability and Business Automobile Liability, or the equivalent, and Garagekeepers' Legal Liability insurance for Contractor's vehicle storage facility. Such insurance shall include coverage for comprehensive, specified perils and collision, including damages to persons or their property caused by, arising from, or growing out of the negligent, wrongful, fraudulent or illegal conduct of Contractor in the operation of the vehicle storage facility or while such property is in Contractor's care, custody, or control. Such insurance limits shall be no less than the following amounts:

6.08.2.1. \$500,000.00 if the storage lot has space to store no more than 100 motor vehicles;

6.08.2.2. \$1,000,000.00 if the storage lot has space to store more than 100 motor vehicles. If provided by separate policy or sublimit, Business Automobile Liability limits shall be no less than \$500,000.00 combined single limits.

6.08.2.3 At all times during the term of this Agreement and any extensions or renewals, Contractor shall provide and maintain insurance coverage that meets the above requirements. Prior to beginning performance under the Agreement, at any time upon the Police Chief's request, or each time coverage is renewed or updated, Contractor shall furnish to the Auto Dealers Detail current certificates of insurance, all policies, or other policy documents evidencing adequate coverage, as necessary. Contractor shall be responsible for and pay: (i) all premiums; and (ii) any claims or losses to the extent of any deductible amounts. Contractor waives any claim it may have for premiums or deductibles against the City, its officers, agents, or employees.

6.08.2.4 The form of the insurance shall be approved by the Auto Dealers Detail. Such approval (or lack thereof) shall never: (i) excuse non-compliance with the terms of this Section; or (ii) waive or estop the Police Chief from asserting the right to terminate this Agreement. The policy issuer shall: (i) have a Certificate of Authority to transact insurance business in Texas; or (ii) be an eligible non-admitted insurer in the State of Texas and have a Best's rating of at least B+, and a Best's Financial Size Category of Class VI or better, according to the most current Best's Key Rating Guide.

6.08.2.5 Contractor shall provide notice to the Auto Dealers Detail at least 30 days prior to any cancellation or expiration of the policy.

6.09 Contractor 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 within the five (5) year period preceding the effective date

of this agreement, unless the Police Chief gives prior approval.

6.10 It is agreed that the Police Chief or any member of the Police Department 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 vehicle storage facility and all records shall be conducted in accordance with the provisions of Section 8-146 . In all other circumstances, access to the vehicle 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. Upon completion of the inspection, Contractor shall be given a reasonable time period in which to complete all required corrective action. Failure to complete required corrective action by the date specified by the Auto Dealers Detail shall result in the suspension of this Agreement.

6.11 All records relating to vehicles that are or have been parked or stored pursuant to this Agreement shall be maintained by the Contractor at the vehicle storage facility for a period of two 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.

6.12 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 Auto Dealers Detail and shall be lighted and visible from the street. Lettering on the sign shall be at least six inches high. In the event the entrance to the vehicle storage facility is not visible from the street address listed in Section 1.01, the sign must direct customers to the physical entrance. The building must be clearly marked with the name of the vehicle storage facility. The number listed must be available through an internet search for the business name and street address specified in Section 1.01. Contractor further agrees to post a sign on its vehicle storage facility property visible to the public which provides notice to the owner of a police authorized towed vehicle of the (i) phone number to the vehicle storage facility after-hours; (ii) accepted methods of payment (as referred to in Section 6.22) including the name of the type of credit cards accepted by Contractor; and (iii) phone number to the Auto Dealers Detail to report any issues or complaints the vehicle's owner may have against the vehicle storage facility. This sign shall include the name of the vehicle storage facility so there is no confusion if there are multiple businesses at the same location.

6.13 It is expressly understood and agreed that in all instances involving a vehicle towed upon authority of a City police officer, the Contractor, or his employee or agent, must respond to the telephone number listed in Section 1.05. If the employee or agent is an answering service or answering machine, Contractor 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 vehicle storage facility complaint telephone number of (832)394-4869 or (832)394HTOW. This same telephone number must be provided at the end on a recorded message if the Contractor 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 without the consent of the owner. All vehicles towed without the consent of the vehicle owner must be released within 1 hour, 24 hours per day. If a storage lot is not open 24 hours per day, it is expressly understood and agreed that in all instances involving a vehicle towed without the consent of the owner, Contractor, or his employee or agent, must respond to the telephone number listed in Section 1.05.

6.14 Contractor agrees to provide adequate parking for customers seeking the release of their vehicles. Such parking areas shall be level and graded with an all-weather surface and adequate lighting.

6.15 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 vehicle 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 vehicle storage facility and an automotive repair facility the vehicle shall be delivered to the vehicle storage facility located at the address.

6.16 It is expressly understood and agreed that in accordance with Section 8-184 of the Code of Ordinances, Houston, Texas, and the provisions of Section 2303.155 (b)-(d) of the Texas Occupations Code 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.

6.17 It is expressly understood and agreed that any vehicle delivered to the vehicle 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 Contractor 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. .

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

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

6.20 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, Contractor shall consult with and seek approval from the Auto Dealers Detail in order to make arrangements with another approved Police Private Storage Lot to transfer all remaining police tows to the other Police Private Storage Lot. Contractor agrees and understands that the transfer will take place at the Contractor's expense. Furthermore, it is expressly agreed and understood that if Contractor does not effect the transfer of police towed vehicles to another approved Police Private Storage Lot, Contractor 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 shall not be liable to Contractor for damages to a lock mechanism if it is necessary to damage such lock mechanism while entering the vehicle storage facility.

6.21 Contractor agrees that the vehicle storage facility will maintain a computerized inventory system approved by the Police Chief. The computerized inventory will conform to commonly accepted industry standards. An inspection of the inventory system may be conducted in accordance with 6.10 of the Agreement. Contractor further agrees and is mandated to participate in the Towed Vehicle Reporting Management System (TVRMS) , or any other record management system mandated by the Police Department, which provides the general public, Police Department personnel and vehicle storage facility Contractors access to information pertaining to vehicles stored as a result of non-consent tows. Contractor shall ensure that all information from each stored vehicle is entered fully into TVRMS pursuant to Section 8-146 of the Code of Ordinances, regardless of the origin of the tow.

6.22 Contractor agrees to maintain the ability to accept and process the following forms of payment: cash, electronic checks, debit cards, and credit cards. Contractor agrees to maintain the ability to accept at least two of the following major credit card issuers: VISA, MasterCard, American Express, and Discover Card. Any interruption of the storage lot's ability to process credit card transactions that lasts longer than one hour must be reported to the Auto Dealers Detail immediately. Verifiable proof of such an interruption shall be provided to Auto Dealers upon request. 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. Contractor shall accept payment at the same physical location as the vehicle storage facility. Contractor shall keep enough cash on hand to make change for customers and shall not refuse to make change for customers. In the event the storage lot loses the ability to process credit cards or make change for customers, no further storage charges shall accrue until the problem is corrected. At the time of application and upon renewal, Contractor must provide satisfactory proof of a merchant credit card account or the ability to process credit cards.

6.23 It is expressly agreed and understood that before a vehicle storage facility accepts a vehicle from a wrecker driver, Contractor or an agent must verify that the wrecker driver delivering the vehicle is in possession of a valid City of Houston wrecker license and that the wrecker has a valid City of Houston wrecker medallion. The preceding clause applies only to tows that originate in the City of Houston. Failure on the part of Contractor or Contractor's agent to verify that the wrecker driver has a valid City of Houston wrecker license and that

the wrecker has a valid medallion shall result in no more than five days of storage fees being awarded. The wrecker driver's city wrecker license number and the wrecker's medallion number shall be accurately entered into TVRMS. The entity authorizing the tow (e.g. property owner or law enforcement agency) shall be accurately entered into TVRMS.

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

6.25 Contractor acknowledges that all vehicles shall be inspected for a public VIN plate. Under no circumstances shall a vehicle storage facility accept a vehicle that has a missing, obliterated, altered, or damaged public VIN plate, regardless of the origin of the tow. As soon as Contractor or an agent discovers such a vehicle, Contractor shall call the Police Department dispatch to have an officer remove the vehicle pursuant to Police Department policy, unless a Police Department Auto Theft Division officer or supervisor authorizes the vehicle to be stored in the vehicle storage facility. Failure to notify the Police Department shall result in forfeiture of storage charges. If the vehicle is towed by a law enforcement agency other than the Police Department, Contractor shall notify the Auto Dealers on-call officer immediately.

If Contractor is notified that a vehicle is reported stolen, Contractor shall immediately notify the Police Department so the vehicle may be recovered. Failure to notify the Police Department shall result in forfeiture of storage charges beginning on the date Contractor was notified the vehicle was stolen.

6.26 Any window at which an employee accepts payment, processes paperwork, or otherwise deals with the public shall be transparent and free of tint or any obstruction that prevents the customer from clearly seeing the employee. This includes windows at a height that prevents the customer from seeing the employee.

6.27 Contractor agrees that if the vehicle storage facility accepts a vehicle towed to the storage lot with the consent of the owner or stored with the consent of the owner shall under no circumstances be auctioned by Auto Dealers Detail. Any attempt to circumvent this by changing the nature of the tow or the storage to nonconsent will result in the termination of this Agreement.

6.28 Contractor agrees and acknowledges that the City Storage lot vehicle release City Administrative Fee ("Release Fee") as set forth in Section 8-123(e) of the Code of Ordinances shall be collected on behalf of the City and shall not be used in any way by Contractor. The Release Fees shall be collected and remitted to the Police Department in a manner approved by the Police Chief on the 15th day of the month following collection. Failure to remit the Release Fee by the last day of the following month shall result in the suspension of storage

lot operations until such time as the arrearage is paid to City. If payment is not received by the last day of the second month, this Agreement shall terminate. In addition, any other Agreements held by Contractor may be terminated and any business licenses issued under Chapter 8 of the Code of Ordinances may be revoked. Contractor will be notified of any change in the method of remittance of the Release Fee, including electronic remittance.

6.29 Contractor shall remove all license plates (including temporary paper tags) and registration stickers for each vehicle set for auction. Contractor shall give these plates and tags to the officer conducting the auction on the day of the auction.

6.30 Contractor agrees that in his or her absence, a person capable of conducting an auction shall be available to participate in regularly scheduled auctions with no disruption. In the event a previously scheduled auction must be cancelled by Contractor or Contractor advises that no one is available to participate in an auction, no further storage charges will accrue from the date of such notification.

6.31 Contractor agrees to arrange vehicles for auction in an orderly and safe manner that allows for unhindered movement between and inspection of the vehicles by employees, law enforcement officers, or bidders. Failure to comply will result in the postponement of the auction and suspension of storage fees until the situation has been rectified. Auto Dealers Detail shall establish the number of auctions to be held and the day and time the auctions will be conducted and shall give at least five (5) days' notice of an auction. Contractor shall provide fair and equal access to all bidders and shall not act with bias or prejudice against any bidder.

6.32 Contractor shall work cooperatively with a vehicle owner who claims their vehicle has been damaged as a result of the storage. Upon request, Contractor shall provide the name, address, and telephone number of the insurance company that is providing required liability insurance coverage to the facility without delay, in addition to the facility's insurance policy or certificate number for purposes of filing a claim for loss or damage of property. The insurance information shall be the same as that on file with the Auto Dealers Detail.

6.33 Contractor shall ensure that no photos or videos of vehicles towed from police scenes are posted to social media or broadcast without the consent of the vehicle owner involved and the Auto Dealers Detail.

6.34 Contractor agrees not to have any final unpaid civil judgments (including those issued by the State of Texas) related to Contractor's vehicle storage facility business or any vehicle storage facility business previously owned by Contractor. Contractor agrees to notify Auto Dealers Detail if any administrative, civil, or criminal action is initiated or pending against Contractor.

6.35 Any reports or fees required to be submitted to the Auto Dealers Detail shall be in a format and manner and on due dates to be determined by the Auto Dealers Detail. Contractor

shall be given notice of any change in format or due date. VINs included on any reports to the Police Department must be verified prior to submission. Any delay in auctions because of erroneous VIN entry will result in no storage charges being allowed.

On the list of vehicles reported abandoned to the Auto Dealers Detail, Contractor shall include the date the notification letter was mailed and the tracking number for each correspondence sent for each abandoned vehicle.

6.36 Contractor agrees to immediately notify the Auto Dealers Detail if a licensed employee is arrested for, charged with, indicted for, or convicted of an offense listed in Section 1-10(a)(1) of the Code of Ordinances.

6.37 Contractor agrees that each person licensed to release vehicles to the public shall be able to read and speak the English language sufficiently to communicate effectively with citizens, wrecker drivers, and law enforcement personnel.

6.38 It is Contractor's responsibility to ensure that all personnel required to be licensed by the State of Texas and the City of Houston are in possession of valid licenses. Each license must reflect the current employer.

6.39 Contractor shall accept all types of vehicles, including but not limited to trailers, boats, and burned vehicles, and shall reimburse wrecker drivers or tow companies the city tow rate for delivering such vehicles.

6.40 After this agreement is executed, Contractor shall meet with the Auto Dealers Detail personnel to discuss the terms of the Agreement and the obligations contained therein.6.40.

[INTENTIONALLY LEFT BLANK]

SIGNATURES The Contractor and City (“Party or Parties”) have executed this Agreement in multiple copies, each of which is an original. Each person signing this Agreement represents and warrants that he or she is duly authorized and has legal capacity to execute and deliver this Agreement. Each Party represents and warrants to the other that the execution and delivery of this Agreement and the performance of such Party’s obligations hereunder have been duly authorized and that the Agreement is a valid and legal agreement binding on such Party and enforceable in accordance with its terms. The Parties hereby agree that each Party may sign and deliver this Agreement electronically or by electronic means and that an electronic transmittal of a signature, including but not limited to, a scanned signature page, will be as good, binding, and effective as an original signature.

CONTRACTOR

ATTEST (if a corporation)

By: _____
(Title)

By: _____
Corporate Secretary

CITY OF HOUSTON

By: _____

Troy Finner, Police chief

COUNTERSIGNED

By: _____

Chris Brown, City Controller

DATE OF COUNTERSIGNATURE: _____