

# **Bus Advertising Agreement Between Estuary Transit District – River Valley Transit and Trans-ad Outdoor Limited**

Whereas, Estuary Transit District – River Valley Transit of Middletown, Connecticut hereinafter "RVT" is a company engaged in the business of public transportation using Public Transportation Buses, and Paratransit vehicles;

and,

Whereas, Trans-ad Outdoor Limited of Branford, Connecticut hereinafter "Contractor" is an advertising agency engaged in the business of promoting, soliciting, and selling public transportation advertisement billboards on and in public transportation buses, and paratransit vehicles,

and,

Whereas both the undersigned representative of RVT and Contractor are fully authorized and empowered to enter a binding contract on behalf of their respective companies,

and,

Whereas RVT desires to enter a contract with Contractor in which Contractor will manage, direct, run and promote all aspects for the use and sale of advertising space on all public transportation buses it uses, owns and/or operates.

## **Section 1. Exclusive Right to Advertising Space**

RVT hereby gives and grants to Contractor, subject to the terms and conditions stated herein, the sole and exclusive right and privilege to sell and service all advertising space in and upon the exteriors and interiors of all the buses now or hereafter owned, leased, or operated by RVT. RVT and/or The Connecticut Department of Transportation reserves the right to always display interior on-board notices.

## **Section 2. Term**

This agreement shall be for a period of 47 months, beginning 8/1/2023 and concluding 6/30/2027. RVT shall be guaranteed to receive during the term, the greater of \$41,250 annually or 52% of the collected net revenue. This contract will automatically extend for a period of Three (3) years. An additional option of Three (3) years by mutual agreement in 1-year increments.

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## **Section 4. Revenue share/commission**

In consideration of Contractor's responsibility to manage, direct, sell and promote all advertising space and advertising revenue generated on RVT's vehicles. Contractor agrees to pay 52% to RVT of all net revenue collected. Net revenue is defined in section 5 below.

## **Section 5. Net Revenue Defined**

Net revenue is defined as gross revenue collected for advertising space after deductions of any industry standard agency or in-house agency and/or buying service commissions, design, production, installation, maintenance, and removal of advertising displays, (where applicable) along with any other costs incidental to ad preparation.

## **Section 6. Payment Priority**

Where design and production costs are included in the payment of advertising space, said design and production vendors shall be paid first. Thereafter RVT and Contractor shall be paid.

## **Section 7. Contractor obligations**

Contractor shall be responsible for the sale and servicing of all RVT vehicles advertising space. Vehicle advertising space shall be defined as advertising space on all buses now or after owned, operated, leased, or controlled by RVT. In connection with this agreement, the Contractor's responsibilities shall include:

- 1) Soliciting and negotiating the sale of advertising.
- 2) Coordinating, to the extent necessary, the production, design, installation, and removal of all advertising displays.
- 3) Supervise, coordinate all advertising inventory, indicate type of display, placement on vehicle, vehicle number and contract number, in addition keep and maintain all necessary records and share those records with RVT twice yearly on 6/30 and 12/31.

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- 4) Solicit from time-to-time quotations for the design and production of advertising displays from various production companies and keep RVT abreast of any new opportunities to lower those costs.
- 5) The collection of revenue from advertising contracts.
- 6) Administer and maintain true and accurate records pertaining to all advertising contracts using accepted standard accounting procedures and share those records once each month with RVT.
- 7) Submit to RVT each 6 months a copy of all advertising contracts from the previous half year sales. Contractor shall also provide a RVT specific P&L for review.
- 8) Explore areas of opportunity for the sale of advertising and share at-will those opportunities with RVT.
- 9) On reasonable notice, meet with RVT's personnel.
- 10) At its own cost Contractor will provide all sales material it deems necessary to sell bus advertising.
- 11) Will not accept advertising from any advertiser or potential advertiser that RVT and/or the State of Connecticut Department of Transportation deems offensive to the community.
- 12) Administer all installation, removal, and maintenance of advertising displays.
- 13) Explore with RVT the best and most cost-effective way to expedite payment in a timely manner from slow and non-payers.
- 14) Offer unsold inventory to charitable or educational institutions on a space available basis, for fifty (50%) off rate card.

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15) Pay RVT a minimum annual guaranteed payment by monthly division of \$3,437.50 each month due and owed by the 15<sup>th</sup> of each month.

- a. Each 6-month period 12/31 and 7/1 of the agreement the monthly M.A.G. payment shall be reviewed by both parties to provide a monthly payment in line with generated sales.

### **Section 8. NETCO's obligations:**

- 1) Provide indoor storage space at the terminal sufficient for the storage of advertising displays, their repair and installation.
- 2) Permit all duly authorized and properly identified representatives of Contractor or outside installation company to enter upon its property during RVT's operating hours, for the purpose of servicing and other purposes necessary to carry out its operations under this agreement.

### **Section 9. Prohibited advertising.**

The Contractor will make every effort to ensure that the advertisements will be of a reputable nature and conform to community-accepted standards. All artwork, copy and illustrations shall be subject to initial and continuing approval by RVT using community-accepted standards, and RVT's decision shall be final, except as provided by law. Contractor will not allow advertisements related to any illegal activity or of an obscene nature. No tobacco product advertisement will be permitted.

### **Section 10. Wrapped bus window coverage.**

Should RVT receive excessive complaints from their riders regarding window coverage of fully wrapped buses, RVT reserves the right to discontinue further sales of same, and/or limit the number of fully wrapped buses sold with window coverage.

### **Section 11. Termination of Agreement**

Should the Contractor fail to generate the net sum of \$65,000 to RVT from Trans-ad Outdoor Limited's contracts by July 1, 2025 and \$41,250 every year thereafter, RVT reserves the right to

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(a) Either terminate this agreement upon a 60-day written notice to the Contactor subject to section 12 below or (b) renegotiate the terms of this agreement.

## **Section 12. Advertising Contracts**

Upon expiration of this agreement and any extension thereof, or upon earlier termination of the agreement as provided in section 11, Contractor shall receive fifteen percent (15%) of the net revenue collected from contracts until the expiration of it for a maximum of twelve (12) months. Contractor shall also receive all production costs not yet collected.

## **Section 13. Independent Contractor**

Contractor shall operate as an independent contractor and not as an employee of RVT. Contractor shall be solely responsible for the acts and omissions of its officers, agents, sub-contractors, and employees.

## **Section 14. Assignment**

The Contractor upon the written consent of RVT may assign this contract. Said consent shall not be unreasonably withheld. This contract shall be binding upon the parties, their heirs, successors, and assigns.

## **Section 15. Non-discrimination**

In carrying out the terms of this agreement, contractor shall not discriminate based upon race, creed, color, age, religion, sex, national origin, or handicap.

## **Section 16. Applicable law/severability**

This agreement shall be governed by and construed in accordance with the laws of the state of Connecticut. If any section, clause, paragraph, or portion of this agreement is determined to be unenforceable or invalid that unenforceability or invalidity shall not affect the enforceability or validity of the remaining portions of this agreement and such unenforceable

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or invalid section, clause or portion thereof shall be severed from the remainder of the agreement.

## **Section 17. Arbitration**

American Arbitration Association shall settle any dispute arising under this agreement. The finding and award of the American Arbitration Association shall be final and binding on the parties hereto.

## **Section 18. Debt collection**

Contractor together with RVT will jointly decide the best method to address debt collection. The parties shall endeavor to select the least expensive option. The cost of said collections and attorney's fees shall be deducted from net revenue.

## **Section 19. Notices**

Notices sent pursuant to this agreement shall be provided via certified mail return receipt to the following:

Alan Watson  
Trans-ad Outdoor LTD  
13 Pond View Terrace  
Branford, CT 06405

Mr. Joseph Comerford  
River Valley Transit  
91 North Main ST  
Middletown, CT 06457

This agreement may not be changed orally, but only in writing signed by the party against whom enforcement of change, modification or discharge is sought.

IN WITNESS WHEREOF, the parties have executed this agreement on the \_\_\_ of July 2023.

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and Trans-ad Outdoor Limited**

Attest:

Trans-Ad Outdoor LTD

\_\_\_\_\_  
Business Manager  
Simeon Stankiewicz

\_\_\_\_\_  
Vice-President  
Alan Watson

Attest:

River Valley Transit

By: \_\_\_\_\_

\_\_\_\_\_  
Executive Director  
Joseph Comerford

Title: \_\_\_\_\_