

**AGREEMENT BETWEEN  
THE HUMBOLDT TRANSIT AUTHORITY  
AND  
ADS IN MOTION  
FOR CONTRACT SERVICES**

THIS AGREEMENT for Contract Services (“Agreement”) is made on [April 1, 2016](#), by and between [Ads in Motion](#), hereinafter referred to as “Contractor,” and the Humboldt Transit Authority, a joint powers authority, hereinafter referred to as “HTA.”

1. **Scope of Services.** Contractor shall perform services for HTA in accordance with Exhibit A, Scope of Work, attached hereto and incorporated herein, and briefly described as [Bus Advertising “Services”](#)
2. **Term.**
  - a) **Commencement.** No Services shall be performed or furnished under this Agreement until HTA has provided notice to commence Services to the Contractor, which shall not occur until after full execution of this Agreement by both parties and receipt by HTA of all insurance certificates.
  - b) **Termination.** Unless terminated sooner under Section 17, this Agreement shall terminate on [March 31, 2021](#).
3. **Compensation For Services, Payment.**
  - a) HTA shall pay Contractor at the rate and basis as set forth in the payment schedule in Exhibit B, attached hereto and incorporated herein.
  - b) Contractor shall prepare and submit its invoices to HTA no more than once per month, and, for Services billed on a time and materials basis or in installments, shall provide a time summary of work performed by each person for whom charges are billed. All reasonable efforts will be made by HTA to pay undisputed invoices within 30 days of receipt. If HTA disputes an invoice, it may withhold that portion so contested and shall pay the undisputed amount. HTA may withhold all or any portion of the funds provided for by this Agreement in the event that the Contractor has materially violated or threatens to materially violate, any term, provision, or condition of this Agreement.
4. **Permits And Licenses.** Contractor warrants that it is fully qualified to perform the Services under this Agreement, and holds all applicable licenses, permits, and other necessary qualifications. Contractor shall pay all charges and fees in connection with said permits and licenses, and shall keep them paid and current throughout the term of this Agreement.
5. **Compliance With Applicable Laws.** Contractor shall be responsible for complying with all applicable local, state, and federal laws and regulations, whether or not expressly stated or referred to herein, including without limitation, environmental and worker safety laws and regulations.
6. **Independent Contractor Status.** Contractor is performing Services as an independent contractor for HTA, and is neither an employee nor an agent of HTA. Except as otherwise provided in this Agreement, Contractor shall have sole control over the manner and method of performance of the services and shall furnish all tools, equipment, labor and materials at its cost and expense, except such materials as are specifically identified in this Agreement. HTA’s only interest shall be in the results of such Services. HTA’s liability hereunder shall be limited to payment of the compensation provided in this Agreement. Contractor agrees

and acknowledges that it is not entitled to any benefits or insurance, including without limitation any medical, unemployment, or disability benefits, on HTA's account.

7. **Designation of Representative.** Contractor and HTA shall designate specific individuals to act as representatives ("Designated Representative"), who shall have authority to transmit instructions, receive information, and implement the Agreement on behalf of each respective party. Either party may change its Designated Representative or the address of its Designated Representative by giving reasonable notice to the other party.
8. **Notice.** All notices required or permitted hereunder shall be in writing and shall be deemed to have been properly given and delivered when delivered personally (including by commercial messenger or courier or by facsimile transmission) or four (4) days after deposit in the U. S. mail with all postage or charges fully prepaid and addressed to the authorized representative of the appropriate party.

HTA:  
General Manager  
Humboldt Transit HTA,  
133 V Street  
Eureka, CA, 95501

Contractor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. **Indemnification.**

When the law establishes a professional standard of care for Contractor's services, to the fullest extent permitted by law, Contractor shall indemnify and hold harmless HTA and its boards, task forces, officials, employees and agents (collectively "Indemnified Parties") from and against any and all losses, liabilities, damages, costs and expenses, including attorney's fees and costs to the extent same are caused in whole or in part by any negligent or wrongful act, error or omission of Contractor, its officers, agents, employees or sub-contractors or any entity or individual for which Contractor shall bear legal liability in the performance of professional services under this Agreement.

Other than in the performance of professional services and to the extent permitted by law, Contractor shall indemnify, defend and hold harmless HTA, and any and all of the Indemnified Parties from and against any liability (including liability from claims, suits, actions, arbitration proceedings, alleged or threatened, including attorney's fees and costs, court costs, interest, defense costs, and expert witness fees), where the same arise out of, are a consequence of, or are attributable to, in whole or in part, the performance of this Agreement by Contractor or by any individual or entity for which Contractor is legally liable, including but not limited to officers, agents, employees or sub-contractors of Contractor.

**10. Insurance.**

a) **Insurance Requirements.**

- i. Prior to performing any Services hereunder, Contractor shall obtain and thereafter maintain insurance in full compliance with all of the provisions of this Section 10.
- ii. As evidence of specified insurance coverage, the HTA may, in lieu of actual policies, accept certificates issued by the insurance carrier showing such policies in force for the specified period and naming the HTA as an additional insured thereunder, except Professional Liability Insurance and Workers Compensation.
- iii. HTA reserves the right at any time during the term of the Agreement to change the amounts and types of insurance required by giving the Contractor ninety (90) days advance written notice.

b) **Workers' Compensation Insurance.** Contractor shall purchase and maintain such Workers' Compensation covering all employees and volunteers as required by the State of California, and on a state-approved policy form.

c) **Commercial General Liability.** Insurance Services Office (ISO) "Commercial General Liability" policy form CG 00 01 or equivalent. Coverage for additional insured shall not be limited to vicarious liability. Defense costs must be paid in addition to limits. Limits shall be no less than \$1,000,000 general aggregate.

d) **Automobile Liability Insurance.** ISO Business Auto Coverage for CA 0001 including symbol 1 or equivalent. Limits are subject to review, but in no event to be less than \$1,000,000 per accident. If Contractor or Contractor's employees will use personal autos in the performance of any duties under this Agreement, Contractor shall provide evidence of personal auto liability coverage for each such person.

**11. Dispute Resolution.** The parties agree to negotiate any disputes over the performance of their respective rights and obligations under this Agreement in good faith for a period of at least 30 days after the date of notice invoking the need for dispute resolution or exercising rights under law. Neither party may initiate court action prior to such good faith negotiation and following that prior to good faith third-party mediation.

**12. Governing Law, Venue.** This Agreement and performance hereunder and all suits and special proceedings shall be interpreted in accordance with California law. Venue shall be fixed in Humboldt County.

**13. Authority.** Each party hereto warrants and represents to the other party that such party has the full right, power and authority to enter into this Agreement and has obtained all necessary consents and approvals to consummate the transaction contemplated hereby.

**14. Negotiated Agreement, Interpretation.** This Agreement has been negotiated by the parties hereto. Each of the parties has had full opportunity to have this Agreement reviewed by an attorney acting on such party's behalf. The language of the Agreement shall not be construed for or against either party by reason of the authorship or alleged authorship of any provision hereof or by reason of the status of the respective parties.

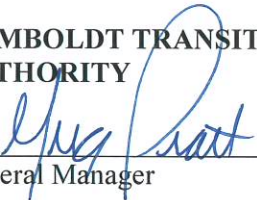
**15. Entire Agreement/Modifications And Amendments.** This Agreement together all attachments constitutes the entire agreement between HTA and Contractor as to the subject matter hereof. It supersedes all prior communications, representations, or agreements, whether oral or written. No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required.

16. **Assignment, Subcontract.** Contractor may not assign its rights, interests, duties or obligations under this Agreement without prior consent from HTA. Contractor may not subcontract Services without prior written consent from HTA.

17. **Termination Rights.** HTA may terminate this Agreement upon material breach of any of the terms of this Agreement by Contractor, after first giving Contractor written notice of such breach and thirty (30) days to cure. If Contractor does not cure the breach within the allotted time, the Agreement will be terminated.

IN WITNESS WHEREOF, the parties have executed this Agreement effective on the date of the last party signing.

**HUMBOLDT TRANSIT  
AUTHORITY**

  
\_\_\_\_\_  
General Manager

Designated Representative

Date: March 1, 2016

Name Greg Pratt

Cell (707) 407-6702

Email greg@hta.org

**CONTRACTOR**

Designated Representative

\_\_\_\_\_  
Project Manager

Date: \_\_\_\_\_

Name \_\_\_\_\_

Cell \_\_\_\_\_

Email \_\_\_\_\_

:

**EXHIBIT A  
SCOPE OF SERVICES**

**SCOPE OF WORK**

*~Exhibit A is a current copy of HTA's bus advertising policy.*

The Humboldt Transit Authority (HTA) Governing Board of Directors accepted Ads in Motion proposal on January 20, 2016 for the provision of a transit advertising program for the exterior of the Redwood Transit System, Willow Creek Extension, Tish-Non Village and Southern Humboldt Transit System buses in the greater Humboldt County area as described in more detail in Table 1 below. Note that of the total fleet, HTA will reserve one (1) 40-foot RTS bus and one (1) 30-foot SHI bus to be made available to and its member entities for system promotion and public service announcements.

Ads in Motion will be solely responsible for the complete provision of each related component of the advertising program. This shall include, but is not be limited to, the marketing, production and placement of all advertising materials, and the acquisition, installation, maintenance and insurance to all related equipment during the term of the resulting agreement or agreements, if any, at no cost to HTA.

In exchange, Ads in Motion shall have the exclusive right to sell advertising space on HTA's vehicles to the extent provided herein and in the resulting contract agreement or agreements. The number of vehicles and the extent of the advertising on such vehicles, agreement terms and conditions, the revenue sharing percentage, and the method of calculation shall be subject to negotiation between HTA and the recommended firm, and is subject to the Humboldt Transit Authority's Bus Advertising Policy and Regulations, a copy of which is attached as Exhibit C.

Table 1

<u>System</u>	<u>Number of Vehicles</u>	<u>Vehicle Description</u>
Redwood Transit System (RTS)	*16	40-foot bus
Willow Creek (WC)	2	30-foot cutaway
Southern Humboldt Intercity (SHI)	*5	30-foot cutaway
Southern Humboldt Local (SHL)	2	25-foot cutaway
Tish Non-Village (TNT)	2	30-foot cutaway
Total Vehicles:	27	

**EXHIBIT B**  
**PAYMENT SCHEDULE**

Ads in motion will pay Humboldt Transit Authority a monthly commission in the amount of \$2,800.00 from their advertising revenue by the 10<sup>th</sup> of each month and sent to the address below.

Humboldt Transit Authority  
Attn: Alene Webb  
133 V Street  
Eureka, CA 95501

Phone: (707) 443-0826 ext. 112  
Email: [alene@hta.org](mailto:alene@hta.org)



# ADS in motion

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726 2<sup>nd</sup> St, Eureka, CA 95501 (707) 443-2816 (707) 599-0590 E-mail: [cedwards@stroopfx.com](mailto:cedwards@stroopfx.com)

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## Proposal for the HTA Advertising Program

ADS in motion, owned by Charles Edwards and Ted Sheets, under its parent company, Advanced Display & Signs, is locally owned and in good standing with the general Eureka and Humboldt County small business community. Advanced Display & Signs has been printing bus decals for Eureka Transit, Redwood Transit as well as the Humboldt Transit Authority (HTA), for 15 years. Please see *Exhibit B* for examples of our work.

Charles Edwards' responsibilities include: Outside Sales; Customer Support; Sign Design; Collections. Ted Sheets' responsibilities include: Bus Sign Design; Bus Sign Printing and Installation; General Accounting.

Our reputation for providing consistently high-quality graphics and stellar customer service has earned Advanced Display & Signs a significant market share in the local graphics printing business. Please see *Exhibit A* for letters of referral from existing ADS in Motion clients.

Over the last five years, we have been providing steady monthly income to both the HTA and City of Eureka by selling advertising space and printing bus advertising graphics for local Humboldt County businesses. Our experience gives us intimate knowledge of how to install and remove bus-specific graphics without damaging the finish on the bus.

The tenets of our bus advertising program are to:

- Provide a low-cost advertising venue for small businesses
- Whenever possible, serve the greater good of the community by providing advertising and creative services free of charge for community and non-profit organizations Please See *Exhibit C*
- Maintain the visual integrity of the HTA Fleet. Please see *Exhibit D*

During the last 5-years, ADS in Motion, in furtherance of promoting the the HTA mission of providing transportation to the County, has provided the HTA marketing and Social Media services gratis; including, but not limited to writing press releases and Facebook content monitoring and pictorial uploads. Additionally, we allocated one entire bus (#818) to promote ridership within the Inter-city Southern Humboldt route from August, 2012 to August, 2014. We designed the graphics and waived any potential advertising revenue during this period of time – a potential \$24,000 value in advertising alone. Please see *Exhibit E*

We have also provided creative services for the HTA to promote various rider programs and regulations. Please See *Exhibit F*

Upon being awarded the contract, we will continue to provide the same quality of service to both the HTA and transit advertisers from our office at 726 East Second Street, Eureka, CA 95501.

In exchange for a \$2,800 monthly commission, paid to the HTA by the 10<sup>th</sup> of each month, irrespective of ADS in Motion revenue, we propose the following:

- We will continue our effective program to sell available sign openings to local business and government entities through simple pricing schedules, attractively designed ads and top-quality printed graphics, in accordance with the HTA guidelines. We will procure advertisers through our extensive customer

database, giving them stellar customer service and potential for new advertising. Please see *Exhibit G* for our simple contract and pricing.

- During the terms of our contract, our insurance coverage will be as follows:
  - Comprehensive General Liability of \$1,000,000 single and \$2,000,000 aggregate coverage.
  - Automobile \$1,000,000 per accident including non-owned vehicles.
  - The HTA will be named as an additional insured according to its requirements named in the contract.
- The size of each ad will be equal to current ad sizes unless otherwise stipulated by the HTA. We have the capability of printing large graphics, vehicle-wraps and contoured shapes as demonstrated in *Exhibit D*
- All printed materials will consist of high quality vinyls, easily removed without damage to the painted surfaces of each bus. No panels or additional hardware will be used in the process. Each graphic will demonstrate excellent color longevity for an attractive ad that upholds the visual integrity of the fleet.

By design, our program is one of the least-cost, if not *the* least cost, form of advertising for any Humboldt County business. The exposure of transit advertising presents an unheard number of views per hour for the maximum amount of exposure. Our goal is that every business has the same opportunity to advertise without breaking their bank.

One value-added service for each advertiser is that we hold all advertisers harmless, with regard to replacing their respective bus sign, in the event their sign is damaged by motor vehicle accident, acts of God, vandillism or, as has been the case with (8) HTA buses, their bus is retired from service. (Bus# 840 – 841 – 842 – 843 – 847 – 848 – 870 - 875) The vinyl signs are a one-use application so our out of pocket to replace the 20 signs from the retired buses was approximately \$6,000.

The HTA will be retiring (4) additional buses (Bus# 821 – 844 – 845 – 846) so our anticipated out of pocket expense for the first quarter of 2016 to replace and reinstall the (15) signs currently on the buses about to be retired is \$4,500.

We appreciate the opporunity to continue serving the local business community while providing a steady revenue stream for the HTA.

Yours truly,



Charles Edwards  
ADS In Motion  
726 2<sup>nd</sup> Street  
Eureka, CA 95501  
(707) 599-0590

cedwards@stroopfx.com



## **EXHIBIT C**

# **HUMBOLDT TRANSIT AUTHORITY'S BUS ADVERTISING POLICY AND REGULATIONS**

## **I. INTRODUCTION**

The purpose of this policy is to establish guidelines for interior and exterior advertising on Humboldt Transit vehicles. The Humboldt Transit Authority Board is ultimately responsible for the adoption of this policy and any amendments. The Humboldt Transit Authority Board intends that it is operating in a proprietary capacity and its vehicles constitute non-public forums that are subject to the viewpoint-neutral restrictions set forth below.

The Humboldt Transit Authority Board has approved the concept of commercial advertising on the exterior of its vehicles as a means of raising revenue for the transit system. Revenue generated from commercial advertising is returned to the general operating budget and used to reduce local contributions to fund operations.

In order to realize the maximum benefit from the sale of advertising space, the program will be managed in a manner that produces as much revenue as practical, while ensuring that advertising does not:

- Discourage the use of the transit system.
- Diminish Humboldt Transit's reputation in the community.
- In any way interfere with operations or jeopardize the safety of passengers, employees, and the public.
- Cause offense to its customers or the general public.

The exterior of vehicles is reserved for commercial advertising only. In addition, a portion of the interior of buses will be available for commercial advertising, with Humboldt Transit also making available free public service advertising space for public agencies and non-profit organizations.

Humboldt Transit may, from time to time, also use exterior and interior vehicle advertising itself to promote public awareness of transit programs, services and promotions. This type of advertising may include the display of flyers, brochures, posters and special advertisements.

## **II. APPLICABILITY**

This policy is applicable to Humboldt Transit Authority Board members and its employees, and companies that contract with Humboldt Transit for the leasing of advertising space on Humboldt Transit vehicles.

### III. DEFINITIONS

- **Commercial Advertising:** Advertising for the sole purpose of selling or renting services or property for a profit.
- **Political Advertising:** Any advertising that supports or opposes the election of any candidate or group of candidates, or any ballot question, initiative, petition, or referendum issue, including bond issues, constitutional amendments, or proposed legislation.
- **Non-Profit Organizations:** Organizations that meet the requirements for a tax-exempt organization under Section 501 (c) (3) of the Internal Revenue Code and that: 1. have a physical office in the geographical boundaries served by Humboldt Transit; 2. provide social welfare services; and 3. serve the needs of Humboldt Transit passengers.
- **Public Service Announcements:** Non-commercial and non-political advertising by Non-Profit Organizations and public agencies promoting their social services.

### IV. COMMERCIAL ADVERTISING STANDARDS

Advertising displayed on the exterior of Humboldt Transit buses shall be strictly commercial in nature and purpose. Commercial advertising also is available on the interior of the buses as determined by the Humboldt Transit Authority's General Manager.

Because Humboldt Transit serves persons of all ages and backgrounds and strives to create a comfortable and enjoyable experience for all passengers, the following types of advertising are prohibited:

- Materials that contain false, misleading, libelous, slanderous, or deceptive images.
- Advertising for illegal drugs.
- Advertising for adult products, services or entertainment directed to sexual stimulation.
- Advertising that depicts sexually explicit, obscene and/or pornographic images or words;
- Advertising that portrays graphic violence.
- Advertising that contains discriminatory, derogatory, negative or personal attacks against individuals, groups, or organizations.
- Advertising that is political.
- Advertising that is directed to inciting or producing imminent lawless action, or is likely to incite or produce such action, including but not limited to unlawful actions.
- Advertising that promotes illegal activity of any kind.
- Advertising that encourages persons to refrain from using Humboldt Transit or public transit in general.
- Advertising that explicitly and directly promotes or encourages the use of means of transportation in direct competition with public transit.
- Advertising messages that conflict with the mission of Humboldt Transit.
- Advertising that contains Humboldt Transit's name, brand logo, slogans or other graphic representations of the transit system, unless written consent from Humboldt Transit is obtained prior to use.

- The prohibitions also apply to advertisements that include a website that provides a message that does not comply with this Section.

## **V. PRODUCTION AND PLACEMENT GUIDELINES**

Advertising materials will be produced at the advertiser's expense and must be of good quality and conform to standards for size, weight, material and other physical characteristics as set by Humboldt Transit.

Advertisers will be responsible for the installation and removal of advertising from vehicles and all applicable costs incurred. Humboldt Transit staff will assist in scheduling buses for the installation or removal of advertising.

## **VI. COMPLIANCE RESPONSIBILITY**

Humboldt Transit Authority's General Manager shall determine the interior and exterior spaces that will serve as appropriate locations for commercial and/or non-profit advertising. Humboldt Transit Authority reserves the right to modify, change, or alter the locations and sizes of the available ad spaces as it sees fit. The placement and size of any advertising shall be at the sole discretion of The Humboldt Transit Authority's General Manager. The Humboldt Transit Authority shall approve or reject a proposed advertisement or PSA within 15 days of when the request and all other documents associated with it are received by Humboldt Transit.

## **VII. INTERIOR PUBLIC SERVICE ANNOUNCEMENTS**

Interior advertising space may be allowed and available to public agencies and Non-Profit Organizations to display public service announcement (PSA) materials free of charge at the discretion of the Humboldt Transit Authority's General Manager.

Guidelines for the acceptance of non-profit advertising are as follows:

- PSA materials will be produced at the agency's or non-profit organization's expense, and must be produced through a process that ensures reproduction of good quality on materials of specific quality and size, and conform to uniform standards set by the Humboldt Transit Authority's General Manager.
- PSAs must be non-commercial, non-partisan, and non-political.
- PSAs shall adhere to the guidelines established in Section IV of this Policy.
- PSA space may be available on the interior of vehicles only, provided display space is available, as determined by the Humboldt Transit Authority General Manager.
- PSAs will be accepted on a first come, first-served basis, and may be displayed for up to 90 days.
- The sponsor of the PSA shall pay the applicable labor costs for the installation and removal of their advertising.

RESOLUTION NO. 15-15

A RESOLUTION ADOPTING THE HUMBOLDT TRANSIT AUTHORITY'S  
ADVERTISING POLICY

WHEREAS, The Humboldt Transit Authority (HTA) contracts for advertising on its vehicles to generate additional revenue to benefit the transit system as a whole; and,

WHEREAS, the proposed Transit Advertising Policy adopts procedures and clarifies responsibilities in the advertisement review process for HTA Transit's vehicles, which helps fund the transit system as a whole; and,

WHEREAS, HTA seeks to increase visibility in the community for partnerships; and seeks to foster business relations and growth in the community; and

WHEREAS, the Humboldt Transit Authority Governing Board of Directors finds it in the best interest to adopt the proposed Transit Advertising Policy;

NOW, THEREFORE, BE IT RESOLVED by the Humboldt Transit Authority Governing Board of Directors as follows:

1. The Transit Advertising Policy attached hereto as Exhibit A is adopted and effective immediately, and applies to all pending applications for advertising. This Policy shall replace all transit advertising policies or protocols previously adopted or used.

PASSED, APPROVED AND ADOPTED this sixteenth day of September 2015, on the following vote:

AYES: Lovelace, Bohn, Trent, Marko, Fulkerson, Arroyo  
NOES: Winkler  
ABSENT:

  
Chair of the HTA Governing Board of  
Directors

ATTEST:

  
HTA Secretary to the Board

**AMENDMENT No. 1 TO  
AGREEMENT BETWEEN  
THE HUMBOLDT TRANSIT AUTHORITY  
AND ADS IN MOTION  
FOR CONTRACT SERVICES**

This is an amendment ("Amendment") to that certain Agreement between the Humboldt Transit Authority ("HTA") and ADS in Motion, a California company, ("Contractor"), dated April 1, 2016 ("Agreement"). This Amendment is effective on July 1, 2018.

**RECITALS**

**WHEREAS**, effective July 1, 2018, HTA assumed complete administration of the Eureka Transit System (ETS) and acquired all of the ETS assets including seven buses and eight Dial-a-Ride vehicles; and

**WHEREAS**, the parties desire to amend the Agreement to include the 15 ETS vehicles within the Contractor's Bus Advertising Services, subject to the compensation Agreement Term revisions set forth below.

**NOW THEREFORE**, in consideration of the mutual covenants, conditions and terms recited herein and made a material part hereof, the parties agree as follows:

1. Scope of Services. Exhibit A, *Scope of Services*, is replaced by the attached Exhibit A-1, incorporated herein.
2. Compensation. Exhibit B, *Payment Schedule*, is replaced by the attached Exhibit B-1, incorporated herein.
3. Term of Agreement. Section 2, *Termination*, is extended to March 31, 2023.
4. Ratification of Agreement. The terms and conditions of the Agreement, including all exhibits and attachments, are ratified in their entirety except to the extent inconsistent with the terms and provisions of this Amendment. In the event of such inconsistency, this Amendment shall control.

**IN WITNESS WHEREOF**, the parties have executed this Amendment No.1 effective as of the date of the last party signing below.

**HUMBOLDT TRANSIT AUTHORITY**

By:   
Greg Pratt, General Manager

Date: 8/29/18

**ADS IN MOTION**

By:   
Ted Sheets

Date: 8/29/18

**EXHIBIT A-1**  
**Scope of Services**

Ads in Motion shall provide a transit advertising program for the exteriors of 42 vehicles operated in the Redwood Transit System (RTS), Willow Creek Extension (WC), Tish-Non Village Transit (TNT), Southern Humboldt Intercity (SHI), Southern Humboldt Local (SHL), and Eureka Transit System (ETS) as described in Table 1 below. Note that two buses as specified in Table 1 shall be devoted at HTA’s direction to system promotion and public service announcements by HTA and its member agencies.

Ads in Motion will be solely responsible for the complete provision of each related component of the advertising program. This shall include, but is not limited to the marketing, production and placement of all advertising materials, and the acquisition, installation, maintenance and insurance to all related equipment during the term of the resulting advertising agreement or agreements, if any, at no cost to HTA.

Ads in Motion shall have the exclusive right to sell advertising space on the vehicles identified in Table 1. Additional vehicles may be added to this Scope of Services on such revenue sharing percentages, method of calculation, and other conditions and terms as negotiated between HTA and Ads in Motion.

*TABLE 1*

<b>System</b>	<b>Number of Vehicles</b>	<b>Vehicle Description</b>
Redwood Transit System (RTS)	16 <sup>1</sup>	40-foot bus
Willow Creek (WC)	2	30-foot cutaway
Southern Humboldt Intercity (SHI)	5 <sup>2</sup>	30-foot cutaway
Southern Humboldt Local (SHL)	2	25-foot cutaway
Tish Non-Village (TNT)	2	30-foot cutaway
Eureka Transit System (ETS)	7	35-foot bus
Dial-a-Ride	8	25-foot cutaway
<b>TOTAL VEHICLES</b>	<b>42</b>	

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<sup>1</sup> HTA reserves one (1) 40-foot RTS bus to be made available to HTA for system promotion and public service announcements.

<sup>2</sup> HTA reserves one (1) 30-foot SHI bus to be made available to HTA for system promotion and public service announcements.

**EXHIBIT B-1**  
**PAYMENT SCHEDULE**

1. By the 10th day of each month and sent to the address below, Ads in Motion shall pay HTA a commission in the amount of either \$4,250.00 or 35% of Ads in Motion's ~~gross~~ net revenue, whichever is greater.

Humboldt Transit Authority  
Attn: Alene Webb  
173 V. Street  
Eureka, CA 95501  
Phone: (707) 443-0826 ext. 112  
alene@hta.org

2. Together with the monthly payment, Contractor shall deliver a report to HTA showing gross revenues for the prior month and from which the commission payment may be readily determined and verified. Contractor shall provide HTA with all information as is commercially reasonable in order to allow HTA to accurately verify the basis of payments made. Failure to provide HTA with adequate gross revenue information shall be grounds for HTA to terminate the Agreement if such failure is not cured within 30 days.
3. For purposes of computing 35% of gross revenues, the term "~~gross-net~~ revenues" is defined to mean the total of all revenue received from advertisements placed or sold on HTA vehicles under this Agreement minus indirect expenses.

Greg Pratt

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From: Charles Edwards <cedwards@stroopfx.com>  
Sent: Tuesday, February 1, 2022 10:19 AM  
To: Greg Pratt  
Subject: Re: Contract Questions

Hey, Greg.

Our bookkeeper comes in on Thursdays, so I'll get you more info then, good sir.

*Charles Mel Edwards*  
*Stroop Effect Studios/ADS In Motion*  
*(707) 599-0590*  
[cedwards@stroopfx.com](mailto:cedwards@stroopfx.com)  
[www.stroopfx.com](http://www.stroopfx.com)



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From: Greg Pratt <greg@hta.org>  
Date: Monday, January 31, 2022 at 15:51  
To: Charles Edwards <cedwards@stroopfx.com>  
Subject: Contract Questions

Good afternoon Chuck,  
In preparation for the March meeting, I would like a better understanding of the income/expense listed on your monthly reports. Can you please provide me with a brief description of each line item and perhaps an example if applicable? I need to go over them with my Board Chair and it would help a great deal to be able to explain it.

Income

Rent Discount-HUM:  
Rent Income-HUM:

Expense

Bookkeeping:  
Business License and Permits:  
Meals and Entertainment:  
Merchant Fees:  
Outside Services-Stroop:  
Travel Expense:

Can you provide me with an updated Bus Advertising Contract? The last one I have is from the original contract, which I think is over 6 years old.

*Greg Pratt*



General Manager  
Humboldt Transit Authority  
133 V Street Eureka, CA 95501  
(707) 443-0826 ext. 101  
[greg@hta.org](mailto:greg@hta.org)

Greg Pratt

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From: Charles Edwards <cedwards@stroopfx.com>  
Sent: Wednesday, March 16, 2022 6:08 PM  
To: Greg Pratt  
Cc: Ted Sheets  
Subject: Confidential Reply Part 2  
Attachments: 031622 Paid Month to Date.pdf; 031622 AR Aging Detail.pdf

Hey, Greg.

In the spirit of total transparency, I've attached our MTD **Paid** Report and our **Aging** Report for your review.

**\$8,522.50** has been received thus far with a total Aging of **\$12,462.50**. If everyone gets caught up, then our total gross for the month of March would be \$20,985. Based on our 11 years of experience with our various clients, I don't anticipate everyone getting caught up. But if they do, SWEET for us both. 😊 My month-end spreadsheet we present with our payment will reflect the proper percentage commission due the HTA.

Please let me know if you have any more questions and I'll get right on it.

*Charles Mel Edwards*  
*Stroop Effect Studios/ADS In Motion*  
*(707) 599-0590*  
[cedwards@stroopfx.com](mailto:cedwards@stroopfx.com)  
[www.stroopfx.com](http://www.stroopfx.com)



---

From: Greg Pratt <greg@hta.org>  
Date: Wednesday, March 16, 2022 at 16:08  
To: 'Charles Edwards' <cedwards@stroopfx.com>  
Subject: RE: Confidential

Hello Chuck,  
The last invoice (Feb) I seen came in at \$14,395.39 and 35% is \$5038.38. The check was for \$4,919.74.

Sorry I haven't had the time to sit down and take a look at this until now. I do have a few questions for you as I am trying to understand your side of the business.

- Why is Sign Expense listed as an indirect expense? That is a direct expense and I don't believe it is our responsibility on the contract.

- A couple weeks ago we did an inventory of ads and counted 89 total. A conservative estimate (\$250/ad) would be \$22,250, not \$10,605 as listed below in January. And that isn't taking into account the ads sold on the inside. Are there that many "dead ads" on the bus?
- I understand that there is a charge to install signs on the inside. I'm being told by my staff that they are dropped off and we have been putting them on. Can you clarify?
- Our contract is with Ads in Motion. Payments invoice is made by Advanced Display & Signs. I don't believe ADS is part of our contract so could you please explain the relationship?

*Greg Pratt*  
*General Manager*  
*Humboldt Transit Authority*  
*133 V Street Eureka, CA 95501*  
*(707) 443-0826 ext. 101*  
[greg@hta.org](mailto:greg@hta.org)

---

From: Charles Edwards <cedwards@stroopfx.com>  
Sent: Monday, February 28, 2022 2:46 PM  
To: Greg Pratt <greg@hta.org>  
Subject: Confidential

Greetings, Greg.

I've attached screenshots of the audit I performed going back to 2019.

Our Gross Profit is simply what we were paid in any given month from the advertisers.

These are our Expense Categories; however, as you'll note, most are blank whenever they cannot be directly correlated to an expense associated solely for the HTA.

Net Ordinary Income then become our Gross Profit minus our Expenses.

From that we perform a logic calculation to learn of which the HTA is intitled within our contract; either the greater of the two - \$4,250 or 35% of the Net Ordinary Income. As an example below, our January 2022 shows that 35% equaled only \$2,921,78, so we sent a check for the guaranteed \$4,250.

Jan-22	
<b>Income</b>	
<b>Gross Profit</b>	\$ 10,605.00
<b>Expense</b>	
Advertising & Promotion	\$ -
Bank Service Charges	\$ -
Bookkeeping	\$ 450.00
Bad Debt	\$ -
Business Licenses and Permits	\$ -
Dues & Subscriptions	\$ -
Insurance Expense	\$ -
Merchant Fees	\$ 203.79
Office Supplies	\$ -
Postage and Delivery	\$ -
Sign Expense	\$ 1,603.28
Telephone Expense	\$ -
<b>Total Expense</b>	\$ 2,257.07
<b>Net Ordinary Income</b>	\$ 8,347.93
HTA Commission @ 35%	\$ 2,921.78
<b>Amount Due HTA</b>	\$ 4,250.00

Even though the former bookkeeper showed other 'expenses', these are the only ones that were taken into consideration. Her error was not applying the logic statement into her spreadsheet that is now in effect with our new bookkeeper.

Ted put a check in the mail this afternoon in the amount of \$5,959.15 to make up the differences and are looking to continue on well into the future without any further hiccups.

Thank you for bringing this matter to my attention so I could make it right.

I've also attached our lost revenue invoice #211023CME caused by the MVA that took bus #895 out of commission from October 2021 till January. We lost revenue from 3 advertisers (listed) during that time and Jim mentioned we should submit this as part of the insurance loss then. Any movement on this invoice? I appreciate your feedback so we can close this invoice if possible.

Thanks so much for the partnership. Always here to be of service anytime you need me.

*Charles Mel Edwards*  
*Stroop Effect Studios/ADS In Motion*  
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Advanced Display & Signs  
726 2nd Street  
Eureka, CA 95501  
Phone (707) 443-2816  
Fax (707) 443-2044

# INVOICE

**INVOICE**  
**#211023CME**  
**22 OCT 2021**

**TO:**

Greg Pratt  
133 'V' Street  
Eureka, CA 95501  
(707) 443-0826 EXT 101

**FOR:**

Lost Revenue Claim due to  
MVA to **Bus #895** 10/8/21

Bus #	Package	Size	Bus Position	Company	# of Busses	Cost Each	Total
895	The Run	Wrap	Street	[REDACTED]	1 x 3 Months	\$300.00	\$ 900.00
895	The Walk	26" x 140"	Curb	[REDACTED]	1 x 3 Months	\$200.00	\$ 600.00
895	The Sprint	36" x 75"	Rear	[REDACTED]	1 x 3 Months	\$350.00	\$1,050.00

**Total      \$2,550.00**

Please make your check out to Advanced Display & Signs.

**Thank you for your business!**









Greg Pratt

---

From: Charles Edwards <cedwards@stroopfx.com>  
Sent: Monday, April 4, 2022 1:09 PM  
To: Greg Pratt  
Cc: Ted Sheets  
Subject: April AIM Check

Greetings, Greg.

We're mailing our check today in the amount of \$5,226.01.

I'll be sending you a snapshot of our commission matrix (below) each month going forward.

Please give me a call if you have any questions or need additional information.

	Jan-22	Feb-22	Mar-22
<b>Income - Humboldt County</b>			
<b>Gross Profit</b>	\$ 10,605.00	\$ 14,810.83	\$ 15,595.00
<b>Expense</b>			
Advertising & Promotion	\$ -		\$ 252.00
Bank Service Charges	\$ -	\$ -	\$ -
Bookkeeping	\$ 450.00	\$ 275.00	\$ 280.00
Bad Debt	\$ -		
Business Licenses and Permits	\$ -		
Dues & Subscriptions	\$ -		\$ -
Insurance Expense	\$ -		
Merchant Fees	\$ 203.79	\$ 140.44	\$ 131.54
Office Supplies	\$ -		
Postage and Delivery	\$ -		
Sign Expense	\$ 890.07		\$ -
Telephone Expense	\$ -		
<b>Total Expense</b>	\$ 1,543.86	\$ 415.44	\$ 663.54
<b>Net Ordinary Income</b>	\$ 9,061.14	\$ 14,395.39	\$ 14,931.46
HTA Commission @ 35%	\$ 3,171.40	\$ 5,038.39	\$ 5,226.01
<b>Amount Due HTA</b>	\$ 4,250.00	\$ 5,038.39	\$ 5,226.01
<b>Amount Paid</b>	\$ 4,250.00	\$ 5,038.42	\$ 5,226.01

Best, always.

*Charles Mel Edwards*  
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[www.stroopfx.com](http://www.stroopfx.com)



Greg Pratt

---

From: Ted Sheets <adseureka@sbcglobal.net>  
Sent: Thursday, April 14, 2022 2:57 PM  
To: Greg Pratt; [REDACTED]  
Subject: Re: April AIM Check

Greg,

After discussing the latest upheaval of our company account, I decided to be much more involved. I regret the lack of involvement now but appreciate knowing that my previous bookkeeper (of 15 years for Advanced Display and Signs) was failing her duties for Ads In Motion. [REDACTED]. I have handed all bookkeeping and billing to [REDACTED] and the person handling the account there is named [REDACTED]. This last month has been a scramble to get her all of the information, teach her how we have been doing business and start to set our books right so that she can provide you with accurate information. Chuck and I agreed that he should not handle any bookkeeping assignments in the future, our duties should only be to doing what we do best and bookkeeping is not one of them. Chuck is putting together all of the contracts dating back to July 1, 2018 (as stated on page 1 of the amendments to our previous contract). One thing I noticed after going over those 3 pages was that the contract was not signed until 8/29/18 and I believe that was when [REDACTED] (previous bookkeeper) started using whatever inaccurate measures to come up with the 35% rule. I have sent these documents to [REDACTED] and [REDACTED] for their review. I also read over Exhibit-A to get some clarity about expenses and I believe you are correct about AIM being solely responsible for expenses. Chuck was under the assumption that because he had the clause (in Exhibit-B) "gross" crossed out and "net" revenues replacing it, that we would not be responsible for things such as bus retirements and accidents. Neither one of us has been able to define the term "minus indirect expenses". I am waiting for our accountant to help clarify that, so that we can appropriately apply its meaning to the account. It is my personal goal to take control of these problems and as I said "have us do the job that best suits us" and leave the accounting to the professionals. I am sorry for the troubles this has brought and hope that confidence will be restored knowing that all accounting will be out of our hands and accessible to you through [REDACTED] ([REDACTED]) ([REDACTED]) [REDACTED] - Ted.

Also, I have forwarded this letter to [REDACTED] so you can access her by email if you wish. She has my permission to discuss the account with you.

[Advanced Display & Signs](#)

Web: [www.adseureka.com](http://www.adseureka.com)

E-mail: [adseureka@sbcglobal.net](mailto:adseureka@sbcglobal.net)

726 2nd St  
Eureka, CA 95501  
(707) 443-2816  
FAX (707) 443-2044

On Thursday, April 14, 2022, 10:27:12 AM PDT, Greg Pratt <greg@hta.org> wrote:

Hello Chuck and Ted,

- I do appreciate the snapshot but please make sure we receive the same "HTA Net Revenue" report direct from your accounting software that we normally do.

- I believe you told me this on the phone but please remind me what is Rent Discount-HUM?
- As I said in an earlier email, I do not agree with the line item of Sign Expense (Direct Expense) that reduces HTA's return. Exhibit A of the contract states "Ads in Motion will be solely responsible and the only thing that can be deducted is indirect expenses." Can you please tell me why you feel it is justified to include it? Same with Insurance. According to Exhibit A it also states that Ads in Motion will be solely responsible. What are the merchant fees you are including as indirect?

Finally, I'm having a difficult time reconciling the reports you provided with the number of ads on the bus and inside the bus. You said you are on an accrual basis but the monthly invoices show "cash basis" which makes it even more confusing to follow. I would like to request your quickbooks file from March 2018 to present along with contracts from the same date range. I know that the quickbooks report is a push of a button so I would like that now, I am fine waiting a few days for the contracts. I've provided a dropbox link for the files.

Thank you,

Greg

*Greg Pratt*

*General Manager*

*Humboldt Transit Authority*

*133 V Street Eureka, CA 95501*

*(707) 443-0826 ext. 101*

[greg@hta.org](mailto:greg@hta.org)

---

**From:** Charles Edwards <[cedwards@stroopfx.com](mailto:cedwards@stroopfx.com)>

**Sent:** Monday, April 4, 2022 1:09 PM

**To:** Greg Pratt <[greg@hta.org](mailto:greg@hta.org)>

**Cc:** Ted Sheets <[adseureka@sbcglobal.net](mailto:adseureka@sbcglobal.net)>

**Subject:** April AIM Check

Greetings, Greg.

We're mailing our check today in the amount of \$5,226.01.

I'll be sending you a snapshot of our commission matrix (below) each month going forward.

Please give me a call if you have any questions or need additional information.

	Jan-22	Feb-22	Mar-22
<b>Income - Humboldt County</b>			
<b>Gross Profit</b>	\$ 10,605.00	\$ 14,810.83	\$ 15,595.00
<b>Expense</b>			
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Bookkeeping	\$ 450.00	\$ 275.00	\$ 280.00
Bad Debt	\$ -		
Business Licenses and Permits	\$ -		
Dues & Subscriptions	\$ -		\$ -
Insurance Expense	\$ -		
Merchant Fees	\$ 203.79	\$ 140.44	\$ 131.54
Office Supplies	\$ -		
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<b>Total Expense</b>	\$ 1,543.86	\$ 415.44	\$ 663.54
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HTA Commission @ 35%	\$ 3,171.40	\$ 5,038.39	\$ 5,226.01
Amount Due HTA	\$ 4,250.00	\$ 5,038.39	\$ 5,226.01
Amount Paid	\$ 4,250.00	\$ 5,038.42	\$ 5,226.01

Best, always.

*Charles Mel Edwards*

*Stroop Effect Studios/ADS In Motion*

(707) 599-0590

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Greg Pratt

---

From: Charles Edwards <cedwards@stroopfx.com>  
Sent: Friday, April 15, 2022 12:57 PM  
To: Greg Pratt  
Subject: Re: Reply

This should work now:

---

Please let me know...

*Charles Mel Edwards*  
*Stroop Effect Studios/ADS In Motion*  
*(707) 599-0590*  
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---

From: Greg Pratt <greg@hta.org>  
Date: Friday, April 15, 2022 at 11:55  
To: Chuck Edwards <cedwards@stroopfx.com>  
Subject: Re: Reply

Thank you for the response Chuck. Can you please change the access of your folder to "anyone with a link can view" because I do not have a gmail account. If that doesn't work maybe you can place them in the Dropbox link I sent you.

Sent from my iPhone

Morning, Greg.

I created a contract folder on my Google Drive and sent you a link for access. All our contracts from 2018-2022 are present for your use.

To your question regarding Rent Discount. Our former bookkeeper, for reasons unknown to us, showed this as a line item whenever we sold a space for less than our rate sheet. The reasons we sell the space for less is dependent on several factors:

- Sometimes a new or struggling business has limited funds, so we work with them, not only in space rental, but also in contract length. If they give our venue a try and it doesn't work out for them or they run out of money, we don't hold them to a specific contract length.
- One of our three tenants of operation is to serve the community. Sometimes Governmental and NGO agencies come to us with a budget to reach as many folks as possible, so we discount book rates for them for this cause; which sometimes includes printing and installation of their signage. Many times I donate my time to design their sign.
- Another reason a customer's cost per month varies from current book-rate has to do with customer loyalty. We have several businesses with us from the start of our first HTA contract, or they entered at a book-rate less than our current book-rate - with contiguous advertisements. Even though our commission to the HTA has risen over the years, we grandfather the monthly cost per bus for these specific businesses from the time they first signed.  
i.e.: [REDACTED]

To your question regarding sign expense, I always looked at damage to a sign by motor vehicle accident or by bus retirement, as an indirect cost, so we deducted the cost to replace those signs from our monthly *income* before HTA commission calculation. Every other reason for sign replacement cost is covered solely by us, i.e.; fading, peeling, graffiti, acts of nature etc. Ted is working with our accounting firm for the financial reports you requested so you will have all you need.

Please let me know if the shared Google-Docs folder works for you or if you have any issues accessing the data, and I'll respond right away.

Always here if you need me.

*Charles Mel Edwards*  
*Stroop Effect Studios/ADS In Motion*  
*(707) 599-0590*  
[cedwards@stroopfx.com](mailto:cedwards@stroopfx.com)  
[www.stroopfx.com](http://www.stroopfx.com)





---

From: Greg Pratt <greg@hta.org>  
Date: Thursday, April 14, 2022 at 10:27  
To: 'Charles Edwards' <cedwards@stroopfx.com>, Ted Sheets  
<adseureka@sbcglobal.net>  
Subject: RE: April AIM Check

Hello Chuck and Ted,

- I do appreciate the snapshot but please make sure we receive the same "HTA Net Revenue" report direct from your accounting software that we normally do.
- I believe you told me this on the phone but please remind me what is Rent Discount-HUM?
- As I said in an earlier email, I do not agree with the line item of Sign Expense (Direct Expense) that reduces HTA's return. Exhibit A of the contract states "Ads in Motion will be solely responsible and the only thing that can be deducted is indirect expenses." Can you please tell me why you feel it is justified to include it? Same with Insurance. According to Exhibit A it also states that Ads in Motion will be solely responsible. What are the merchant fees you are including as indirect?

Finally, I'm having a difficult time reconciling the reports you provided with the number of ads on the bus and inside the bus. You said you are on an accrual basis but the monthly invoices show "cash basis" which makes it even more confusing to follow. I would like to request your quickbooks file from March 2018 to present along with contracts from the same date range. I know that the quickbooks report is a push of a button so I would like that now, I am fine waiting a few days for the contracts. I've provided a dropbox link for the files.

[REDACTED]

Thank you,  
Greg

*Greg Pratt*  
*General Manager*  
*Humboldt Transit Authority*  
*133 V Street Eureka, CA 95501*  
*(707) 443-0826 ext. 101*  
[greg@hta.org](mailto:greg@hta.org)

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From: Charles Edwards <[cedwards@stroopfx.com](mailto:cedwards@stroopfx.com)>  
Sent: Monday, April 4, 2022 1:09 PM  
To: Greg Pratt <[greg@hta.org](mailto:greg@hta.org)>  
Cc: Ted Sheets <[adseureka@sbcglobal.net](mailto:adseureka@sbcglobal.net)>  
Subject: April AIM Check

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Merchant Fees	\$ 203.79	\$ 140.44	\$ 131.54
Office Supplies	\$ -		
Postage and Delivery	\$ -		
Sign Expense	\$ 890.07		\$ -
Telephone Expense	\$ -		
<b>Total Expense</b>	\$ 1,543.86	\$ 415.44	\$ 663.54
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HTA Commission @ 35%	\$ 3,171.40	\$ 5,038.39	\$ 5,226.01
<b>Amount Due HTA</b>	\$ 4,250.00	\$ 5,038.39	\$ 5,226.01
<b>Amount Paid</b>	\$ 4,250.00	\$ 5,038.42	\$ 5,226.01

Best, always.

*Charles Mel Edwards*

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Greg Pratt

---

From: Ted Sheets <adseureka@sbcglobal.net>  
Sent: Monday, April 18, 2022 9:21 AM  
To: Greg Pratt  
Subject: Re: April AIM Check

Greg,

I need to clear up why we have not sent the QB files, first of all, I did not have access to them! [REDACTED] will be sending a link for my access. When Covid started, my previous bookkeeper went to work from home and took our files with her. I could not access them for the last two years. That is why Chuck's reports were so funky, he was working off reports [REDACTED] sent us which we now know were never correct to begin with and he should never try to be a bookkeeper. As you know we just hired [REDACTED] and she is in the middle of tax season so she has had limited time to get to our files, I am hoping to wait a bit longer so that she can get them straightened out. Here is an excerpt from her last email to me:

"Hi Ted,

After working on those reports I mentioned yesterday, I discovered another problem. I am not sure if you are familiar with what the invoice screen looks like on QB, but there is a section where a line item needs to be entered and what is entered here is dependent on the county the customer is from and what package they are asking for. Well, I noticed that several [REDACTED] County customers had Humboldt County line items. Meaning that [REDACTED] County customer payments were being reported in Humboldt County's income. If this is the case then it means [REDACTED] County's income was also misreported.

As you know, it is tax season so I did not have a lot of time to work on your books today but I did get more than half way through classifying 2018's income to accurately report Humboldt's net income on the profit and loss. As you can imagine, the way I planned to go about this will now take way too long to send back to Greg. Essentially, I would have to be going back to each individual invoice and payment received since 2018 to be sure it is linked to the proper county." I feel very confident that when she is done everything will be put in order and ready for you to inspect. I hope that helps.

Another thing I want to mention is the interior bus ads. Those might look like income to you but we have rarely ever made any money on those as you will see in the contracts provided. Most of the time those were given as "Extra value" to the customer. Also, I never liked having to manage them so I would just leave them in the bus for rider interest and to keep the bootleggers from finding a place to put their ads. I would be happy to remove them all if you wish (with the exception of the ones that belong to HTA and the most recent ones we paid you to install). I have told Chuck I do not want to ever have to do interior ads again but if we do I like paying HTA so that I don't have to be responsible for trying to access the buses. It takes too much of my time.

Lets keep the line of communication open, I have nothing to hide here. I don't like funny business and would not do that as a rule. Thanks - Ted

[Advanced Display & Signs](#)

Web: [www.adseureka.com](http://www.adseureka.com)

E-mail: [adseureka@sbcglobal.net](mailto:adseureka@sbcglobal.net)

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(707) 443-2816  
FAX (707) 443-2044

On Friday, April 15, 2022, 06:06:35 PM PDT, Greg Pratt <greg@hta.org> wrote:

Hi Ted,

I can't tell you how much I appreciated your email. I have valued our relationship over the years but recent events has caused me to take another look at our agreement. Namely, documents that I received [REDACTED] that I feel [REDACTED] were incorrect. All the information I have received only raises more questions rather than make the picture clearer. If I can't understand it, I can't explain it to my board or the public.

Then to not have received the quickbooks file only makes me more skeptical. I know from experience, sending a quickbooks file it is a simple click of a button and I have still not received it. I feel at this point anything I receive [REDACTED] will only raise more questions. I have a conference that I will be at all next week but I was hoping to meet with you (and your accountant if you wish) to clear the air.

*Greg Pratt*

*General Manager*

*Humboldt Transit Authority*

*133 V Street Eureka, CA 95501*

*(707) 443-0826 ext. 101*

[greg@hta.org](mailto:greg@hta.org)

---

**From:** Ted Sheets <adseureka@sbcglobal.net>

**Sent:** Thursday, April 14, 2022 2:57 PM

**To:** Greg Pratt <greg@hta.org>; [REDACTED]

**Subject:** Re: April AIM Check

Greg,

After discussing the latest upheaval of our company account, I decided to be much more involved. I regret the lack of involvement now but appreciate knowing that my previous bookkeeper (of 15 years for Advanced Display and Signs) was failing her duties for Ads In Motion. [REDACTED] I have handed all bookkeeping and billing to [REDACTED] and the person handling the account there is named [REDACTED]. This last month has been a scramble to get her all of the information, teach her how we have been doing business and start to set our books right so that she can provide you with accurate information. Chuck and I agreed that he should not handle any bookkeeping assignments in the future, our duties should only be to doing what we do best and bookkeeping is not one of them. Chuck is putting together all of the contracts dating back to **July 1, 2018** (as stated on page 1 of the amendments to our previous contract). One thing I noticed after going over those 3 pages was that the contract was not signed until **8/29/18** and I believe that was when [REDACTED] (previous bookkeeper) started using whatever inaccurate measures to come up with the 35% rule. I have sent these documents to [REDACTED] and [REDACTED] for their review. I also read over **Exhibit-A** to get

some clarity about expenses and I believe you are correct about AIM being **solely responsible** for expenses. Chuck was under the assumption that because he had the clause (in **Exhibit-B**) "gross" crossed out and "net" revenues replacing it, that we would not be responsible for things such as bus retirements and accidents. Neither one of us has been able to define the term "minus indirect expenses". I am waiting for our accountant to help clarify that, so that we can appropriately apply its meaning to the account. It is my personal goal to take control of these problems and as I said "have us do the job that best suits us" and leave the accounting to the professionals. I am sorry for the troubles this has brought and hope that confidence will be restored knowing that all accounting will be out of our hands and accessible to you through [REDACTED] [REDACTED] - Ted.

Also, I have forwarded this letter to [REDACTED] so you can access her by email if you wish. She has my permission to discuss the account with you.

### **Advanced Display & Signs**

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(707) 443-2816

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On Thursday, April 14, 2022, 10:27:12 AM PDT, Greg Pratt <[greg@hta.org](mailto:greg@hta.org)> wrote:

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- As I said in an earlier email, I do not agree with the line item of Sign Expense (Direct Expense) that reduces HTA's return. Exhibit A of the contract states "Ads in Motion will be solely responsible and the only thing that can be deducted is indirect expenses." Can you please tell me why you feel it is justified to include it? Same with

Insurance. According to Exhibit A it also states that Ads in Motion will be solely responsible. What are the merchant fees you are including as indirect?

Finally, I'm having a difficult time reconciling the reports you provided with the number of ads on the bus and inside the bus. You said you are on an accrual basis but the monthly invoices show "cash basis" which makes it even more confusing to follow. I would like to request your quickbooks file from March 2018 to present along with contracts from the same date range. I know that the quickbooks report is a push of a button so I would like that now, I am fine waiting a few days for the contracts. I've provided a dropbox link for the files.

Thank you,

Greg

*Greg Pratt*

*General Manager*

*Humboldt Transit Authority*

*133 V Street Eureka, CA 95501*

*(707) 443-0826 ext. 101*

[greg@hta.org](mailto:greg@hta.org)

---

**From:** Charles Edwards <[cedwards@stroopfx.com](mailto:cedwards@stroopfx.com)>

**Sent:** Monday, April 4, 2022 1:09 PM

**To:** Greg Pratt <[greg@hta.org](mailto:greg@hta.org)>

**Cc:** Ted Sheets <[adseureka@sbcglobal.net](mailto:adseureka@sbcglobal.net)>

**Subject:** April AIM Check

Greetings, Greg.

We're mailing our check today in the amount of \$5,226.01.

I'll be sending you a snapshot of our commission matrix (below) each month going forward.

Please give me a call if you have any questions or need additional information.

	Jan-22	Feb-22	Mar-22
<b>Income - Humboldt County</b>			
<b>Gross Profit</b>	\$ 10,605.00	\$ 14,810.83	\$ 15,595.00
<b>Expense</b>			
Advertising & Promotion	\$ -		\$ 252.00
Bank Service Charges	\$ -	\$ -	\$ -
Bookkeeping	\$ 450.00	\$ 275.00	\$ 280.00
Bad Debt	\$ -		
Business Licenses and Permits	\$ -		
Dues & Subscriptions	\$ -		\$ -
Insurance Expense	\$ -		
Merchant Fees	\$ 203.79	\$ 140.44	\$ 131.54
Office Supplies	\$ -		
Postage and Delivery	\$ -		
Sign Expense	\$ 890.07		\$ -
Telephone Expense	\$ -		
<b>Total Expense</b>	\$ 1,543.86	\$ 415.44	\$ 663.54
<b>Net Ordinary Income</b>	\$ 9,061.14	\$ 14,395.39	\$ 14,931.46
HTA Commission @ 35%	\$ 3,171.40	\$ 5,038.39	\$ 5,226.01
Amount Due HTA	\$ 4,250.00	\$ 5,038.39	\$ 5,226.01
Amount Paid	\$ 4,250.00	\$ 5,038.42	\$ 5,226.01

Best, always.

*Charles Mel Edwards*

*Stroop Effect Studios/ADS In Motion*

*(707) 599-0590*

[cedwards@stroopfx.com](mailto:cedwards@stroopfx.com)

[www.stroopfx.com](http://www.stroopfx.com)





Greg Pratt

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From: Ted Sheets <adseureka@sbcglobal.net>  
Sent: Monday, April 25, 2022 11:02 AM  
To: Greg Pratt  
Subject: Re: AIM

Okay, just keep me posted and I will make myself available when necessary. Thanks!

[Advanced Display & Signs](#)  
Web: [www.adseureka.com](http://www.adseureka.com)  
E-mail: [adseureka@sbcglobal.net](mailto:adseureka@sbcglobal.net)

726 2nd St  
Eureka, CA 95501  
(707) 443-2816  
FAX (707) 443-2044

On Monday, April 25, 2022, 10:55:44 AM PDT, Greg Pratt <greg@hta.org> wrote:

Hi Ted,

I wasn't sure when the quickbooks report would be completed and we will need some time to review it. To make matters worse, my Finance Manager is out sick and not sure when she will be back. It would be great if we could meet this week but I can't be sure just yet.

*Greg Pratt*

*General Manager*

*Humboldt Transit Authority*

*133 V Street Eureka, CA 95501*

*(707) 443-0826 ext. 101*

[greg@hta.org](mailto:greg@hta.org)

---

**From:** Ted Sheets <adseureka@sbcglobal.net>  
**Sent:** Monday, April 25, 2022 10:16 AM  
**To:** Greg Pratt <greg@hta.org>  
**Subject:** Re: AIM

Does this mean you do not want to get together this week?

**Advanced Display & Signs**

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FAX (707) 443-2044

On Monday, April 25, 2022, 10:10:45 AM PDT, Greg Pratt <[greg@hta.org](mailto:greg@hta.org)> wrote:

Thanks for the update Ted, hope you enjoy your vacation!

*Greg Pratt*

*General Manager*

*Humboldt Transit Authority*

*133 V Street Eureka, CA 95501*

*(707) 443-0826 ext. 101*

[greg@hta.org](mailto:greg@hta.org)

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**From:** Ted Sheets <[adseureka@sbcglobal.net](mailto:adseureka@sbcglobal.net)>  
**Sent:** Monday, April 25, 2022 9:09 AM  
**To:** Greg Pratt <[greg@hta.org](mailto:greg@hta.org)>; Chuck Edwards <[cedwards@stroopfx.com](mailto:cedwards@stroopfx.com)>  
**Subject:** AIM

Greg, Hope you had a good week at your conference. I just wanted to touch bases since I did not hear back from you after my last email. FYI I will be on vacation from the 1st of May to the 16th. I know you expressed your interest in meeting with our new bookkeeper and going over the reports. [REDACTED] said she has completed all but 2021, as of last Thursday, so I am hopeful that all has been completed and ready to move forward. Please let me know what works for you. I have a busy week just handling Advanced Display and getting ready to be gone. Thanks! - Ted

### [Advanced Display & Signs](#)

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(707) 443-2816

FAX (707) 443-2044

Greg Pratt

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From: Ted Sheets <adseureka@sbcglobal.net>  
Sent: Thursday, April 28, 2022 1:06 PM  
To: Greg Pratt  
Subject: Re: Interior bus ads

How does \$5.00 each sound?

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Web: [www.adseureka.com](http://www.adseureka.com)  
E-mail: [adseureka@sbcglobal.net](mailto:adseureka@sbcglobal.net)

726 2nd St  
Eureka, CA 95501  
(707) 443-2816  
FAX (707) 443-2044

On Thursday, April 28, 2022, 12:16:31 PM PDT, Greg Pratt <greg@hta.org> wrote:

Hi Ted,

We (I talked with Jim) are good with installing the signs. Let me know whenever you come up with a per add install price.

*Greg Pratt*

*General Manager*

*Humboldt Transit Authority*

*133 V Street Eureka, CA 95501*

*(707) 443-0826 ext. 101*

[greg@hta.org](mailto:greg@hta.org)

---

**From:** Ted Sheets <adseureka@sbcglobal.net>  
**Sent:** Wednesday, April 27, 2022 10:32 AM  
**To:** Greg Pratt <greg@hta.org>  
**Subject:** Interior bus ads

Okay, Chuck did it again! (our client insisted we do this or they will not run any ads). We have 10 interior bus ads to install in the ETS buses only (some will get 2 ads. we don't care which ones). Here is my plan from now on we are going to come up with a per ad installation price and pay HTA to install if that is okay with you. I keep hoping your plan for interior monitors will happen so we do not have to do this anymore. Please advise! - Ted

## **Advanced Display & Signs**

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FAX (707) 443-2044

Greg Pratt

---

From: Ted Sheets <adseureka@sbcglobal.net>  
Sent: Monday, June 6, 2022 2:23 PM  
To: Greg Pratt  
Subject: Re: Back in the office

█ says he is fine with that. See you Wednesday at 10am

Advanced Display & Signs  
Web: [www.adseureka.com](http://www.adseureka.com)  
E-mail: [adseureka@sbcglobal.net](mailto:adseureka@sbcglobal.net)

726 2nd St  
Eureka, CA 95501  
(707) 443-2816  
FAX (707) 443-2044

On Monday, June 6, 2022, 11:37:58 AM PDT, Greg Pratt <greg@hta.org> wrote:

Hi Ted,

Any chance your available for us to view the quickbooks file on this Wednesday at 10:00 am?

*Greg Pratt*

*General Manager*

*Humboldt Transit Authority*

*133 V Street Eureka, CA 95501*

*(707) 443-0826 ext. 101*

[greg@hta.org](mailto:greg@hta.org)

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**From:** Ted Sheets <adseureka@sbcglobal.net>  
**Sent:** Thursday, May 26, 2022 8:52 AM  
**To:** Greg Pratt <greg@hta.org>  
**Subject:** Re: Back in the office



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Web: [www.adseureka.com](http://www.adseureka.com)

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726 2nd St  
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(707) 443-2816

FAX (707) 443-2044

On Thursday, May 26, 2022, 07:25:51 AM PDT, Greg Pratt <[greg@hta.org](mailto:greg@hta.org)> wrote:

Great, thank you Ted. Let's go with May 31<sup>st</sup> at 1:30 pm. Could you please provide me with the address?

*Greg Pratt*

*General Manager*

*Humboldt Transit Authority*

*133 V Street Eureka, CA 95501*

*(707) 443-0826 ext. 101*

[greg@hta.org](mailto:greg@hta.org)

---

**From:** Ted Sheets <[adseureka@sbcglobal.net](mailto:adseureka@sbcglobal.net)>

**Sent:** Wednesday, May 25, 2022 6:58 PM

**To:** Greg Pratt <[greg@hta.org](mailto:greg@hta.org)>  
**Subject:** Re: Back in the office

Whenever you want. I will set it up

Sent from my iPhone

On May 25, 2022, at 4:52 PM, Greg Pratt <[greg@hta.org](mailto:greg@hta.org)> wrote:

Hi Ted,

Any chance HTA's Finance Manager and myself can look at the files on Tuesday (5/31) around 1:30 pm?

*Greg Pratt*

*General Manager*

*Humboldt Transit Authority*

*133 V Street Eureka, CA 95501*

*(707) 443-0826 ext. 101*

[greg@hta.org](mailto:greg@hta.org)

---

**From:** Ted Sheets <[adseureka@sbcglobal.net](mailto:adseureka@sbcglobal.net)>

**Sent:** Wednesday, May 18, 2022 2:14 PM

**To:** Greg Pratt <[greg@hta.org](mailto:greg@hta.org)>

**Subject:** Re: Back in the office

Greg,

I spoke with [REDACTED] [REDACTED] ([REDACTED]) and he recommends that you view the files there at his office. He feels that there could be legal matters that could arise from surrendering the files, since there are other counties I do business with as well. He would be willing to sit with us at his office and you can inspect and print any reports that you need. After HH&C finished cleaning up the files they discovered that we still owe you more money, so I will bring the check book and we can settle up when you are satisfied that all is well. I hope you can understand that once you have seen all proprietary information concerning Ads In Motion, this situation puts me at a great disadvantage for any future bidding on a chance to



secure the contract again. For me this opportunity has been a life saver, it has afforded me the opportunity to hire employees, pay them well, grow in business as well as live more comfortably. It is my hope that I can do this for at least another 5 years and then hopefully retire. - Ted

## Advanced Display & Signs

Web: [www.adseureka.com](http://www.adseureka.com)

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726 2nd St  
Eureka, CA 95501

(707) 443-2816

FAX (707) 443-2044

On Wednesday, May 18, 2022, 01:25:04 PM PDT, Greg Pratt <[greg@hta.org](mailto:greg@hta.org)> wrote:

Hi Ted and welcome back.

Before we meet, I was hoping to get that quickbooks file so we can review beforehand.

*Greg Pratt*

*General Manager*

*Humboldt Transit Authority*

*133 V Street Eureka, CA 95501*

*(707) 443-0826 ext. 101*

[greg@hta.org](mailto:greg@hta.org)

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**From:** Ted Sheets <[adseureka@sbcglobal.net](mailto:adseureka@sbcglobal.net)>  
**Sent:** Monday, May 16, 2022 12:08 PM  
**To:** Greg Pratt <[greg@hta.org](mailto:greg@hta.org)>  
**Subject:** Back in the office

Greg, I am back from vacation, so we can get together when you are ready. Thanks! - Ted

## **Advanced Display & Signs**

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FAX (707) 443-2044

Greg Pratt

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From: [REDACTED]  
Sent: Wednesday, June 8, 2022 12:48 PM  
To: Greg Pratt  
Subject: Re: Todays Meeting  
Attachments: 2019 Total Expenses.pdf; 2020 Total Expenses.pdf; 2021 Total Expenses.pdf; 2022 Total Expenses.pdf

Hi Greg,  
I have attached the reports showing total expenses for each year. I am waiting for Ted's approval on the same report but with revenue, as it will show revenue for the other two counties as well.

Thank you,  
[REDACTED]

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----- On Wed, 08 Jun 2022 11:39:21 -0700 Greg Pratt <greg@hta.org> wrote -----

Hello Ted and thank you for following up with the indirect percentages. Before any changes are made, can I please get 2018, 2019, 2020, 2021, and this year (see attached)? It would be less confusing for us to reconcile the work that we have already done. Also, can I the same document except with revenue?

*Greg Pratt*  
*General Manager*  
*Humboldt Transit Authority*  
*133 V Street Eureka, CA 95501*  
*(707) 443-0826 ext. 101*  
[greg@hta.org](mailto:greg@hta.org)

**Ads In Motion**  
**Profit & Loss**  
 January through December 2019

	<u>Humboldt</u>	<u>Unclassified</u>	<u>TOTAL</u>
Ordinary Income/Expense			
Expense			
Advertising and Promotion	0.00	472.93	472.93
Bookkeeping	2,672.00	0.00	2,672.00
Business Licenses and Permits	92.75	49.00	141.75
██████████	0.00	6,328.75	6,328.75
Humboldt Transit Authority	0.00	52,972.95	52,972.95
Insurance Expense	0.00	560.00	560.00
Merchant Fees	1,438.65	0.00	1,438.65
Office Supplies	17.48	0.00	17.48
Outside Services-Stroop	0.00	58,407.67	58,407.67
Postage and Delivery	0.00	650.99	650.99
Sign Expense	0.00	20,365.20	20,365.20
Telephone Expense	0.00	495.56	495.56
Travel Expense	0.00	252.57	252.57
██████████	0.00	2,400.00	2,400.00
<b>Total Expense</b>	<u>4,220.88</u>	<u>142,955.62</u>	<u>147,176.50</u>
<b>Net Ordinary Income</b>	<u>-4,220.88</u>	<u>-142,955.62</u>	<u>-147,176.50</u>
<b>Net Income</b>	<u><u>-4,220.88</u></u>	<u><u>-142,955.62</u></u>	<u><u>-147,176.50</u></u>

**Ads In Motion**  
**Profit & Loss**  
 January through December 2020

---

	<u>Humboldt</u>	<u>Unclassified</u>	<u>TOTAL</u>
Ordinary Income/Expense			
Expense			
Automobile Expense	0.00	0.00	0.00
Bad Debt	0.00	800.00	800.00
Bookkeeping	3,264.00	0.00	3,264.00
Business Licenses and Permits	92.75	49.00	141.75
██████████	0.00	5,244.14	5,244.14
Humboldt Transit Authority	0.00	48,705.00	48,705.00
Insurance Expense	0.00	500.00	500.00
Merchant Fees	1,474.27	0.00	1,474.27
Office Supplies	16.94	0.00	16.94
Outside Services-Stroop	0.00	69,271.02	69,271.02
Postage and Delivery	0.00	183.03	183.03
Repairs and Maintenance	0.00	374.12	374.12
Sign Expense	0.00	5,546.10	5,546.10
Travel Expense	0.00	243.48	243.48
██████████	0.00	3,300.00	3,300.00
Total Expense	<u>4,847.96</u>	<u>134,215.89</u>	<u>139,063.85</u>
Net Ordinary Income	<u>-4,847.96</u>	<u>-134,215.89</u>	<u>-139,063.85</u>
Net Income	<u><b>-4,847.96</b></u>	<u><b>-134,215.89</b></u>	<u><b>-139,063.85</b></u>

**Ads In Motion**  
**Profit & Loss**  
 January through December 2021

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	<u>Humboldt</u>	<u>Unclassified</u>	<u>TOTAL</u>
Ordinary Income/Expense			
Expense			
Bookkeeping	3,870.15	0.00	3,870.15
Business Licenses and Permits	92.75	49.00	141.75
██████████	0.00	6,646.56	6,646.56
Humboldt Transit Authority	0.00	51,000.00	51,000.00
Insurance Expense	0.00	500.00	500.00
Meals and Entertainment	0.00	61.87	61.87
Merchant Fees	1,824.34	0.00	1,824.34
Office Supplies	0.00	17.48	17.48
Outside Services-Stroop	0.00	61,012.12	61,012.12
Postage and Delivery	0.00	72.07	72.07
Sign Expense	0.00	7,007.50	7,007.50
Travel Expense	0.00	2,041.52	2,041.52
██████████	0.00	3,600.00	3,600.00
<b>Total Expense</b>	<u>5,787.24</u>	<u>132,008.12</u>	<u>137,795.36</u>
<b>Net Ordinary Income</b>	<u>-5,787.24</u>	<u>-132,008.12</u>	<u>-137,795.36</u>
<b>Net Income</b>	<u><b>-5,787.24</b></u>	<u><b>-132,008.12</b></u>	<u><b>-137,795.36</b></u>

**Ads In Motion**  
**Profit & Loss**  
 January through December 2022

	Humboldt	██████	██████	Unclassified	TOTAL
<b>Ordinary Income/Expense</b>					
<b>Expense</b>					
Advertising and Promotion	0.00	0.00	0.00	511.00	511.00
Bookkeeping	1,725.00	0.00	0.00	2,092.50	3,817.50
██████████	0.00	3,052.50	0.00	0.00	3,052.50
Dues and Subscriptions	0.00	80.00	0.00	0.00	80.00
Humboldt Transit Authority	0.00	0.00	0.00	29,649.57	29,649.57
Merchant Fees	774.45	0.00	0.00	8.90	783.35
Office Supplies	120.15	0.00	0.00	0.00	120.15
Outside Services-Stroop	0.00	0.00	0.00	27,639.19	27,639.19
Sign Expense	0.00	3,984.97	0.00	4,994.63	8,979.60
██████████	0.00	0.00	4,806.24	0.00	4,806.24
<b>Total Expense</b>	<b>2,619.60</b>	<b>7,117.47</b>	<b>4,806.24</b>	<b>64,895.79</b>	<b>79,439.10</b>
<b>Net Ordinary Income</b>	<b>-2,619.60</b>	<b>-7,117.47</b>	<b>-4,806.24</b>	<b>-64,895.79</b>	<b>-79,439.10</b>
<b>Net Income</b>	<b>-2,619.60</b>	<b>-7,117.47</b>	<b>-4,806.24</b>	<b>-64,895.79</b>	<b>-79,439.10</b>

Greg Pratt

---

From: Ted Sheets <adseureka@sbcglobal.net>  
Sent: Wednesday, June 8, 2022 2:54 PM  
To: Greg Pratt  
Subject: reports  
Attachments: 2018 HTA P&L.pdf; 2019 HTA P&L.pdf; 2020 HTA P&L.pdf; 2022 HTA P&L.pdf; 2021 HTA P&L.pdf; 052322AIM BILLING.xlsx

Greg, here are the reports. I believe you received the "billing matrix" already but I have attached it again.

Advanced Display & Signs

Web: [www.adseureka.com](http://www.adseureka.com)

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1:19 PM

06/08/22

Accrual Basis

**Ads In Motion**  
**Profit & Loss**  
January through December 2018

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	<u>Humboldt</u>	<u>TOTAL</u>
Ordinary Income/Expense		
Income		
Rent Discount- HUM	-43,447.92	-43,447.92
Rent Income- HUM	199,830.00	199,830.00
<b>Total Income</b>	<u>156,382.08</u>	<u>156,382.08</u>
<b>Gross Profit</b>	156,382.08	156,382.08
Expense		
Bookkeeping	2,508.50	2,508.50
Business Licenses and Permits	92.75	92.75
Merchant Fees	1,481.72	1,481.72
Office Supplies	182.42	182.42
Professional Fees	250.00	250.00
<b>Total Expense</b>	<u>4,515.39</u>	<u>4,515.39</u>
<b>Net Ordinary Income</b>	<u>151,866.69</u>	<u>151,866.69</u>
<b>Net Income</b>	<u><u>151,866.69</u></u>	<u><u>151,866.69</u></u>

1:19 PM

06/08/22

Accrual Basis

**Ads In Motion**  
**Profit & Loss**  
January through December 2019

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	<u>Humboldt</u>	<u>TOTAL</u>
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
Rent Discount- HUM	-41,822.46	-41,822.46
Rent Income- HUM	202,901.93	202,901.93
<b>Total Income</b>	<u>161,079.47</u>	<u>161,079.47</u>
<b>Gross Profit</b>	161,079.47	161,079.47
<b>Expense</b>		
Bookkeeping	2,672.00	2,672.00
Business Licenses and Permits	92.75	92.75
Merchant Fees	1,438.65	1,438.65
Office Supplies	17.48	17.48
<b>Total Expense</b>	<u>4,220.88</u>	<u>4,220.88</u>
<b>Net Ordinary Income</b>	<u>156,858.59</u>	<u>156,858.59</u>
<b>Net Income</b>	<u><u>156,858.59</u></u>	<u><u>156,858.59</u></u>

1:20 PM

06/08/22

Accrual Basis

**Ads In Motion**  
**Profit & Loss**  
January through December 2020

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	<u>Humboldt</u>	<u>TOTAL</u>
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
Rent Discount- HUM	-41,439.96	-41,439.96
Rent Income- HUM	191,327.49	191,327.49
<b>Total Income</b>	<u>149,887.53</u>	<u>149,887.53</u>
<b>Gross Profit</b>	149,887.53	149,887.53
<b>Expense</b>		
Bookkeeping	3,264.00	3,264.00
Business Licenses and Permits	92.75	92.75
Merchant Fees	1,474.27	1,474.27
Office Supplies	16.94	16.94
<b>Total Expense</b>	<u>4,847.96</u>	<u>4,847.96</u>
<b>Net Ordinary Income</b>	<u>145,039.57</u>	<u>145,039.57</u>
<b>Net Income</b>	<u><u>145,039.57</u></u>	<u><u>145,039.57</u></u>

1:20 PM

06/08/22

Accrual Basis

**Ads In Motion**  
**Profit & Loss**  
January through December 2021

---

	<u>Humboldt</u>	<u>TOTAL</u>
Ordinary Income/Expense		
Income		
Rent Discount- HUM	-42,087.89	-42,087.89
Rent Income- HUM	197,618.33	197,618.33
<b>Total Income</b>	<u>155,530.44</u>	<u>155,530.44</u>
<b>Gross Profit</b>	155,530.44	155,530.44
Expense		
Bookkeeping	3,870.15	3,870.15
Business Licenses and Permits	92.75	92.75
Merchant Fees	1,824.34	1,824.34
<b>Total Expense</b>	<u>5,787.24</u>	<u>5,787.24</u>
<b>Net Ordinary Income</b>	<u>149,743.20</u>	<u>149,743.20</u>
<b>Net Income</b>	<u><u>149,743.20</u></u>	<u><u>149,743.20</u></u>

1:20 PM

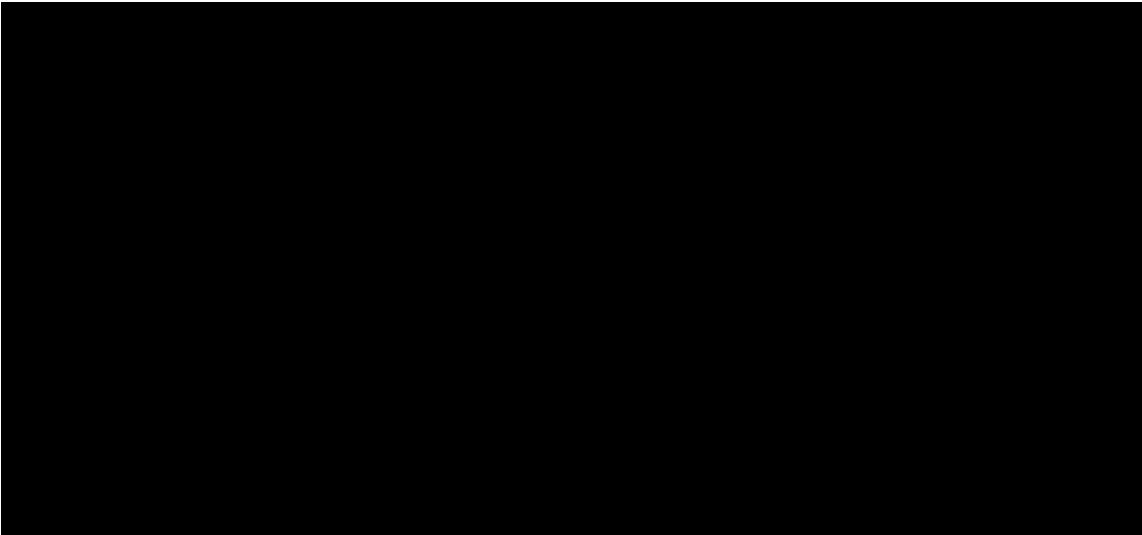
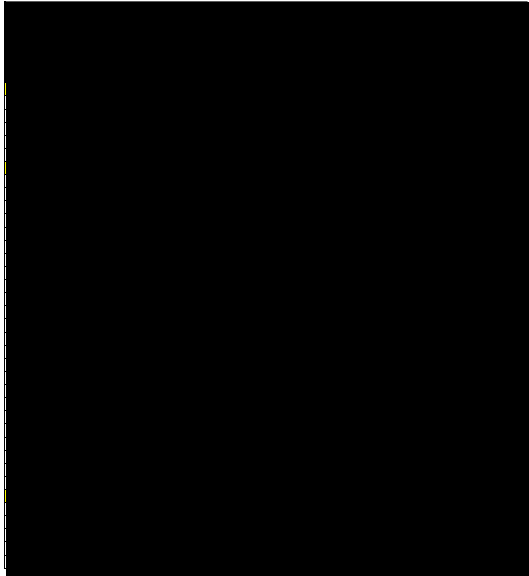
06/08/22

Accrual Basis

**Ads In Motion**  
**Profit & Loss**  
January through May 2022

---

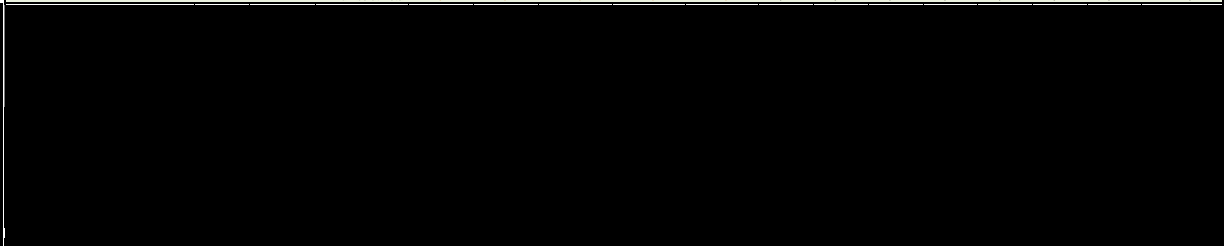
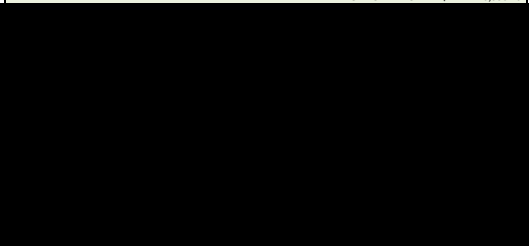
	<u>Humboldt</u>	<u>TOTAL</u>
<b>Ordinary Income/Expense</b>		
<b>Income</b>		
Rent Discount- HUM	-4,909.16	-4,909.16
Rent Income- HUM	76,809.16	76,809.16
<b>Total Income</b>	<u>71,900.00</u>	<u>71,900.00</u>
<b>Gross Profit</b>	71,900.00	71,900.00
<b>Expense</b>		
Bookkeeping	1,725.00	1,725.00
Merchant Fees	774.45	774.45
Office Supplies	120.15	120.15
<b>Total Expense</b>	<u>2,619.60</u>	<u>2,619.60</u>
<b>Net Ordinary Income</b>	<u>69,280.40</u>	<u>69,280.40</u>
<b>Net Income</b>	<u><u>69,280.40</u></u>	<u><u>69,280.40</u></u>



Total
\$ 750.00
\$ 7,700.00
\$ 4,800.00
\$ 6,600.00
\$ 4,575.00
\$ 2,500.00
\$ 4,575.00
\$ 5,000.04
\$ 9,300.00
\$ 4,200.00
\$ 7,200.00
\$ 1,636.25
\$ 3,000.00
\$ 6,300.00
\$ 14,820.00
\$ 1,240.00
\$ 6,600.00
\$ 4,500.00
\$ 1,650.00
\$ 16,440.00
\$ 3,240.00
\$ 1,890.00
\$ 2,550.00
\$ 4,200.00
\$ 1,600.00
\$ 916.63
\$ 2,400.00
\$ 700.00
\$ 6,600.00
\$ 8,400.00
\$ 1,500.00
\$ 1,400.00
\$ 4,320.00
\$ 2,400.00
\$ 7,700.00
\$ 1,200.00
\$ 2,400.00
\$ 700.00

HUMBOLDT TOTAL \$ 15,998.75

Humboldt Total \$ 13,785.00 \$ 14,085.00 \$ 14,785.00 \$ 14,200.75 \$ 15,841.25 \$ 15,761.25 \$ 15,161.25 \$ 13,326.25 \$ 13,326.25 \$ 13,326.25 \$ 11,099.17 \$ 167,002.92



Greg Pratt

---

From: Ted Sheets <adseureka@sbcglobal.net>  
Sent: Wednesday, June 8, 2022 3:19 PM  
To: Greg Pratt  
Subject: Bookkeeping expenses this year  
Attachments: 2022 HTA Bookkeeping Expenses.pdf

So far this year AIM has incurred an additional \$\$2812.50 in bookkeeping just to go back to 2018 and correct as much as possible while teaching [REDACTED] how we have been doing business so that she can understand how to keep our books. you will not see those expenses on the reports because they are not yours to pay. Thanks! - Ted

[Advanced Display & Signs](#)

Web: [www.adseureka.com](http://www.adseureka.com)

E-mail: [adseureka@sbcglobal.net](mailto:adseureka@sbcglobal.net)

726 2nd St  
Eureka, CA 95501  
(707) 443-2816  
FAX (707) 443-2044

3:07 PM

06/08/22

Accrual Basis

**Ads In Motion**  
**Transaction Detail By Account**  
 January through May 2022

Type	Date	Num	Adj	Name	Memo	Class	Clr	Split	Debit	Credit	Balance
<b>Bookkeeping</b>											
Check	01/01/2022	1541		██████████	2430	Humboldt		CCCU Checkin...	450.00		450.00
Check	02/08/2022	1555		██████████	2430	Humboldt		CCCU Checkin...	275.00		725.00
Check	03/04/2022	1562		██████████	██████████	Humboldt		CCCU Checkin...	280.00		1,005.00
Check	04/26/2022	1578		██████████	March Bookke...	Humboldt		CCCU Checkin...	360.00		1,365.00
Check	05/23/2022	1587		██████████	April	Humboldt		CCCU Checkin...	360.00		1,725.00
Total Bookkeeping									1,725.00	0.00	1,725.00
<b>TOTAL</b>									<b>1,725.00</b>	<b>0.00</b>	<b>1,725.00</b>



Greg Pratt

---

From: Ted Sheets <adseureka@sbcglobal.net>  
Sent: Monday, June 13, 2022 8:50 AM  
To: Greg Pratt  
Subject: Re: reports

Sure, are you finding those more helpful ?

[Advanced Display & Signs](#)

Web: [www.adseureka.com](http://www.adseureka.com)

E-mail: [adseureka@sbcglobal.net](mailto:adseureka@sbcglobal.net)

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Eureka, CA 95501  
(707) 443-2816  
FAX (707) 443-2044

On Friday, June 10, 2022, 07:58:54 AM PDT, Greg Pratt <greg@hta.org> wrote:

Good morning Ted,

Can you please provide the matrix for 2018, 2019, 2020, and 2021? Thank you

---

From: Ted Sheets <adseureka@sbcglobal.net>  
Sent: Wednesday, June 8, 2022 2:54 PM  
To: Greg Pratt  
Subject: reports

Greg, here are the reports. I believe you received the "billing matrix" already but I have attached it again.

[Advanced Display & Signs](#)

Web: [www.adseureka.com](http://www.adseureka.com)

E-mail: [adseureka@sbcglobal.net](mailto:adseureka@sbcglobal.net)

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Eureka, CA 95501  
(707) 443-2816  
FAX (707) 443-2044

Greg Pratt

---

From: Ted Sheets <adseureka@sbcglobal.net>  
Sent: Monday, June 13, 2022 9:49 AM  
To: Greg Pratt  
Subject: Re: reports

Prior to when [REDACTED] started our previous bookkeeper had developed the matrix and we did not have it as an xl. spreadsheet. we got them as reports from time to time. I have some copies of them and they can be pieced together. I would have to make copies and drop them off to you.

[Advanced Display & Signs](#)

Web: [www.adseureka.com](http://www.adseureka.com)

E-mail: [adseureka@sbcglobal.net](mailto:adseureka@sbcglobal.net)

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Sent: Wednesday, June 8, 2022 2:54 PM  
To: Greg Pratt  
Subject: reports

Greg, here are the reports. I believe you received the "billing matrix" already but I have attached it again.

[Advanced Display & Signs](#)

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FAX (707) 443-2044

Greg Pratt

---

From: Ted Sheets <adseureka@sbcglobal.net>  
Sent: Monday, June 13, 2022 9:58 AM  
To: Greg Pratt  
Subject: Billing matrix  
Attachments: Bus Billing 2019.xlsx; Bus Billing 2021.xlsx

I did some more digging and found a couple of .xl files that go back to 2019. We can piece the remaining together with the copies I have. Let me know what you need after reviewing these.

[Advanced Display & Signs](#)

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E-mail: [adseureka@sbcglobal.net](mailto:adseureka@sbcglobal.net)

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(707) 443-2816  
FAX (707) 443-2044

													Total													
													-													
													\$ 250.00													
																										\$ 3,850.00
																										\$ 700.00
																										\$ 1,650.00
																										\$ 4,950.00
																										\$ 3,050.00
																										\$ 1,050.00
																										\$ 1,250.00
																										\$ 4,200.00
																										\$ 8,500.00
																										\$ 200.00
																										\$ 1,200.00
																										\$ 500.00
																										\$ 900.00
																										\$ 3,780.00
																										\$ 2,430.00
																										\$ 1,400.00
																										\$ 700.00
																										\$ 7,700.00
																										\$ 2,800.00
																										\$ 7,700.00
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													\$ 1,200.00													
													\$ 2,400.00													
													\$ 350.00													
													\$ 4,250.00													
													\$ 850.00													
													\$ 1,500.00													
													\$ 2,250.00													
													\$ 750.00													
													\$ 6,600.00													
													\$ 2,400.00													
													\$ 2,700.00													
													\$ 3,500.00													
Total		\$12,521.67	\$12,171.67	\$11,821.67	\$12,011.67	\$12,561.67	\$12,361.67	\$11,411.67	\$11,161.67	\$11,961.67	\$14,651.67	\$15,366.67	\$15,966.67	\$153,970.04												

Location	Total
HUM	\$ 3,300.00
HUM	\$ 3,200.00
HUM	\$ 4,350.00
HUM	\$ 1,000.00
HUM	\$ 1,750.00
HUM	\$ 2,500.00
HUM	\$ 600.00
HUM	\$ 10,005.20
HUM	\$ 8,100.00
HUM	\$ 4,795.00
HUM	\$ -
HUM	\$ 2,100.00
HUM	\$ 2,500.00
HUM	\$ 1,600.00
HUM	\$ 4,000.00
HUM	\$ 900.00
HUM	\$ 3,150.00
HUM	\$ 2,400.00
HUM	\$ 1,100.00
HUM	\$ 2,200.00
HUM	\$ -
HUM	\$ 2,400.00
HUM	\$ 1,000.00
HUM	\$ 1,500.00
HUM	\$ 2,000.00
HUM	\$ 1,771.00
HUM	\$ 9,000.00
HUM	\$ 16,800.00
HUM	\$ 2,160.00
HUM	\$ 200.00
HUM	\$ 3,500.00
HUM	\$ 300.00
HUM	\$ 1,600.00
HUM	\$ 900.00
HUM	\$ 5,000.04
HUM	\$ 2,450.00
HUM	\$ 7,200.00
HUM	\$ 1,650.00
HUM	\$ 16,440.00
HUM	\$ 3,240.00
HUM	\$ 3,240.00
HUM	\$ 1,512.50
HUM	\$ 1,800.00
HUM	\$ 1,100.00
HUM	\$ 2,400.00
HUM	\$ 6,600.00
HUM	\$ 4,200.00
HUM	\$ 2,400.00
HUM	\$ 1,000.00
HUM	\$ 2,400.00
HUM	\$ 700.00

02/03/22  
Cash Basis

# Ads In Motion HTA Net Revenues January 2022

	Jan 22
Ordinary Income/Expense	
Income	10,605.00
Gross Profit	10,605.00
Expense	
Bookkeeping	450.00
Merchant Fees	203.79
Outside Services-Stroop	7,605.58
Sign Expense	890.07
Total Expense	9,149.44
Net Ordinary Income	1,455.56
Net Income	1,455.56

32  
8  
27 HTA  
4 DAY  
31 x 3 = 93 x \$185 = 17,205



4

Ads In Motion  
**HTA Net Revenues**  
February 2022

03/02/22  
Cash Basis

---

	<u>Feb 22</u>
Ordinary Income/Expense	
Income	
Rent Discount- HUM	-1,707.50
Rent Income- HUM	16,518.33
	<hr/>
Total Income	14,810.83
	<hr/>
Gross Profit	14,810.83
Expense	
Bookkeeping	275.00
Merchant Fees	140.44
	<hr/>
Total Expense	415.44
	<hr/>
Net Ordinary Income	14,395.39
	<hr/>
Net Income	<u><u>14,395.39</u></u>

04/29/22  
Accrual Basis

Ads In Motion  
HTA Net Revenues  
April 2022

---

	<u>Apr 22</u>
Ordinary Income/Expense	
Income	
Rent Income- HUM	14,703.75
Total Income	<u>14,703.75</u>
Gross Profit	14,703.75
Expense	
Bookkeeping	360.00
Merchant Fees	149.34
Office Supplies	120.15
Total Expense	<u>629.49</u>
Net Ordinary Income	<u>14,074.26</u>
Net Income	<u><u>14,074.26</u></u>



**Ads In Motion  
HTA Net Revenues  
July 2022**

08/02/22  
Accrual Basis

	Jul 22
Ordinary Income/Expense	
Income	
Rent Income- HUM	16,234.58
Total Income	16,234.58
Gross Profit	16,234.58
Expense	
Bookkeeping	590.47
Merchant Fees	113.46
Office Supplies	177.14
Total Expense	881.07
Net Ordinary Income	15,353.51
Net Income	15,353.51

$$\begin{array}{r} \times .35 \\ \hline 5,373.73 \end{array}$$

Ads in Motion  
726 2nd St  
Eureka, CA 95501

8/5 20 22

PAY TO THE ORDER OF HUMBOLDT TRANSIT AUTHORITY \$ 5373.73

FIVE THOUSAND THREE HUNDRED SEVENTY THREE <sup>73</sup>/<sub>100</sub> DOLLARS

Security features are included. Details on back.

**Ads In Motion**  
**HTA Net Revenues**  
**August 2022**

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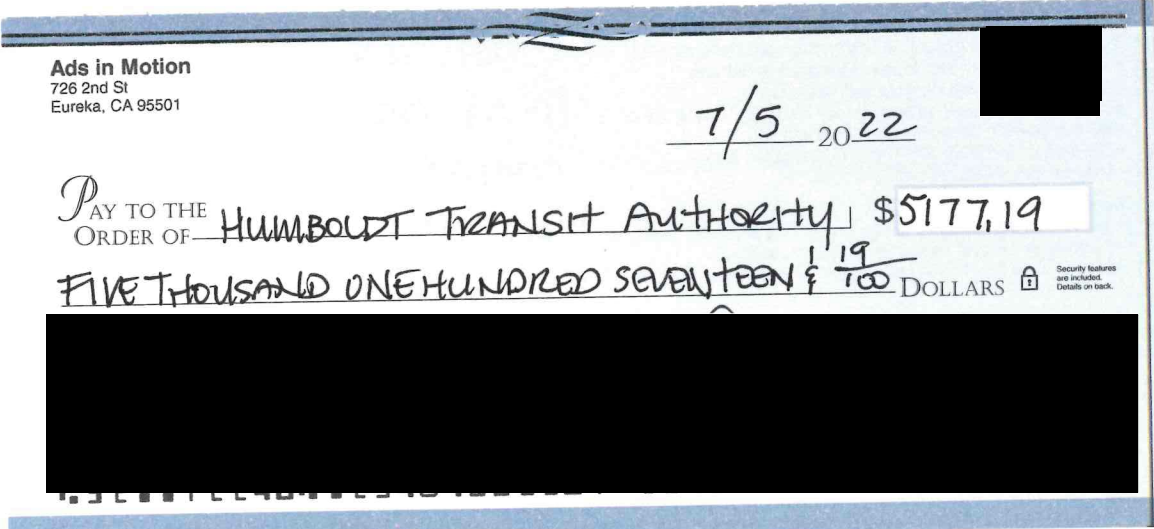
Aug 22

Ordinary Income/Expense	
Income	
Rent Income- HUM	16,174.58
Total Income	<u>16,174.58</u>
Gross Profit	16,174.58
Expense	
Bookkeeping	395.24
Legal Fees	910.00
Merchant Fees	121.64
Rent Expense	571.43
Telephone Expense	23.73
Total Expense	<u>2,022.04</u>
Net Ordinary Income	<u>14,152.54</u>
Net Income	<u><u>14,152.54</u></u>

07/05/22  
Accrual Basis

Ads In Motion  
HTA Net Revenues  
June 2022

	<u>Jun 22</u>
Ordinary Income/Expense	
Income	
Rent Income- HUM	15,726.25
Total Income	<u>15,726.25</u>
Gross Profit	15,726.25
Expense	
Bookkeeping	175.67
Merchant Fees	124.76
Sign Expense	633.86
Total Expense	<u>934.29</u>
Net Ordinary Income	<u>14,791.96</u>
Net Income	<u><u>14,791.96</u></u>





726 2nd Street, Eureka, CA. 95501

**Estimate #515139**

**6/2/2022**

**Prepared For:**

Humboldt Transit Authority  
Greg Pratt  
133 V Street  
Eureka, CA 95501  
USA

Phone: (707) 443-0826 Fax: Kelly x113  
Alt. Phone: jim x102 (0828)  
E-Mail: jim@hta.org

**Prepared By:**

Ted Sheets  
Advanced Display and Signs  
726 2nd St.  
Eureka, CA 95501  
USA

Phone: 7074432816 Fax: 7074432044  
Alt. Phone:  
E-Mail: adseureka@sbcglobal.net

**Description:**

Ads In Motion monthly payment

**Estimated time for production:** 7 working days

Quantity	Description	Each	Total	Taxable
1		0.00	\$0.00	✓
		Subtotal	\$0.00	
		8.50	\$0.00	
		<b>Total</b>	<b>\$0.00</b>	

**Terms:**

50% Deposit or P.O. Required / Balance Due Upon Completion  
YOU ARE RESPONSIBLE FOR APPROVAL OF PROOFS, PROOF READING, AND ERRORS.

By my signature, I authorize work to begin and agree to pay the above amount in full according to the terms on this agreement.

Signed by	Date	Amt. Paid Today
<p>Ads in Motion 726 2nd St Eureka, CA 95501</p> <p>PAY TO THE ORDER OF <u>HUMBOLDT TRANSIT AUTHORITY</u> \$5366.17</p> <p><u>FIVE THOUSAND THREE HUNDRED SIXTY SIX &amp; 17/100 DOLLARS</u></p>	<u>6/2-20-22</u>	

Ads in Motion  
726 2nd St  
Eureka, CA 95501

PAY TO THE ORDER OF HUMBOLDT TRANSIT AUTHORITY \$5366.17  
FIVE THOUSAND THREE HUNDRED SIXTY SIX & 17/100 DOLLARS

RECEIVED  
JUN 04 2022

Ads In Motion  
HTA Net Revenues  
May 2022

06/01/22  
Accrual Basis

	<u>May 22</u>
Ordinary Income/Expense	
Income	
Rent Income- HUM	15,841.25
Total Income	<u>15,841.25</u>
Gross Profit	15,841.25
Expense	
Bookkeeping	360.00
Merchant Fees	149.34
Total Expense	<u>509.34</u>
Net Ordinary Income	<u>15,331.91</u>
Net Income	<u><u>15,331.91</u></u>





726 2nd Street, Eureka, CA. 95501



**Estimate #515139**

**Prepared For:**

Humboldt Transit Authority  
Greg Pratt  
133 V Street  
Eureka, CA 95501  
USA

Phone: (707) 443-0826      Fax: Kelly x113  
Alt. Phone: jim x102 (0828)  
E-Mail: jim@hta.org

**Prepared By:**

Ted Sheets  
Advanced Display and Signs  
726 2nd St.  
Eureka, CA 95501  
USA

Phone: 7074432816      Fax: 7074432044  
Alt. Phone:  
E-Mail: adseureka@sbcglobal.net

**Description:**

Ads In Motion monthly payment

**Estimated time for production:** 7 working days

Quantity	Description	Each	Total	Taxable
1		0.00	\$0.00	✓
		Subtotal	\$0.00	
		8.50	\$0.00	
		<b>Total</b>	<b>\$0.00</b>	

**Terms:**

50% Deposit or P.O. Required / Balance Due Upon Completion  
YOU ARE RESPONSIBLE FOR APPROVAL OF PROOFS, PROOF READING, AND ERRORS.

By my signature, I authorize work to begin and agree to pay the above amount in full according to the terms on this agreement.

Signed by

Date

Amt. Paid Today

