



AGENDA

Meeting of the Connect Transit Board of Trustees

August 26, 2014

4:30 P.M.

**Board Room
Connect Transit Operations Facility
351 Wylie Drive, Normal, IL 61761**

- A. Call to Order
- B. Roll Call
- C. Public Comments
- D. Consent Agenda
 - 1. Approval of Minutes of Previous Meeting of July 22, 2014 and Executive Session of June 24, 2014
 - 2. Disbursements for Month of August, 2014
 - 3. Financial Report for Month of June, 2014
 - 4. Capital and Self Insurance Reserve Fund Balances for month of June, 2014
 - 5. Monthly Statistical Report for month of July, 2014
- E. Old Business
- F. New Business
 - 1. Recommendation of Lease Agreement for 104 E. Oakland Avenue
- G. General Manager's Report
- H. Trustee's Comments
- I. Executive Session – cite section
- J. Adjournment



June 2014

Financial Reports

Disbursements to be Approved
August 26, 2014

Payee	Goods Purchased	Amount
1st Ayd Corporation	Cleaning Supplies	\$ 501.12
A.T.U. - C.O.P.E.	Payroll Deduction	\$ 195.27
ABC Bus Companies	Bus Parts	\$ 775.56
Advocate Medical Group	Drug Testing	\$ 181.00
Airgas USA, LLC	Welding Supplies	\$ 188.44
Ally	Car Lease	\$ 82.00
Amalgamated Transit Union Local 752	Payroll Deduction	\$ 5,300.75
AmerenIP	Electric Charges -	\$ 55.29
Ancel, Glink, Diamond, Bush, DiCianni &	Legal Service	\$ 100.00
Andrew Johnson	Car Allowance and Expense Reimb	\$ 1,428.24
Assurance Agency, Ltd.	Insurance	\$ 21,634.00
Bea Corbin	Photographs	\$ 4,000.00
BlueLine Rental	Equipment Rental	\$ 1,275.00
Brinks US	Armored Services	\$ 280.87
C.O.P.S.	Paper Shredding	\$ 604.24
Cavalry Portfolio Services, LLC	Payroll Deduction	\$ 558.00
Central Illinois Regional Broadband Netw	Internet	\$ 347.84
Central Illinois Trucks Inc.	Bus Parts	\$ 348.45
City of Bloomington	Utilites	\$ 683.66
Clark Baird Smith, LLP	Legal Service	\$ 3,040.00
Comcast Cable	Internet	\$ 399.85
Corn Belt Energy Corp.	Utilities	\$ 9,676.46
Cummins Crosspoint	Bus Parts	\$ 2,700.68
Deana Smith	Uniform Reimbursement	\$ 53.86
Dennison Corporation	Outside Repair	\$ 7,993.17
Dish Network	Television Service	\$ 120.00
Display4Sale	Outside Display	\$ 1,887.50
Don Owen Tire Service, Inc.	Bus Parts	\$ 1,244.40
Employee	Health Insurance Reimbursement	\$ 1,350.00
Employee	Health Insurance Reimbursement	\$ 1,350.00
Employee	Health Insurance Reimbursement	\$ 1,350.00
Employee	Health Insurance Reimbursement	\$ 1,350.00
Evergreen FS	Fuel	\$ 91,215.99
Expert Service	Equipment Repair	\$ 507.99
Fastenal Company	Bus Parts	\$ 5,955.12
Fleet-Net Corporation	Software & Tech Support	\$ 1,705.00
Four Seasons Association	Payroll Deduction	\$ 536.00
Frontier	Telephone	\$ 986.21
G&K Services	Cleaning Uniforms & Rugs	\$ 1,044.48
Garber Heating & A/C	Repair A/C Unit	\$ 1,738.52
GE Capital C/O Ricoh USA Program	Copiers	\$ 516.00
Getz Fire Equipment	Fire Alarm Repair	\$ 911.20

Gillig LLC	Bus Parts	\$	9,384.39
Health Alliance Medical Plans	Insurance	\$	75,071.00
Heartland Community College	Reimbursement and Sign Replace	\$	5,863.32
Henson Disposal	Garage Overhead	\$	493.50
Hewlett-Packard	Computer Equipment	\$	3,556.00
ICMA Retirement Trust - 457	Retirement Plan	\$	38,372.70
Idaho Child Support Receipting	Payroll Deduction	\$	190.00
Illinois Department of Revenue	Payroll Deduction	\$	19,752.27
Illinois State Disbursement Unit	Payroll Deduction	\$	2,137.64
Illinois State Police	Background checks	\$	80.00
Interstate Batteries of Mid-Illinois	Batteries	\$	1,651.40
IPTA	Annual Dues	\$	8,500.00
Isaac Thorne	Education Reimbursement	\$	825.00
IWIN	Employee Physicals	\$	658.00
Jeff Stewart	Uniform Reimbursement	\$	48.01
Jenifer Clark	Travel Expense Reimbursement	\$	1,542.64
Jennifer Johnson	Uniform Reimbursement	\$	37.70
Jennifer Sorenson	Travel Expense Reimbursement	\$	330.95
John A. Dash & Associates, Inc	Dues	\$	200.00
John Bowman	Reimbursement	\$	135.29
John H. Germeraad, Trustee	Payroll Deduction	\$	960.00
Joupperi Design	Decals	\$	200.00
Julie Phillips	Expense Reimbursement	\$	237.44
Lee Enterprises - Central Illinois	Employment Advertising	\$	736.84
Lincoln National Life Insurance Co.	Dental Insurance	\$	3,279.98
McLean County Chamber of Commerce	Dues	\$	2,400.00
MCS Office Technologies	Web Site Hosting	\$	35.00
Michelin North America, Inc	Tires	\$	5,972.02
Midwest Equipment II	Lawn Maintenance Equipment	\$	266.49
Miller Janitor Supply	Maintenance Supplies	\$	401.27
Minerva Promotions	Uniforms	\$	4,919.00
Mutual of Omaha	Life, AD&D,STD & LTD	\$	6,838.20
Napa Auto Parts	Bus Parts	\$	38.92
Network Tool Warehouse	Maintenance Equipment	\$	10,604.96
NMHG Financial Services	Sweeper Lease	\$	813.63
Oberlander Alarm Systems, Inc.	Security Alarm Serv Fee	\$	197.00
Orkin Pest Control	Pest Control	\$	81.00
Pat Boylan	Uniform Reimbursement	\$	39.69
Payroll - Net		\$	302,188.70
Petty Cash	Reimbursement	\$	161.15
Piercy Auto Body	Bus Repair	\$	1,344.50
Pipco Companies, LTD	Maintenance	\$	530.12
Ricoh USA, INC	Copier	\$	570.35
Rilco, Inc.	Oil, Anitfreeze	\$	615.00
Roy Lyons	Uniform Reimbursement	\$	135.74
Secretary of State	License Plates	\$	48.00
Seico, Inc	Security Camera	\$	8,592.00

Select Screen Prints and Embroidery	Shirts	\$	306.00
Southtown Wrecker Service, Inc.,	Towing	\$	617.50
Staples	Office Supplies	\$	154.58
Stephens Auto Glass	Glass Repair	\$	120.00
Steve Stockton	Refund of Insurance	\$	56.75
Tabitha Johnson	Uniform Reimbursement	\$	53.86
The Copy Shop	Printing	\$	26.00
Thermo King Quad Cities, Inc.	Bus Parts	\$	3,861.39
Town of Normal	Utilites	\$	9.20
Truck Centers, Inc.	Bus Parts	\$	7,173.91
U.S. Postal Service	Stamps	\$	217.00
Verizon Wireless	Mobile Data Terminals for SS	\$	581.38
Visa - Commerce Bank	Travel & Meetings	\$	5,959.16
Visa - Commerce Bank	Office Supplies	\$	484.14
Visa - Commerce Bank	Computer Hrdwr	\$	1,124.20
Visa - Commerce Bank	Safety/Training	\$	606.56
Visa - Commerce Bank	Web Site	\$	112.19
Visa - Commerce Bank	Trustee's Expense	\$	1,344.86
Visa - Commerce Bank	Miscellaneous	\$	1,105.88
Visa - Commerce Bank	Shipping	\$	2.24
Visa - Commerce Bank	Employee Recognition	\$	24.95
VSP Of Illinois	Vision Insurance	\$	575.05
			<hr/>
Total Operating		\$	721,725.77

Capital Account

DoubleMap, LLC	Tablet App Restructure	\$	6,000.00
International Display Systems, Inc.	Bus Passenger Info Display System	\$	73,634.78
			<hr/>
Total Capital		\$	79,634.78
			<hr/>
Total		\$	801,360.55
			<hr/> <hr/>

Bloomington Normal Public Transit Balance Sheet

Fiscal Year: 2014 Period 12 June - 2014

Division: 99 Board Reports

As of: 06/30/2014

001 Assets

005 Current Assets

100 Checking and Savings	\$5,059,978.12
110 Accounts Receivable	\$4,240,208.53
120 Inventory Asset - Fuel	\$65,929.35
122 Inventory Asset - Parts	\$153,589.76
123 Inventory Asset - Tires	\$0.00
140 Other Current Assets	\$225,350.04

141 Total Current Assets \$9,745,055.80

150 Fixed Assets \$12,866,085.90

190 Total Assets \$22,611,141.70

200 Liabilities & Equity

205 Liabilities

207 Accounts Payable	\$294,545.66
210 Payroll Liabilities	\$732,744.89
220 Contracts	\$0.00
221 Due to Illinois Funds Account	\$2,980,249.22
222 Deferred Revenue	\$94,816.96
250 Deficit Funding Advance	\$0.00

290 Total Liabilities \$4,102,356.73

298 EQUITY

300 Fixed Asset Equity	\$12,483,532.77
301 Unreserved Fund Equity	\$6,750,412.62
302 Underground Petroleum Storage	\$20,000.00

303 Total Equity \$19,253,945.39

305 Retained Earnings (\$745,160.42)

399 Total Liabilities & Equity \$22,611,141.70

Bloomington Normal Public Transit Income Statement With Approved Budget

Fiscal Year: 2014	Period 12	Division: 98 Operating Profit/Loss		As of: 06/30/2014	
		June - 2014	Jul-2013 Thru Jun-2014 Year To Date	Approved Budget	Approved Budget
400 Operating Revenue					
401 Passenger Fares	\$67,442.72	9.09%	\$787,064.90	106.03%	\$742,300.00
403 ISU Contract Fare	\$39,701.20	8.33%	\$476,414.40	100.00%	\$476,415.00
405 Other Contract Fares	\$4,231.90	2.82%	\$108,124.54	72.08%	\$150,000.00
407 Advertising Revenue	\$2,500.00	16.67%	\$2,500.00	16.67%	\$15,000.00
409 Miscellaneous Revenue	\$887.24	44.36%	\$7,780.21	389.01%	\$2,000.00
411 Total Operating Revenue	\$114,763.06	8.28%	\$1,381,884.05	99.72%	\$1,385,715.00
500 Operating Expenses					
501 Operators Wages	\$510,123.81	12.35%	\$4,257,527.99	103.07%	\$4,130,570.00
503 Maintenance Wages	\$107,521.66	12.26%	\$789,614.40	90.01%	\$877,297.00
505 Administration Wages	\$95,468.23	13.61%	\$647,034.11	92.22%	\$701,655.00
507 Employer Payroll Tax Expense	\$48,906.57	10.48%	\$439,844.96	94.23%	\$466,778.00
509 Retirement Plan	\$15,896.36	6.36%	\$191,573.75	76.63%	\$250,000.00
511 Group Insurance	\$84,033.79	9.38%	\$864,586.37	96.49%	\$896,002.00
513 Uniform Expense	\$869.89	5.61%	\$24,291.85	156.72%	\$15,500.00
515 Professional Services	\$7,635.00	8.05%	\$75,741.17	79.90%	\$94,800.00
519 Outside Repair-Labor	\$9,936.43	12.67%	\$74,352.83	94.84%	\$78,400.00
521 Contract Maintenance Services	\$7,178.17	7.48%	\$125,262.92	130.48%	\$96,000.00
523 Custodial Services	\$245.50	3.84%	\$4,080.15	63.75%	\$6,400.00
525 Employee Recruiting/Testing/Temp Help	\$560.10	2.14%	\$22,591.34	86.23%	\$26,200.00
527 Fuel	\$74,337.74	6.18%	\$1,125,683.51	93.54%	\$1,203,420.00
529 Lubricants	\$17,370.33	75.52%	\$26,347.28	114.55%	\$23,000.00
531 Tires	\$6,376.58	7.86%	\$65,437.81	80.69%	\$81,100.00
535 Bus Repair Parts	\$92,295.91	76.91%	\$281,403.98	234.50%	\$120,000.00
537 Other Materials & Supplies	\$4,108.25	13.47%	\$58,817.92	192.85%	\$30,500.00
539 Shelters/Signs/Shop Tools	\$11,285.86	30.50%	\$33,813.39	91.39%	\$37,000.00
541 Computer and Office Supplies	\$5,129.26	3.76%	\$114,632.91	83.98%	\$136,500.00
543 Utilities	\$7,572.09	6.03%	\$129,159.44	102.92%	\$125,500.00
545 Corporate Insurance	\$17,579.17	9.64%	\$220,394.68	120.84%	\$182,378.00
547 Dues/Subscriptions/Fees	\$20,345.84	72.66%	\$42,225.84	150.81%	\$28,000.00
549 Printing/Marketing/Training	\$37,282.39	15.34%	\$224,593.91	92.43%	\$243,000.00
560 Total Operating Expenses	\$1,182,058.93	12.00%	\$9,839,012.51	99.89%	\$9,850,000.00
570 Operating Assistance					
580 Operating Deficit	(\$1,067,295.87)	12.61%	(\$8,457,128.46)	99.92%	(\$8,464,285.00)
585 Illinois Downstate Operating Assistance	\$758,467.42	11.88%	\$6,378,435.00	99.88%	\$6,386,250.00
590 FTA 5307 Operating Assistance	\$286,642.00	13.79%	\$2,024,375.80	97.42%	\$2,078,035.00
600 Total Operating Assistance	\$1,045,109.42	12.35%	\$8,402,810.80	99.27%	\$8,464,285.00

Connect Transit
Local Capital and Self-Insurance Fund Balance
June 2014

<u>Self-Insurance Fund:</u>	<u>The Illinois Funds- Cash Balance</u>	
06/01/14	Beginning Balance	\$ 106,845.20
06/30/14	Additions - Interest Income	\$ 1.37
06/30/14	Ending Balance	<u>\$ 106,846.57</u>

<u>Local Capital Reserve:</u>	<u>The Illinois Funds- Cash Balance</u>	
06/01/14	Beginning Balance	\$ 2,086.82
06/30/14	Additions - Interest Income	\$ 0.02
06/30/14	Ending Balance	<u>\$ 2,086.84</u>

<u>Local Capital</u>	<u>Commerce Bank - Cash Balance</u>	
06/01/14	Beginning Balance	\$ 2,811,284.69
06/05/14	Deposit - FTA	\$ 71,029.00
06/12/14	Deposit - Normal	\$ 30,848.66
06/27/14	Deposit - Bloomington	\$ 45,053.01
06/30/14	Additions - Interest Income	\$ 370.03
06/30/14	Ending Balance	<u>\$ 2,958,585.39</u>

<u>FTA & IDOT Capital</u>	<u>The Illinois Funds- Cash Balance</u>	
06/01/14	Beginning Balance	\$ 43,597.62
06/30/14	Additions - Interest Income	\$ 0.56
06/30/14	Ending Balance	<u>\$ 43,598.18</u>

Total Reserve Capital Account \$ 3,004,270.41

Breakdown of the Local Capital Reserve Fund- Cash Balance:

Local <u>Capital #1</u>	Local <u>Capital #2</u>
\$ 43,598.18	\$ 2,960,672.23

Breakdown of Local Funding in Local Capital #2 (Earmarked Funds):

	<u>FY14 Received</u> <u>6/30/2014</u>	<u>FY14 Receivable</u> <u>6/30/2014</u>
Bloomington	\$ 540,636.12	\$ -
Normal	\$ 370,183.92	\$ -
Total YTD	<u>\$ 910,820.04</u>	<u>\$ -</u>

Local Capital Reserve Fund Balance - Account Value

	06/30/14	Cash Balance	\$	3,004,270.41				
	06/30/14	Loans to Operating	\$	2,980,249.22				
	06/30/01	Reserve fund for underground storage tank (Cap. I)	\$	(40,000.00)				
	06/30/14	Ending Balance	<u>\$</u>	<u>5,944,519.63</u>				
<table border="0" style="width: 100%;"> <tr> <td style="text-align: center;">Local <u>Capital #1</u></td> <td style="text-align: center;">Local <u>Capital #2</u></td> </tr> <tr> <td style="text-align: right;">\$ 3,598.18</td> <td style="text-align: right;">\$ 5,940,921.45</td> </tr> </table>					Local <u>Capital #1</u>	Local <u>Capital #2</u>	\$ 3,598.18	\$ 5,940,921.45
Local <u>Capital #1</u>	Local <u>Capital #2</u>							
\$ 3,598.18	\$ 5,940,921.45							



July 2014

Statistical Reports



	July 2014					July 2013					% Change				
	Customers	Revenue Miles	Revenue Hours	Boardings per Revenue Hour		Customers	Revenue Miles	Revenue Hours	Boardings per Revenue Hour		Customers	Revenue Miles	Revenue Hours	Boardings per Revenue Hour	
Connect Transit															
Green A (2 buses)	31,112	10,244	739	42.10		40,411	9,902	739	54.70		-23.0%	3.5%	0.0%	-23.0%	
Red B (2 buses)	19,174	9,695	758	25.30		19,279	9,618	758	25.42		-0.5%	0.8%	-0.1%	-0.5%	
Purple C (2 buses)	16,772	9,070	753	22.27		17,581	9,826	753	23.35		-4.6%	-7.7%	0.0%	-4.6%	
Pink D (1 bus)	8,832	4,675	356	24.81		8,017	4,674	356	22.52		10.2%	0.0%	0.0%	10.2%	
Blue E (1 bus)	6,946	5,452	389	17.86		7,345	5,438	389	18.89		-5.4%	0.3%	0.1%	-5.5%	
Brown F (2 buses)	12,754	10,665	786	16.23		12,411	10,656	786	15.80		2.8%	0.1%	0.1%	2.7%	
Yellow G (2 buses)	20,974	10,818	774	27.10		20,619	10,420	774	26.53		1.7%	3.8%	0.0%	1.8%	
Orange H (2 buses)	19,390	10,292	771	25.15		19,382	10,418	771	25.13		0.0%	-1.2%	0.0%	0.1%	
Lime I (2 buses)	22,650	13,171	753	30.08		16,137	12,844	753	21.42		40.4%	2.5%	0.0%	40.4%	
Teal J (1 bus)	5,594	5,962	352	15.89		3,797	9,552	380	10.01		47.3%	-37.6%	-7.2%	58.8%	
Aqua K (1 bus)	11,188	6,083	388	28.84		10,476	6,204	388	26.98		6.8%	-2.0%	-0.1%	6.9%	
NCWHS Tripper (1 bus)				-					-		0.0%	0.0%	0.0%	0.0%	
ISU Tri Towers (2 buses)				-					-		0.0%	0.0%	0.0%	0.0%	
ISU College Station (2 buses)				-					-		0.0%	0.0%	0.0%	0.0%	
Nite Ride (3 buses)				-					-		0.0%	0.0%	0.0%	0.0%	
Total Fixed Route	175,386	96,127	6,819	25.72		175,455	99,552	6,847	25.62		0.0%	-3.4%	-0.4%	0.4%	
Demand Response															
Connect Mobility	5,611	30,122	2,099	2.67		4,459	21,814	1,702	2.62		25.8%	38.1%	23.3%	2.0%	
Connect Late Night	512	2,719	208	2.46		561	3,005	195	2.88		-8.7%	-9.5%	6.7%	-14.4%	
Total Demand Response	6,123	32,841	2,307	2.65		5,020	24,819	1,897	2.65		22.0%	32.3%	21.6%	0.3%	
SYSTEM TOTALS	181,509	128,968	9,126	19.89		180,475	124,371	8,744	20.64		0.6%	3.7%	4.4%	-3.6%	



Metrics

		Month: July 2014			
		Target	FY2015	FY2014	% Change
Effectiveness	Total Boardings per Revenue Hour	15.0	19.9	20.6	-3.6%
	Total Boardings per Capita	1.0	1.4	1.4	0.6%
	Total Boardings per Revenue Mile	1.0	1.4	1.5	-3.0%
Safety	Total Preventable Accidents (Fixed Route and Demand Response)	0.0	3	1	200.0%
	Preventable Accidents per 100,000 Miles	0.0	4	1	211.1%
Efficiency	Farebox Recovery Ratio	13.3%	0.0%	0.0%	0.0%
	Average Fare	\$ 0.68	\$ -	\$ -	0.0%
	Cost per Revenue Hour	\$ 74.22	\$ -	\$ -	0.0%
	Cost per Customer	\$ 5.10	\$ -	\$ -	0.0%
	Operating Assistance Investment per Customer	\$ 4.42	\$ -	\$ -	0.0%
Base Statistics for Calculations	Total Customers		181,509	180,475	0.6%
	Total Revenue Hours		9,126	8,744	4.4%
	Total Revenue Miles		128,968	124,371	3.7%
	Total Bloomington-Normal Population (per the 2010 US Census)		129,107	129,107	0.0%
	Total Operating Expense		\$ -	\$ -	0.0%
	Total Operating Revenue (includes all directly-generated revenue such as Universal Access)		\$ -	\$ -	0.0%

Analysis & Interpretation

--



MEMO

August 21, 2014

Memo to: Board of Trustees

Subject: Recommendation of Lease Agreement for 104 E. Oakland Property

BACKGROUND: Connect Transit has maintained the property located at 104 E. Oakland Avenue since 2010 with the intent to sell the property. However, no prospective buyers have shown interest in purchasing the property for the appraised value. In October, 2013, the property appraised for \$625,000.

The City of Bloomington has agreed to lease the property for three (3) years for a total of \$62,718.50, payable in equal monthly installments of \$5,226.54 each. Additionally, the City of Bloomington agrees to pay all utilities and maintain and upkeep the property.

KEY FEATURES:

- Lease provides revenue to offset operating expenses
- General maintenance and upkeep of property is the responsibility of the tenant
- Utilities will be paid by tenant

BUDGET INFORMATION: The monthly lease payments will be used as revenue to offset operating expenses.

PROPOSED ACTION: That the General Manager be authorized to execute a three (3) year lease agreement in amount of \$62,178.50 per year with the City of Bloomington.

Connect Transit

COMMERCIAL LEASE AGREEMENT

This Lease Agreement is entered into as of _____, 20____, by and between Connect Transit, ("Landlord") and City of Bloomington. ("Tenant").

Upon the terms and subject to the conditions hereinafter set forth, Landlord leases to Tenant and Tenant leases from Landlord, the real property described in attached Exhibit "A", which Exhibit "A" is incorporated herein by this reference, together with all improvements now hereafter located thereon and all appurtenances and privileges related thereto, all of which area is hereinafter referred to as the "Premises."

Section 1. Lease Term. The lease term shall be for three years and shall commence on _____, and shall terminate on _____. Notwithstanding the above, Tenant reserves the right to terminate this Lease upon six months written notice to Landlord.

Section 2. Rent. The annual rent for the lease term shall be \$62,718.50, payable in equal monthly installments of \$5,226.54, each, in advance of the first day of each calendar month throughout the lease term. Tenant shall pay the first and last month's rent to Landlord at the time of the parties' execution of the Lease. If the lease term commences on a day other than the first day of a calendar month, the first month's rent shall be adjusted accordingly. Rent payments shall be mailed or delivered to Landlord at _(insert address)_____.

Section 3. Use of the Premises. Tenant's use of the premises shall be in a lawful, careful, safe, and proper manner, Tenant shall carefully preserve, protect, control and guard the same from damage.

Section 4. Taxes and Assessments. Property is currently exempt from Real Estate taxes. Tenant agrees to be responsible for payment of any Real Estate taxes assessed due to Tenant use and occupancy of the property. Tenant agrees to pay any and all special assessments during Tenants occupancy of the property.

Section 5. Utilities. Tenant shall promptly pay or cause to be paid all charges incurred for all utility services furnished to the Premises, including without limitation, telephone service, sanitary sewer, water, natural gas, and electricity. Tenant shall also provide all replacement light bulbs and tubes and pay for all maintenance of all utilities during the lease term and any extension thereof.

Section 6. Compliance with Laws. If any law, ordinance, order, rule or regulation is passed or enacted by any governmental agency or department having jurisdiction over the Premises or Tenant's use of the same which requires Tenant to modify or alter its operations or use of the Premises, this Lease shall in no way be affected and Tenant shall at its sole cost and expense, promptly comply with such law, ordinance, order, rule, or regulation.

Section 7. Maintenance and Repair. Subject to provisions of Section 11, below, relating to destruction of or damage to the Premises, and Section 12, below, relating to condemnation of

the Premises, Tenant shall, at its sole cost and expense, keep and maintain the interior of the Premises, including without limitation, the operational parts (cooling, heating, air conditioning, plumbing equipment and fixtures), floors, doors, toilets, light replacement, etc.), and all other elements or systems of the interior of the Premises, in a condition and repair similar to its original condition and repair, reasonable wear and tear expected. Tenant shall further be responsible for all snow and ice removal from sidewalks and parking areas on the Premises. Replacement and repair parts, materials, and equipment used by Tenant to fulfill its obligations hereunder shall be quality equivalent to those initially installed within the Premises. All repair and maintenance work shall be done in accordance with the then existing federal, state, and local laws, regulations and ordinances pertaining thereto. Landlord shall perform maintenance and repair of the structural components of the Premises, including without limitation, the roof, exterior, foundation, and paving of the Premises. Notwithstanding the above, Landlord shall not be responsible for the cost of repairs and maintenance caused by the intentional acts or negligence of Tenant, its employees, agents or invitees. Landlord, at its sole cost and expense, shall maintain and repair all fuel storage tanks and fuel pumps on the Premises. Landlord shall indemnify Tenant for any and all damage, investigation, fine or other finding against Tenant caused by leaking or faulty fuel storage tanks or fuel pumps.

Section 8. Indemnity and Insurance. Tenant shall indemnify Landlord for, defend Landlord against, and save Landlord harmless from any liability, loss, cost, injury, damage, or other expense that may occur or be claimed by or with respect to any person or property on or about the Premises resulting from the use, misuse, occupancy, possession, or unoccupancy of the Premises by Tenant or Tenant's employees, agents, licensees, invitees or guests or to any property of such persons. Landlord shall not be responsible or liable for loss or damage to the contents of any improvements on the Premises, regardless of who owns the contents and regardless of how or by whom the loss or damage is caused, unless such loss or damage is caused by the negligence or intentional acts of Landlord, its agents or employees

At its sole cost and expense, Tenant shall obtain and thereafter maintain in full force and effect, at all times during the lease term and any extension thereof, the following insurance with respect to the Premises:

- (a) comprehensive public liability insurance having limits of not less than \$1,000,000 for bodily injury or death to one person, \$1,000,000 for bodily injuries or death arising out of one occurrence, and \$500,000 for property damage;
- (b) fire and extended coverage insurance in an amount equal to at least 100 percent of the current replacement value of the Premises.

It is understood that Tenant self insures for losses covered by subsections (8(a) and 8(b). The stop-loss insurance policy of Tenant must comply with the requirements of this paragraph with regard to insurance limits. So long as the stop-loss policy complies with this paragraph, Tenant shall be deemed in compliance with the requirements of this paragraph 8. Each insurance policy furnished under this Section 8 shall be issued by a responsible insurance company acceptable to Landlord which company shall be authorized to do business in Illinois, and such

insurance coverage may be written under a blanket policy or policies obtained by Tenant, which policy may include other real estate owned or leased by Tenant. Tenant and Landlord shall all be named as insured parties in each such insurance policy, and each policy shall provide for written notice to Landlord at least ten days prior to any cancellation, modification, or lapse thereof. Tenant shall furnish landlord with memorandum copies of such insurance policies prior to the commencement of the lease term.

Section 9. Alterations and Improvements. Tenant shall have the right to make, at no expense to Landlord, improvements, alterations, or additions (hereinafter collectively referred to as "Alterations") to the Premises, to the Premises, whether structural or nonstructural, interior or exterior, provided that:

- (a) no Alteration shall be made without the prior written consent of Landlord, which consent shall not be unreasonably withheld;
- (b) no Alteration shall reduce or otherwise impair the value of the Premises;
- (c) no Alteration shall be commenced until Tenant has first obtained and paid for all required permits and authorization of all governmental authorities having jurisdiction with respect to such Alteration;
- (d) any Alteration shall be made in a good workmanlike manner and in compliance with all laws, ordinances, regulations, codes, and permits;
- (e) Tenant shall hold Landlord harmless from and against any liens and claims for work, labor, or materials supplied to the premises at the direction of Tenant, and in the event that any such liens or claims shall be filed for work, labor or materials supplied to the Premises at the direction of Tenant, Tenant shall, at Landlord's option, either escrow an amount equal to the amount of the lien or claim being filed, or obtain a bond for the protection of Landlord in an amount not less than the amount of the lien or claim being filed; and
- (f) any Alteration shall become and remain the property of Landlord unless Landlord otherwise agrees in writing.

Section 10. Signs. Tenant shall have the right to install and operate, at its sole cost and expense, any sign or signs on the Premises which shall not be in violation of any law, statute or ordinance, and Tenant shall have the right to remove the same, provided that Tenant must repair any damage to the Premises caused by such removal.

Section 11. Damage to Premises. If by fire or other casualty the Premises are destroyed or damaged to the extent that Tenant is deprived of occupancy or use of the Premises (meaning such destruction cannot be repaired or restored within 120 days of the occurrence of the fire or

other casualty). Landlord will cancel this Lease as of the date of such fire or casualty by giving written notice to Tenant not more than 30 days thereafter.

Section 12. Condemnation. If all or materially all of the Premises are taken in appropriation proceedings or by right of eminent domain or by the threat of the same, then this Lease shall terminate as of the date Tenant is deprived of occupancy thereof, and Tenant's obligations under this Lease shall terminate. For purposes of this Lease, "materially all of the Premises" shall be considered as having been taken if the portion of the Premises taken, would leave the remaining portion not so taken insufficient to enable Tenant to effectively and economically conduct its business at the Premises.

If Less than materially all the Premises are taken in appropriation proceedings or by right of eminent domain or by the threat thereof, then this Lease shall not terminate as result of such taking. Rent shall be abated in the proportion of the number of square feet of improvements of the Premises of which Tenant is deprived bears to the total square feet of such improvements immediately prior to such taking. Thereafter, if the number of square feet of improvements is less than the total of the same prior to such taking, rent shall be reduced in the proportion to which the number of square feet of improvements existing after such taking is less than the total of the same prior to such taking.

All damages awarded for any such taking shall belong to and be the property of Landlord, whether such damages shall be awarded as compensation for diminution in value to the leasehold or to the fee of the Premises, or otherwise, provided, however, that Tenant shall be entitled to any portion of the award made to Tenant for removal and reinstallation of Tenant's fixtures or for the cost of Tenant's immovable fixtures, if any.

Section 13. Default. If Tenant fails to pay any installment of rent or make any other payment required to be made of Tenant when the same shall become due and payable hereunder, or if Tenant fails to observe and perform any other provision, covenant, or condition of this Lease required under this Lease to observed and performed by Tenant within 15 days after landlord shall have given notice to Tenant of the failure of Tenant to observe and perform the same, or if Tenant abandons or vacates the Premises during the continuance of this Lease, or if Tenant makes an assignment for the benefit of creditors or enters into a composition agreement with its creditors, or seized by legal process, or if this Lease is assigned in violation of the terms hereof or is terminated by operation of law, then, in any such event, immediately or at any time thereafter, at the option of Landlord, Landlord shall, as it elects, either:

- (a) declare this Lease to be in default, in which event this Lease shall immediately cease and terminate, and Landlord may possess and enjoy the Premises as though this Lease had never been made, without prejudice, however, to any and all rights of action when Landlord may have against Tenant for rent and other charges payable by Tenant hereunder (both past due and rent due Landlord through date of Landlord's possession and past due payable by Tenant)), damages, or breach of covenant, in respect to which Tenant shall remain and continue liable notwithstanding such termination; or

- (b) relet the Premises, or any part thereof, for such term or terms and on such conditions, as Landlord deems appropriate. for and on behalf of Tenant, for the highest rental reasonably attainable in the judgment of Landlord, which reletting shall not be considered as a surrender or acceptable back of the Premises or a termination of this Lease, and recover from Tenant any deficiency between the amount of rent and all other charges payable by Tenant under this Lease and those amounts obtained from such reletting, plus any expenses incurred by Landlord in connection with such reletting, including, without limitation, the expenses of any repairs or alterations Landlord deems necessary or appropriate to make in connection with such reletting and all sums expended for brokerage commissions and reasonable attorney's fees, but Landlord shall be under no duty to relet the Premises.

In the event that a bankruptcy or insolvency proceeding is filed by or against Tenant, or if a court of competent jurisdiction or other governmental authority approves a petition seeking a reorganization, arrangement, composition or other similar relief with respect to Tenant, or appoints a trustee, receiver or liquidator of Tenant or of all, or substantially all, of the property or affairs of Tenant, Landlord shall have the right to elect any of the remedies set forth above. If this Lease is assumed or assigned to a trustee, receiver, liquidator or other court-appointed person or entity without Landlord's prior written consent, the parties and their respective successors (whether by operation of law or otherwise agree that, upon such an assignment or assumption, all defaults of Tenant prior to such assignment or assumption must be cured or that adequate assurances that such defaults will be promptly cured must be given and that adequate assurances of future performance under this Lease must be provided. Such adequate assurances shall mean that a bond shall be issued in favor of Landlord in the amount equal to one year's future rent and that an amount equal to all existing monetary obligations of Tenant which are in default shall be escrowed with an escrow agent acceptable to Landlord. Additionally, all past due monetary obligations of Tenant which are in default shall be paid to Landlord within 60 days after the assignment or assumption and rent will be currently and continually paid on a timely basis commencing with the first day of the month following the 60th day of the assignment and assumption.

If Landlord fails to observe and perform any other provision, covenant, or condition of this Lease required under this Lease to be observed and performed by Landlord within 30 days after Tenant shall have given notice to Landlord of the failure of Landlord to observe and perform the same, Tenant may terminate this Lease.

Section 14. Non-Waiver and Right to Cure Defaults. Neither a failure by Landlord to exercise any of its options hereunder, nor a failure to enforce its rights or seek its remedies upon any default, nor an acceptance by Landlord of any rent accruing before or after any default, shall affect or constitute a waiver of Landlord's right to exercise such option, to enforce such right, or to seek such remedy with respect to that default or to any prior or subsequent default. The remedies provided in this Lease shall be cumulative and shall not in any way abridge, modify or preclude any other rights or remedies to which Landlord is entitled, either at law or in equity.

If Tenant fails to pay by their respective due dates all rents, charges or other obligations to be paid by it pursuant to the terms hereof, or fails to make necessary repairs to the Premises, or fails to perform any other duties which it is required to perform hereunder, then Landlord, at its option, may do so and the amount of any expenditure attributable to such action by Landlord, plus accrued interest at the rate of one percent per month, (12%) per annum from the time each such expenditure is made until reimbursed, shall immediately become due and payable to Landlord and shall be considered additional rent hereunder; but no such payment or compliance by Landlord shall constitute a waiver of any such failure by Tenant or affect any right or remedy of Landlord with respect thereto.

Section 15. Holding Over by Tenant. If Tenant shall continue in possession of the Premises beyond the termination of the lease term, such holding over shall be considered an extension of this Lease for a one-month period and so on, from month to month, until terminated by either party by giving not less than 30 days written notice of termination to the other. Such holding over shall be upon the same terms and conditions as are set forth in this Lease.

Section 16. Surrender of Premises. Upon termination of this Lease, whether by lapse of time or otherwise, or upon the exercise by Landlord of the power to enter and repossess the Premises without terminating this Lease, as hereinbefore provided, Tenant shall at once surrender possession of the Premises to Landlord in a condition and order of repair substantially similar to its original condition and order of repair upon the commencement of the lease term, reasonable wear and tear and damage by events of casualty described in Section 11, excepted, and shall at once remove all of Tenant's personal property and trade fixtures from the Premises. Upon any such termination, Tenant shall, as directed by Landlord, either remodel any addition to the Premises constructed by Tenant under Section 9, above, so as return the Premises to its original condition, reasonable wear and tear excepted, or remove such addition from the Premises. Any such remodeling or removal of any addition to the Premises shall be made by Tenant at its sole cost and expense. If, upon any such termination, Tenant does not at once surrender possession of the Premises and remove such of its property as allowed by Landlord, Landlord may forthwith re-enter and repossess the same and remove all of Tenant's property without being guilty of trespass or of forcible entry or detainer or without incurring any liability to Tenant for loss or damage to Tenant's property. Upon any such removal of Tenant's property, it shall be considered to have been abandoned and may either be retained by Landlord as its property or may be disposed of at public or private sale as Landlord sees fit. If any such property is either sold at public or private sale or retained by Landlord, the proceeds of any such sale or the then current fair market value of the property, as the case may be, shall be applied by Landlord against Landlord's expenses of removal, storage or sale of such property, the arrears of rent and other charges or future rent and other charges payable hereunder, and any other damages to which Landlord may be entitled hereunder. Tenant shall repair, at its sole cost and expense, any damage to the Premises resulting from the removal of its property as allowed hereunder.

Section 17. Entry by Landlord. Landlord shall have the right to enter upon the Premises at all reasonable times for the purpose of inspecting the same, and during the last year of the lease term, or any renewal or extension thereof, Landlord may exhibit the same for sale or rent;

provided, however, that Landlord shall not unreasonably interfere with Tenant's use of the Premises.

Section 18. Time of the Essence. Time is of the essence in the performance and observance of each and every term, covenant and condition of this Lease by both Landlord and Tenant.

Section 19. Assignment. Tenant shall not assign this Lease or sublet the Premises, or any part thereof, without the prior written consent of Landlord, which consent may be subject to terms and conditions as Landlord considers necessary in order to protect its interest in the premises; provided, however, that no assignment of this Lease, whether by act of tenant or by operation of law, and no sublease of the premises, or any part thereof, by or from tenant, shall relieve or release tenant from any of its obligations hereunder.

Section 20. Governing Law. This Lease shall be subject to and governed by the laws of the State of Illinois.

Section 21. Amendments. No amendment to this Lease shall be valid or binding unless such amendment is in writing and executed by the parties hereto.

Section 22. Severability of Provisions. The invalidity or unenforceability of any particular provision of this Lease shall not affect the other provisions hereof and this Lease shall be construed in all respects as if such invalid or unenforceable provision were omitted.

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease Agreement as of the date first set forth above.

Connect Transit

City of Bloomington

By: _____

By: Tori Renner

Name: Andrew Johnson

Name: Tori Renner

Title: General Manager

Title: Mayor

Date: _____

Date: July 29, 2014

Attest: _____

Attest: Tracey Covert

Name: Dave White

Name: Tracey Covert

Title: Safety and Training Director

Title: City Clerk

Date: _____

Date: July 29, 2014