

BAY AREA BIKE SHARE PROGRAM AGREEMENT

between

METROPOLITAN TRANSPORTATION COMMISSION

and

BAY AREA MOTIVATE, LLC

[REDACTED], 2015

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## **ATTACHMENT**

- ATTACHMENT A AGREEMENT TO CONTINUE PILOT BIKE SHARE PROGRAM

BAY AREA BIKE SHARE PROGRAM AGREEMENT

THIS BAY AREA BIKE SHARE PROGRAM AGREEMENT (this “Agreement”), has been executed and delivered as of [\_\_\_\_\_ \_\_,] 2015 (the “Effective Date”) by and between the METROPOLITAN TRANSPORTATION COMMISSION, an agency of the State of California established pursuant California Government Code § 66500 et seq., having an office at 101 Eighth Street, Oakland, California (“MTC”), and BAY AREA MOTIVATE, LLC, a Delaware limited liability company, having any office at 5202 Third Avenue, Brooklyn, New York 11220 (“Operator”).

WITNESSETH:

WHEREAS, self-service bicycle sharing programs are revolutionizing the way residents commute and tourists travel within cities in Europe and North America, and a regional self-service bicycle sharing program with public access has been determined by MTC and the Participating Cities (as defined below) to be a desirable and valuable mode of alternative public transportation for the San Francisco Bay Area; and

WHEREAS, a bike sharing program will provide a 24-hour transportation network that complements existing transit and transportation options, increases multi-modal travel options in the region and encourages bicycle use as a healthy, environmentally friendly and congestion-reducing transportation option; and

WHEREAS, MTC authorized its Executive Director to negotiate an agreement with Operator to design, build, operate, maintain and market a network of publicly available bicycles in a bike share system within the cities of Berkeley, Emeryville, Oakland, San Francisco and San Jose (each a “Participating City”, and collectively, the “Participating Cities”);

WHEREAS, accordingly, MTC and Operator have negotiated this Agreement for the design, build, operation, maintenance and marketing of a network of publicly available bicycles in a bike share program in the Participating Cities;

WHEREAS, this Agreement also addresses the continuation of the pilot bike share program established in 2013 in San Francisco, Redwood City, Palo Alto, Mountain View and San Jose (the “Pilot Program”) pursuant to Bike Share Program Agreement dated February 6, 2013 (as amended, the “AD Agreement”) between Alta Bicycle Share, Inc. and The Bay Area Air Quality Management District (the “Air District”);

WHEREAS, concurrently with the execution and delivery of this Agreement, Operator, the Participating Cities, and MTC are executing a Coordination Agreement (“Coordination Agreement”) that sets forth certain rights, liabilities, and responsibilities of each party thereto with respect to the Program, and defines the organizational, management, and operational structure for the successful development of the Program.

NOW, THEREFORE, in consideration of the foregoing clauses, which clauses are hereby made a part of this Agreement, and the mutual covenants and agreements herein contained, and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties do hereby covenant and agree as follows:

## SECTION 1

### DEFINED TERMS

For purposes of this Agreement and the Appendices and Exhibits, the following terms, phrases, words, and their derivatives shall have the meanings set forth in this Section.

- 1.1 “AAA” has the meaning given such term in Section 23.1.2.
- 1.2 “AD Agreement” has the meaning given such term in the Recitals.
- 1.3 “AD Equipment” shall mean bike share equipment paid for by the Air District or Pilot Cities under the AD Agreement.
- 1.4 “Adjustment” shall mean permanent or temporary changes to a Station’s size or configuration, and changes to Street Treatments and Street Markings as necessitated by such, without changes to the Station location.
- 1.5 “Advertising” shall mean any printed matter, including, but not limited to, words, pictures, photographs, symbols, graphics or visual images of any kind, or any combination thereof, promoting or soliciting the sale or the use of a product or service or providing other forms of textual or visual messages or information for the sale or the use of a product or service, but in no event shall it include any textual information that is required to be posted on any Equipment by any federal, state or local law, rule or regulation, or by this Agreement.
- 1.6 “Advertising Restrictions” has the meaning given such term in Section 7.2.
- 1.7 “Agents” has the meaning given such term in Section 17.1.
- 1.8 “Agreed Completion Dates” shall mean, collectively, the Agreed Phase I Completion Date, the Agreed Phase II Completion Date, the Agreed Phase III Completion Date, the Agreed Phase IV Completion Date and the Agreed Phase V Completion Date.
- 1.9 “Agreed Phase I Completion Date” has the meaning given such term in Section 3.4.1.
- 1.10 “Agreed Phase II Completion Date” has the meaning given such term in Section 3.4.2.
- 1.11 “Agreed Phase III Completion Date” has the meaning given such term in Section 3.4.3.
- 1.12 “Agreed Phase IV Completion Date” has the meaning given such term in Section 3.4.4.
- 1.13 “Agreed Phase V Completion Date” has the meaning given such term in Section 3.4.5.
- 1.14 “Agreed Phase I Site Permit Submission Date” has the meaning given such term in Section 3.4.1.
- 1.15 “Agreed Phase II Site Permit Submission Date” has the meaning given such term in Section 3.4.2.

- 1.16 “Agreed Phase III Site Permit Submission Date” has the meaning given such term in Section 3.4.3.
- 1.17 “Agreed Phase IV Site Permit Submission Date” has the meaning given such term in Section 3.4.4.
- 1.18 “Agreed Phase V Site Permit Submission Date” has the meaning given such term in Section 3.4.5.
- 1.19 “Agreed Site Permit Submission Dates” shall mean, collectively, the Agreed Phase I Site Permit Submission Date, the Agreed Phase II Site Permit Submission Date, the Agreed Phase III Site Permit Submission Date, the Agreed Phase IV Site Permit Submission Date and the Agreed Phase V Site Permit Submission Date.
- 1.20 “Agreement” has the meaning given such term in the Preamble, together with all Appendices and Exhibits, and all amendments or modifications hereof or thereof.
- 1.21 “Air District” has the meaning given such term in the Recitals.
- 1.22 “Alcohol Advertising” shall mean Advertising or Sponsorship, the purpose or effect of which is (i) to identify a brand of an alcohol product, a trademark of an alcohol product or a trade name associated exclusively with an alcohol product, or (ii) to promote the use or sale of an alcohol product.
- 1.23 “Annual Member” shall mean a user having an Annual Membership.
- 1.24 “Annual Membership” has the meaning given such term in Section 9.2.1.
- 1.25 “Annual Membership Fee” has the meaning given such term in Section 9.2.1.
- 1.26 “Annual Membership Fee Cap” has the meaning given such term in Section 9.2.1.
- 1.27 “Applicable Interest Rate” in effect at any date shall mean the prime rate as most recently published in the Eastern edition of the Wall Street Journal on or prior to such date plus 3%.
- 1.28 “Assessment Period” has the meaning given such term in Section 2.6.2(b).
- 1.29 “Back-end Software” designates all Software components of the central application provided by Operator’s Software vendor and stored on the servers of such vendor, used for operation of such vendor’s equipment, and accessible online from a remote location using the Hosted Infrastructure.
- 1.30 “Bankruptcy Code” means the Bankruptcy Reform Act of 1978, as amended (Title 11 (U.S.C.)).
- 1.31 “Bicycle” shall mean a vehicle with pedals and with 2 wheels held in a frame and aligned one behind the other and steered with a steering wheel as further described in Appendix D. “Bicycle” shall not include motorized vehicles, including scooters or mopeds. For the avoidance of doubt, electric assisted bicycles constitute Bicycles and do not constitute motorized vehicles.
- 1.32 “Bicycle Availability” shall mean conformance with the required Bicycle Fleet Level.

1.33 “Bicycle Fleet Level” shall mean the number of Bicycles that are operational, on-the-street and available for public use.

1.34 “Bicycle Maintenance” shall mean, at a minimum, that the following checks are performed on a Bicycle, with deficient elements repaired or replaced as necessary:

1.34.1 Check tire pressure, and add air as may be needed, to recommended Pounds per Square Inch measurement;

1.34.2 Check tightness of handlebars, headset bearings, and full handlebar range of motion (left to right);

1.34.3 Check tightness of seat, seat post quick-release, and see that seat post moves freely in full range of motion (up and down);

1.34.4 Check brake function (front and rear);

1.34.5 Check grips for wear and brake levers for tightness and damage;

1.34.6 Check bell for tightness and correct function;

1.34.7 Check handlebar covers for damage and instruction stickers;

1.34.8 Check front basket for tightness and damage, and check bungee cord for wear;

1.34.9 Check for correct gears and shifter function through all 5 gears;

1.34.10 Check fenders (front and rear) for damage, and clean outside of fenders;

1.34.11 Check tires (front and rear) for damage or wear;

1.34.12 Check wheels (front and rear) for trueness, broken or bent spokes and hub or axle tightness;

1.34.13 Check LED lights (front and rear) for function;

1.34.14 Check reflectors on wheels, seat and basket, to ensure they are present, clean, and undamaged;

1.34.15 Check pedals and cranks for tightness;

1.34.16 Lubricate and clean chain and check chain tensioner for correct function;

1.34.17 Check kickstand for correct function; and

1.34.18 Take brief test ride to ensure overall correct function of Bicycle.

1.35 “Bikeshare Holdings” shall mean Bikeshare Holdings LLC, a Delaware limited liability company, the sole member of Operator, and its successors.

- 1.36 “Claims” has the meaning given such term in Section 16.1.
- 1.37 “Cluster” shall mean, with respect to any Station, the Stations located within one-third of a mile from such Station, unless fewer than 3 other Stations are located within one-third of a mile from such Station, in which case such Station’s Cluster shall mean the 3 other Stations located closest to such Station.
- 1.38 “Cluster Outage” shall mean an instance when either:
- 1.38.1 There are no empty, Operable Docks available at any of the Stations in a Cluster;
- 1.38.2 There are no Bicycles available for use at any of the Stations in a Cluster. (Bicycles Wrenched in Docks are not considered as available for use.)
- 1.39 “Computer Hardware” electronic component that provides information or controls a mechanical device and that is controlled by local or remote software.
- 1.40 “Contract Year” has the meaning given such term in Section 8.1.1.
- 1.41 “Coordination Agreement” has the meaning given such term in the Recitals.
- 1.42 “CPI” shall mean the Consumer Price Index for the Consolidated Metropolitan Statistical Area covering San Francisco-Oakland-San Jose, as measured by the Consumer Price Index for All Urban Consumers, as published from time to time by the Bureau of Labor Statistics, U.S. Department of Labor.
- 1.43 “CPI Adjustment” shall mean, with respect to a specific cost, that such cost is subject to annual adjustment each January 1 based on changes in the CPI from the Effective Date to the date of adjustment.
- 1.44 “Deactivation” shall mean, at a minimum, shut-down of Kiosk (or display of messaging on Kiosk screen indicating that Station is out of service) removal of all Bicycles present, installation of physical barriers on all Docks that prevent docking of Bicycles, and designation of the Station as “Out of Service” on the Program website, app, and all other real-time data sources. A Deactivation event is not over until the Station has been reactivated.
- 1.45 “Default” has the meaning given such term in Section 18.1.
- 1.46 “De-Installation” shall mean, at a minimum, (i) the temporary or permanent full removal of the Station and its associated Street Treatments, and, (ii) the designation of the Station as “Out of Service” on, or removal of the Station from, the Program website, app, and all other real-time data sources.
- 1.47 “Designated Representative” has the meaning given such term in Section 25.1.
- 1.48 “Discovery” shall mean any Operator employee gaining actual knowledge by personal observation of such employee or by Notification of any defect in the Equipment or Program.
- 1.49 “Dispute Resolution Process” has the meaning given such term in Section 23.1.



1.50 “Docks” shall mean the locking mechanisms contained on a Station that are designed to receive a Bicycle for locked storage.

1.51 “Electing City” shall mean a Pilot City or other Eligible City that elects, in accordance with Section 3.2, to participate in the Program.

1.52 “Effective Date” has the meaning given such term in the Preamble.

1.53 “Eligible City” shall mean any city located in the MTC Area.

1.54 “Equipment” shall include Stations, Kiosks, Docks and Bicycles, either individually or in any combination thereof.

1.55 “Escrow Agreement” means an escrow agreement to be executed among the vendor of the Software, Operator, and a nationally reputable company that provides escrow deposit services with respect to software and technology, as escrow agent, for the deposit, storage and release of the proprietary source code of Vendor for all of Vendor’s software made available to Operator to operate the Equipment, which agreement shall be in form acceptable to the parties thereto and in form reasonably acceptable to MTC.

1.56 “Event of Force Majeure” shall mean a delay, suspension or interruption due to strike; war or act of war (whether an actual declaration of war is made or not); terrorism; insurrection; riot; injunction; fire, flood or similar act of providence; or other similar causes or events to the extent that such causes or events are beyond the control of the Party claiming an Event of Force Majeure, provided in each case that such Party has taken and continues to take all reasonable actions to avoid or mitigate such delay, suspension or interruption and provided that such Party notifies the other Party to this Agreement in writing of the occurrence of such delay, suspension or interruption within 5 business days, or if not reasonably practicable, as soon thereafter as reasonably practicable, of the date upon which the Party claiming an Event of Force Majeure learns or should have learned of its occurrence. A delay in a decision by a government entity, the approval of which is a condition to an occurrence, shall not constitute an “Event of Force Majeure” unless such delay is beyond the normal period in which such entity generally acts with respect to the type of decision being sought and only if the Party claiming Event of Force Majeure has taken and continues to take all reasonable steps to pursue such decision. The financial incapacity of Operator shall not constitute an Event of Force Majeure.

1.57 “Executive Director” shall mean the Executive Director of MTC, or any successor in function to the Executive Director.

1.58 “Firearms Advertising” shall mean Advertising or Sponsorship, the purpose or effect of which is (i) to identify a brand of firearms or ammunition, a trademark of a firearm or ammunition or a manufacturer of firearms or ammunition, or a trade name associated exclusively with a firearms or ammunition, or (ii) to promote the use or sale of firearms or ammunition.

1.59 “Functional Specifications” shall mean the specifications set forth in Appendix D, subject to Section 6.7.

1.60 “Hacking” shall mean unauthorized and intentional access to the Computer Hardware for the Program and/or Software.

1.61 “Hosted Infrastructure” means the hosting of the Back-end Software and associated network access designed and controlled by Operator’s Software vendor, which renders the Back-end Software accessible to Operator and its end users;

1.62 “Indemnified Party” and “Indemnified Parties” have the meaning given such terms in Section 16.1.

1.63 “Infill” shall mean the placement of additional Stations within the Program Area in order to address unmet demand or community request.

1.64 “Initial Meeting Date” has the meaning given such term in Section 23.1.1.

1.65 “Initial Ride Period” has the meaning given such term in Section 9.2.3.

1.66 “Initial Term” has the meaning given such term in Section 2.2.

1.67 “Installation Scheduling Permits” shall mean permits required for the scheduling of the installation of Station-related Equipment at Sites proposed for Stations for which a Site Permit has been issued as a check for conflicts with other activities at the same location. The “temporary occupancy permit” issued by the San Francisco Department of Public Works is an example of an Installation Scheduling Permit.

1.68 “Institutional Lender” shall mean any savings bank, a savings and loan association, a commercial bank or trust company (whether acting individually or in a fiduciary capacity), an insurance company organized and existing under the laws of the United States or any state thereof, a religious, educational or eleemosynary institution, a federal, state or municipal employee’s welfare, benefit, pension or retirement fund, any governmental agency or entity insured by a governmental agency, a credit union, trust or endowment fund, or any combination or syndicate of Institutional Lenders or other lenders that is led by an agent that qualifies as an Institutional Lender (in which case such combination or syndicate shall, for purposes of this Agreement, constitute a single Institutional Lender); provided, that each of the above entities (or, in the case of any such combination or syndicate, the agent) shall qualify as an Institutional Lender only if it (a) is subject to service of process within the State of California and (b) has a net worth of not less than \$50,000,000 and net assets of not less than \$250,000,000. A wholly-owned subsidiary of any of Person that qualifies as an Institutional Lender is also an Institutional Lender.

1.69 “Key Performance Indicators” (or “KPIs”) has the meaning given such term in Appendix A.

1.70 “Kiosk” shall mean the payment terminal that provides Bicycle rental instructions, contains payment equipment (e.g., a credit card device), and includes all other physical means necessary for the rental of Bicycles.

1.71 “KPI Contest Notice” has the meaning given such term in Section 2.6.3(b).

1.72 “KPI Change Request” has the meaning given such term in 2.6.2(a).

1.73 “KPI Failure Notice” has the meaning given such term in 2.6.3 (a).

1.74 “KPI LD Payment Date” has the meaning given such term in Section 2.6.3(b).

- 1.75 “Liabilities” has the meaning given such term in Section 16.1.
- 1.76 “Membership Fee” has the meaning given such term in Section 9.1.
- 1.77 “MTC” has the meaning given such term in the Preamble, together with any successor thereto.
- 1.78 “MTC Area” means the 9 counties in the San Francisco Bay Area within MTC’s jurisdiction.
- 1.79 “MTC/Participating City Property” shall mean the trademarks, logos, servicemarks, and other intellectual property rights of MTC and/or the Participating Cities.
- 1.80 “Notification” shall mean all information provided by MTC, a Participating City or the general public to Operator about a specific defect or problem concerning the Program, Equipment or operations of the Program by written document, email to Operator’s public information email address for the Program, or telephone call to Operator’s call-in center for the Program.
- 1.81 “Operable Dock” shall mean a Dock that can both rent and receive bicycles from all Program users and is not physically obstructed in a manner that would prevent such use.
- 1.82 “Operator” has the meaning given such term in the Preamble.
- 1.83 “Operator Property” has the meaning given such term in Section 10.3.
- 1.84 “Operator Software” shall mean software and other intellectual property for the operation of the Program developed by Operator (such as the Program’s website and mobile apps).
- 1.85 “Operable Station” shall mean a Station at which at least 90 percent of all installed Docks are Operable Docks from which an Annual Member can check out and return a Bicycle.
- 1.86 “Participating City” and “Participating Cities” have the meaning given such terms in the Preamble.
- 1.87 “Participating City Delay” has the meaning given such term in Section 4.2.
- 1.88 “Parties” shall mean MTC and Operator, and “Party” shall mean one of them, as the context requires. The term “parties” shall mean, collectively, Operator, MTC and the Participating Cities.
- 1.89 “Payment Breach” has the meaning given such term in Section 15.3.1.
- 1.90 “Peak Hours” has the meaning given such term in Section 2.6.2(b).
- 1.91 “PII” has the meaning given such term in Section 2.15.
- 1.92 “Person” shall mean any human being or any association, firm, partnership, joint venture, corporation, limited liability company, governmental entity or other legally recognized entity, whether for profit or not for profit.

- 1.93 “Pilot Cities” shall mean the cities of Mountain View, Palo Alto and Redwood City.
- 1.94 “Pilot Program” has the meaning given such term in the Recitals.
- 1.95 “Phase” shall mean any one of Phase I, Phase II, Phase III, Phase IV and Phase V, as the context requires, and Phases shall mean, collectively, Phase I, Phase II, Phase III, Phase IV and Phase V.
- 1.96 “Phase I” has the meaning given such term in Section 3.4.1.
- 1.97 “Phase II” has the meaning given such term in Section 3.4.2.
- 1.98 “Phase III” has the meaning given such term in Section 3.4.3.
- 1.99 “Phase IV” has the meaning given such term in Section 3.4.4.
- 1.100 “Phase V” has the meaning given such term in Section 3.4.5.
- 1.101 “Phase I Stations” has the meaning given such term in Section 3.4.1.
- 1.102 “Phase II Stations” has the meaning given such term in Section 3.4.2.
- 1.103 “Phase III Stations” has the meaning given such term in Section 3.4.3.
- 1.104 “Phase IV Stations” has the meaning given such term in Section 3.4.4.
- 1.105 “Phase V Stations” has the meaning given such term in Section 3.4.5.
- 1.106 “PPI” shall mean the Producer Price Index for the United States, as measured by the Producer Price Index for final demand, as published from time to time by the Bureau of Labor Statistics, U.S. Department of Labor.
- 1.107 “PPI Adjustment” shall mean, with respect to a specific cost, that such cost is subject to annual adjustment each January 1 based on changes in the PPI from the Effective Date to the date of adjustment.
- 1.108 “Program” shall mean Equipment, Sites, website, Backend Software and Computer Hardware and the Services.
- 1.109 “Program Area” shall mean the entire area of all Participating Cities.
- 1.110 “Program Fleet” shall mean the total number of Bicycles required to serve the Program Area as specified in Section 3.
- 1.111 “Program Name” has the meaning given such term in Section 10.2.
- 1.112 “Program Property” shall mean (a) the Equipment, and (b) all relevant licenses and rights to the Equipment and the Software (excluding Operator Software) reasonably necessary or desirable to operate the Program.

- 1.113 “Program Property Assignment Conditions” shall mean the following: (a) Operator and the purchaser of the Program Property have agreed on the purchase price for the Program Property, which shall be based on the fair market value of the Program Property as an installed system at the time of the purchase, and (b) such purchaser has paid Operator the agreed upon purchase price for the Program Property, and with respect to licenses for the Software (excluding Operator Software), such purchaser and Vendor shall have entered into a license agreement.
- 1.114 “Prohibited Advertising” shall mean outdoor advertising that is prohibited by local laws, regulations or ordinances of the Participating City.
- 1.115 “Property Damage Breach” has the meaning given such term in Section 15.3.2.
- 1.116 “Rebalancing” shall mean actions taken by Operator to prevent or rectify Cluster Outages, subject, however, to Section 2.6.2(b).
- 1.117 “Recognized Lender” shall mean the holder of a Recognized Loan.
- 1.118 “Recognized Loan” shall mean any loan that is held by an Institutional Lender.
- 1.119 “Regular Annual Member” has the meaning given such term in Section 9.2.1.
- 1.120 “Regular Annual Membership” has the meaning given such term in Section 9.2.1.
- 1.121 “Renewal Term” has the meaning given such term in Section 2.4.
- 1.122 “Renewal Condition” has the meaning given such term in Section 2.4.
- 1.123 “Replacement Agreement” has the meaning given such term in Section 19.4.
- 1.124 “Revenue Sharing Credit Period” has the meaning given such term in Section 8.2.4.
- 1.125 “Ridership Revenue” has the meaning given such term in Section 8.1.2.
- 1.126 “Ridership Revenue Hurdle” has the meaning given such term in Section 8.1.3.
- 1.127 “Scheduled Phase I Completion Date” has the meaning given such term in Section 3.4.1.
- 1.128 “Scheduled Phase II Completion Date” has the meaning given such term in Section 3.4.2.
- 1.129 “Scheduled Phase III Completion Date” has the meaning given such term in Section 3.4.3.
- 1.130 “Scheduled Phase IV Completion Date” has the meaning given such term in Section 3.4.4.
- 1.131 “Scheduled Phase V Completion Date” has the meaning given such term in Section 3.4.5.
- 1.132 “Scheduled Phase V Plus 90 Days Date” has the meaning given such term in Section 8.2.4.
- 1.133 “Scheduled Phase Completion Date” shall mean any of the Scheduled Phase I Completion Date, the Scheduled Phase II Completion Date, the Scheduled Phase III Completion Date, the Scheduled Phase IV Completion Date or the Scheduled Phase V Completion Date, as the context requires.

- 1.134 “Security Fund” has the meaning given such term in Section 15.1.
- 1.135 “Self-Help Situation” has the meaning given such term in Section 15.3.3.
- 1.136 “Services” shall mean the installation, operation and maintenance of the Stations and the acquisition, placement, maintenance and rental to users of the Bicycles.
- 1.137 “Site” shall mean a designated area on publicly or privately owned real property, which area contains a Station that conforms to the Siting Criteria.
- 1.138 “Site Permits” shall mean permits for installation of Station-related Equipment at Sites proposed for Stations (other than Installation Scheduling Permits or Special Traffic Permits).
- 1.139 “Siting Criteria” has the meaning given such term in the Coordination Agreement.
- 1.140 “Software” shall means the software and the Equipment it runs on required to operate the Equipment.
- 1.141 “Special Traffic Permit” shall mean a permit required if installation of Station-related Equipment will interfere with pedestrian, bicycle, transit or vehicular traffic in a material respect. The Special Traffic Permit issued by the San Francisco Municipal Transportation Authority (SFMTA) in accordance with SFMTA’s Regulations for Working in San Francisco Streets is an example of a Special Traffic Permit.
- 1.142 “Sponsor” means a Person contributing payments for the Program in exchange for acknowledgment of its contribution.
- 1.143 “Sponsor Property” has the meaning given such term in Section 10.2.
- 1.144 “Sponsorship” shall mean an arrangement pursuant to which, in connection with a payment or payments that will be used to help defray the costs of installing or operating the Program, the Person contributing such payment or payments is acknowledged by the Parties for such contribution.
- 1.145 “Sponsorship Revenue” has the meaning given such term in Section 8.1.4.
- 1.146 “Sponsorship Revenue Hurdle” has the meaning given such term in Section 8.1.5.
- 1.147 “State” shall mean the State of California.
- 1.148 “Station” shall mean a Kiosk (subject to Section 6.5), map module, a variable number of Docks and, when applicable, Street Treatment(s) and Street Markings, designed in accordance with the Functional Specifications set forth in Appendix D.
- 1.149 “Station Cleaning” shall mean, at a minimum that the following tasks are performed by Operator at a Station:
- 1.149.1 Removal of litter at the Station; and

1.149.2 As needed power washing of the Docks and Street Treatments comprising a Station and the pavement area on which a Station is situated.

1.150 “Street Marking(s)” shall mean thermoplastic paint markings and/or striping on the pavement for the express purpose of demarcating a Station.

1.151 “Street Treatments” shall mean the three-dimensional objects used to demarcate the Station, and protect it from adjacent parking and moving traffic. Such objects may include, but are not limited to, delineators and wheel stops.

1.152 “Street Treatment Requirements” shall mean a Participating City’s requirements with respect to Street Treatments as set forth in the Siting Criteria for such Participating City.

1.153 “Term” has the meaning given such term in Section 2.2.

1.154 “Title Sponsor” shall mean Operator’s system-wide Sponsor for the entire Program.

1.155 “Tobacco Advertising” shall mean Advertising or Sponsorship that bears a health warning required by federal statute, the purpose or effect of which is to identify a brand of a tobacco product (any substance that contains tobacco, including, but not limited to, cigarettes, cigars, pipe tobacco and chewing tobacco), a trademark of a tobacco product or a trade name associated exclusively with a tobacco product, or to promote the use or sale of a tobacco product.

1.156 “Trips” shall mean the use of a Bicycle from one Station to another Station or back to the initial Station.

1.157 “Vendor” shall mean the company selected by Operator to provide the Software (other than the Operator Software).

1.158 “Wayfinding Elements” shall mean the maps posted on every Station, showing the location of each Station.

1.159 “Wrench” shall mean the action of locking a Bicycle in a Dock such that it cannot be released by Program users pending action by Operator.

## SECTION 2

### SCOPE OF SERVICES

2.1 General Requirements. Operator shall (a) provide the Services in conformance with the terms of this Agreement, (b) provide all of the Equipment and Software required to operate the Program, (c) procure all of the relevant licenses and rights to use the Equipment and Software to operate the Program, (d) procure all licenses and permits from applicable governmental agencies that are required to provide the Services from all applicable governmental agencies, and (e) comply with all applicable laws, rules and regulations of the United States, the State and the Participating Cities.

2.2 Initial Term. The term (the “Term”) of this Agreement shall commence on the Effective Date and shall end on the last day of the calendar month in which the 10<sup>th</sup> anniversary of the earlier of (a)

the date that Phase I is completed, and (b) the Agreed Phase I Completion Date occurs (the “Initial Term”), subject to Section 2.3.

2.3 Reduction of Initial Term. If Operator does not complete 75% of Phase I, Phase II, Phase III, or Phase IV by the Agreed Phase I Completion Date, the Agreed Phase II Completion Date, the Agreed Phase III Completion Date, the Agreed Phase IV Completion Date, respectively, or 100% of Phase V by the Agreed Phase V Completion Date, then MTC shall have the right, by notice to Operator given with 60 days of the respective missed Completion Date, to reduce the Initial Term by 5 years, subject to the rights of the Recognized Lender set forth in Section 19.5. In addition, if on the 4<sup>th</sup> anniversary of the earlier of (a) the date that Phase I is completed, and (b) the Agreed Phase I Completion Date, a Default exists under Section 18.1.5, then MTC shall have the right, by notice to Operator given with 60 days of such 4<sup>th</sup> anniversary, to reduce the Initial Term by 5 years, subject to the rights of the Recognized Lender set forth in Section 19.5. Any amounts due pursuant to Section 8.2 shall be due within 120 days after expiration of the Term as reduced pursuant to this Section 2.3.

2.4 Renewal Term. If the Initial Term has not been reduced pursuant to Section 2.3 and Operator is in substantial compliance with the terms of this Agreement one year prior to the expiration of the then current Term (the “Renewal Condition”), then, upon mutual agreement of the Parties, the Term may be extended for 2 5-year renewals terms (each a “Renewal Term”) on substantially equivalent terms applicable to the Initial Term. Subject to Operator’s satisfaction of the Renewal Condition and the mutual agreement of the Parties to extend the Term, MTC and Operator shall engage in good faith negotiations on a mutually acceptable agreement for each Renewal Term commencing one year prior to the expiration of the then current Term with the goal of the Parties entering into an agreement for the respective Renewal Terms prior to the commencement of each Renewal Term. Until such agreement is entered into for the initial Renewal Term, this Agreement shall govern the relationship between the Parties, and until such agreement is entered into for the second Renewal Term, the agreement for the initial Renewal Term shall govern the relationship between the Parties.

2.5 Non-Renewal. Notwithstanding anything to the contrary contained in Section 2.4, Operator has the right not to renew the Term for either Renewal Term by notice given to MTC not later than 6 months prior to the expiration of the then current Term. If Operator gives MTC a non-renewal notice in accordance with the preceding sentence, then this Agreement shall end upon the expiration of the then current Term.

2.6 Services.

2.6.1 Subject to Events of Force Majeure, following completion of Phase I, Operator shall operate the Program so that it is fully operational at all Stations, consistent with the Key Performance Indicators as set forth in Appendix A, 24 hours per day, seven days per week, every day of each year, during the Term.

2.6.2 Adjustments to KPIs.

(a) KPIs in General. Notwithstanding anything to the contrary, if at any time and from time to time either Party in good faith believes that the KPIs should be updated, including by amending, supplementing or replacing them, (a) on account of technological developments incorporated into the Program by Operator, or (b) because the Party seeking changes believes the KPIs are ineffective, or not as effective as the KPIs could be, in strengthening the Program, the customer experience, and



Operator's performance, then the Party seeking changes to the KPIs shall submit proposed changes to the KPIs together with an explanation of how the proposed changes would address the deficiencies in the then existing KPIs ("KPI Change Request"). Within 10 business days thereafter, the other Party shall either accept the KPI Change Request in writing, or reject the KPI Change Request along with the reasons for the rejection. In the case of such rejection, at the request of the Party submitting the KPI Change Request, the matter will be referred to discussion in accordance with Section 23.1.1, except the matter will not be subject to mediation in accordance with Section 23.1.2. If the matter is not resolved within 30 business days of the KPI Change Request, the KPIs shall not be changed pursuant to the KPI Change Request. In lieu of rejecting or accepting a proposed KPI change, the Parties may agree to test trials to test proposed changes and then defer any decision until the conclusion of the trial period.

(b) **Rebalancing.** It is the objective of Operator to maximize the utility of the Program and the customer experience at all times, but particularly during the hours between 6:00 AM and 10:00 PM ("Peak Hours"), in a cost effective manner. Maximizing utility requires that Operator take affirmative steps to address severe imbalances in the demand for and supply of available Bicycles and empty Operable Docks during Peak Hours, which imbalances typically arise from patterns in demand and usage in which Bicycles typically travel in one direction. Operator's objective is to minimize instances, and minimize the duration of those instances, in a cost effective manner, when the demand for an empty Operable Dock or an available Bicycle at a Station is not met by the available supply at that Station. Achieving this objective is a multistep and collaborative process requiring the involvement, cooperation and flexibility on the part of Operator, MTC and the Participating Cities. To achieve this objective, during the period commencing upon the completion of Phase I and ending 6 months after the completion of Phase V (the "Assessment Period"), the parties will (i) observe demand and use patterns as the Program is being implemented to identify the times and locations that a shortage of empty Operable Docks and/or a shortage of available Bicycles arises and the extent of the shortages at those time and locations; and (ii) assess alternative approaches to alleviating outages, including, by way of example, by (A) enlarging existing Stations or adding new Stations in areas in which there is a shortage, (B) finding and utilizing storage areas located near Stations that experience Bicycle shortages so that additional Bicycles can be deployed quickly, (C) prioritizing Stations by demand and time of demand so that Operator may, at any particular time, focus more attention on those Stations with the highest demand at that time and less attention on those Stations with weaker demand at that time and have greater flexibility to address those Stations with weaker demand, and (D) identifying the optimal time of day for Operator to transport Bicycles from areas in which there is a shortage of empty Operable Docks to areas in which there is a shortage of Bicycles, which optimality will take into account when it is most efficient for Operator to transport the Bicycles in order to meet the anticipated demand at the transferee Stations. As the parties are developing approaches to alleviating outages during the Assessment Period, the parties shall also reformulate a commercially reasonable KPI for Rebalancing. While Operator will strive to reduce and eliminate Cluster Outages at all times commencing on the completion of a Phase, liquidated damages for the Rebalancing KPI will not be assessed for any Phase until 6 months after the completion of such Phase. The Rebalancing KPI will be refined and reformulated during the Assessment Period, and the KPI, as refined and reformulated, will be fully implemented and effective immediately after the end of the Assessment Period. The parties recognize that as patterns of use and demand, as well as levels of use and demand, change from and after the Assessment Period, different outages may arise, which will also need to be addressed in the manner set forth above.

2.6.3 Subject to Events of Force Majeure, if Operator fails to comply with the KPIs, Operator shall be required to pay MTC liquidated damages as calculated in Appendix

A, provided that the maximum aggregate liquidated damages payable by Operator in any calendar year for failure to comply with the KPIs is 4% of Ridership Revenue for such calendar year.

- (a) MTC is entitled to liquidated damages for failure of Operator to comply with the KPIs by notice (a “KPI Failure Notice”) given to Operator (i) not more frequently than once per quarter, and (ii) not later than 120 days after the occurrence of the related failure, except with respect to the failure to comply with a KPI that is measured on an annual basis, for which the KPI Failure Notice shall be given by March 31 of the following calendar year. Each KPI Failure Notice shall provide specific and detailed information about the failure to comply and the amount of the liquidated damages due in connection therewith.
- (b) Prior to the later of (a) 30 days after Operator’s receipt of a KPI Failure Notice and (b) the end of the calendar quarter in which such KPI Failure Notice is given (the later of (a) and (b) being the “KPI LD Payment Date”), Operator shall either pay the full amount of liquidated damages set forth in the KPI Failure Notice or 50% of such amount along with a notification to MTC that Operator seeks to contest, in good faith, the assessment of the liquidated damages (a “KPI Contest Notice”). The KPI Contest Notice shall provide specific and detailed information that rebuts or challenges the information contained in the corresponding KPI Failure Notice. After a KPI Contest Notice is given, any disputes relating to the subject matter of the KPI Failure Notice and the KPI Contest Notice shall be resolved in accordance with the Dispute Resolution Process.
- (c) If Operator does not timely give a KPI Contest Notice in response to a KPI Failure Notice, then interest on the liquidated damages set forth in the KPI Failure Notice shall accrue at the Applicable Interest Rate in effect from time to time commencing on the KPI LD Payment Date. If Operator does timely give a KPI Contest Notice in response to a KPI Failure Notice and the Dispute Resolution Process results in Operator being required to pay liquidated damages, then Operator shall make such payment within 30 days following the date that the liquidated damages dispute is resolved in accordance with the Dispute Resolution Process, and interest on the liquidated damages shall accrue at the Applicable Interest Rate in effect from time to time commencing on such 30<sup>th</sup> date.

2.7 [INTENTIONALLY OMITTED]

2.8 Ownership of Equipment. Except as provided in Sections 3.2 and 3.3, all Equipment shall at all times be the property of Operator, subject to the lien thereon by any Recognized Lender.

2.9 Costs of Program.

2.9.1 Except as otherwise provided, each party shall bear its own costs in connection with the Program, if such costs are applicable, including, but not limited to, costs incurred in

connection with: negotiating this Agreement and the Coordination Agreement and preparing the Siting Criteria; Site selection; the review required for issuance of Site Permits, Installation Scheduling Permits, Special Traffic Permits and other permits; Equipment installation; exercising enforcement, inspection and audit rights; prosecuting or defending claims arising from the Program, and marketing, to the extent that MTC and/or the Participating Cities choose to undertake marketing.

2.9.2 Except as otherwise provided in Section 2.9.3, MTC and the Participating Cities shall not be obligated to pay or bear any of the costs associated with or expenses incurred for the Equipment, Software, or Services.

2.9.3 Each Participating City may elect, if additional incremental dedicated capital and operating funds becomes available for the Program, to expand the Program within its borders by adding Stations, Docks and Bicycles, provided that such Participating City shall be responsible for securing funds to pay for the cost of purchasing, installing, maintaining and operating the Equipment required for such expansion as set forth in Appendix A of the Coordination Agreement.

2.9.4 Operator shall reimburse a Participating City for any other work performed by such Participating City under this Agreement in furtherance of the Program, provided that prior to performing such work such Participating City shall notify Operator that such work will be performed at the expense of Operator, such Participating City provides an itemized invoice for any such work, and Operator is billed for the actual cost incurred by such Participating City without a markup or premium. Operator shall pay for such work within 30 days following receipt of the itemized invoice therefor. In connection with the installation of a Station, such other work may include, but is not limited to, (i) any necessary changes to signs, parking meters and curb paint, and (ii) installation of any striping, delineators or parking blocks outside the perimeter of a Station if the foregoing items are not installed by Operator.

2.10 Use of Data. All data generated by the Program will be owned by Operator. Operator will grant MTC and the Participating Cities a non-exclusive, royalty-free, irrevocable, perpetual license to use all data generated by the Program, other than personally-identifiable information that can identify individual users, their addresses, their credit card information and other personal information about users, for non-commercial purposes and on a real-time basis; and MTC and each of the Participating Cities shall have the right to grant to others a sublicense to use all such data for non-commercial purposes.

2.11 [INTENTIONALLY OMITTED]

2.12 [INTENTIONALLY OMITTED]

2.13 No Discrimination. Operator shall not discriminate in the implementation of the Program or in the provision of Services on the basis of race, creed, color, national origin, sex, age, marital status, or real or perceived sexual orientation.

2.14 Accessibility. In implementing and operating the Program, Operator shall comply with all applicable requirements of the Americans with Disabilities Act, Section 508 of the Rehabilitation Act of 1973 and all other applicable federal, state and local requirements relating to persons with disabilities,

including any rules or regulations promulgated thereunder. Such compliance shall extend to the location and design of Equipment as well as the Program’s website and any mobile application for the Program.

2.15 Personally Identifiable Information (“PII”). All PII obtained or maintained by Operator in connection with this Agreement shall be protected by Operator from unauthorized use and disclosure. This includes, but is not limited to, the secure transport, transmission and storage of PII used or acquired in the performance of this Agreement. Operator agrees to properly secure and maintain any computer systems (hardware and software applications) or electronic media that it will use in the performance of this Agreement. This includes ensuring all security patches, upgrades, and anti-virus updates are applied as appropriate to secure PII that may be used, transmitted, or stored on such systems in the performance of this Agreement. Operator agrees to comply with the information handling and confidentiality requirements outlined in the California Information Practices Act (Civil Code sections 1798 et.seq.). In addition, Operator warrants and certifies that in the performance of this Agreement, it will comply with all applicable statutes, rules, regulations and orders of the United States and the State of California relating to the handling and confidentiality of PII and, as provided in Section 16, agrees to indemnify MTC against any loss, cost, damage or liability by reason of Operator’s violation of this provision.

### SECTION 3

#### PROGRAM AREA AND EXPANSION; PROGRAM SIZE; PROGRAM TIMING

3.1 Program Area. As of the Effective Date, the Program Area encompasses the entirety of the cities of Berkeley, Emeryville, Oakland, San Francisco and San Jose.

3.2 Program Area Expansion. Following expiration of the Pilot Program, each of the Pilot Cities may elect, by notice to Operator, to continue the bike share program in such Pilot City, provided that the Pilot Cities shall be responsible for paying the cost of upgrading, purchasing, installing, maintaining and operating the Equipment in accordance with the schedule applicable to the Pilot Cities set forth in Appendix B. Following the completion of Phase V, the other Eligible Cities may elect, by notice to Operator, to develop a bike share program in the Eligible Cities, provided that the other Eligible Cities shall be responsible for paying the cost of purchasing, installing, maintaining and operating the Equipment in accordance with the schedule applicable to the other Eligible Cities set forth in Appendix B. Operator shall be required to maintain the Equipment purchased by an Electing City in a state of good repair throughout the Term, and at the end of the Term, Operator shall return such Equipment to the Electing City in good working order but subject to reasonable wear and tear from use and subject to loss and damage caused directly by users. Each Electing City shall enter into with Operator a separate service agreement to establish the number of Stations, Docks and Bicycles for such city, and the schedule for installation of the Equipment for such city, which agreement will also address, among other matters, (i) Siting Criteria, the Site selection process, Street Treatment Requirements, the protocols and procedures for the submission and review of applications and the issuance of permits and approvals, and the Electing City’s requirements with respect to each of the foregoing, (ii) De-installations, Adjustments and Deactivations, and (iii) advertising and sponsorship.

3.3 Program Size. The Program Fleet for Phases I through V is 7,000 to 7,055, allocated among the Participating Cities as follows:

- 3.3.1 4,500 in San Francisco;
- 3.3.2 1,000 in San Jose;
- 3.3.3 1,400 in East Bay, as follows:
  - (a) 850 in Oakland
  - (b) 100 in Emeryville
  - (c) 400 in Berkeley
  - (d) 50 to be determined based on additional system planning analysis;
- 3.3.4 If Palo Alto elects to participate in the Program, 37 Bicycles will be distributed to Palo Alto; if Mountain View elects to participate in the Program, 59 Bicycles will be distributed to Mountain View; and if Redwood City elects to participate in the Program, 59 Bicycles will be distributed to Redwood City; if the sum of the Bicycles to be distributed to the Pilot Cities that elect to participate in the Program is less than 100, then Operator will distribute in San Francisco, San Jose and East Bay an additional number of Bicycles equal to the difference between 100 and such sum; and if none of the Pilot Cities elect to participate in the Program, then Operator will distribute an additional 100 Bicycles in San Francisco, San Jose and East Bay.
- 3.3.5 The minimum number of Stations in the Participating Cities is 500.

3.4 Program Timing. The schedule for Operator to obtain Site Permits and to install the Equipment is as follows:

- 3.4.1 Phase I. Operator shall submit to the Participating Cities complete applications for Site Permits for Stations containing 25% of the total Bicycles for San Jose, East Bay and San Francisco (the “Phase I Stations”) by the date that is 5 months after the Effective Date, such date being subject to extension by Events of Force Majeure or by Participating City Delay (such date, as it may be so extended, being the “Agreed Phase I Site Permit Submission Date”). Operator shall not be obligated to commence installation of fully functional and operational Bicycles and related Equipment at such Sites until the date that is 5 months after the issuance by the Participating Cities of Site Permits for 75% of the Phase I Stations and shall complete such installation for all such Sites by the date that is 5 months after the issuance by the Participating Cities of Site Permits for the remainder of such Stations, such date being subject to extension by Events of Force Majeure or by Participating City Delay (such date, as it may be so extended, being the “Agreed Phase I Completion Date”; the installation of the percentage of total Bicycles and related Equipment as required by this paragraph being “Phase I”). Any AD Equipment that is acquired by Operator will count toward the Bicycles and related Equipment required for Phase I. Based on the schedule set forth in this paragraph, the objective of the Parties is for Operator to complete Phase I by the date that is 10 months after the Effective Date (such date being the “Scheduled Phase I Completion Date”). Notwithstanding anything to the contrary contained in this

Agreement, if Operator fails to submit to the Participating Cities complete applications for Site Permits for 75% of the Phase I Stations by the date that is 30 days after the Agreed Phase I Site Permit Submission Date, or if Operator fails to place a purchase order, taking into account AD Equipment to be used by Operator, for 75% of the Phase I Bicycles and 75% of the Phase I Stations, by the date that is 30 days after the issuance by the Participating Cities of Site Permits for 75% of the Phase I Stations, then as the sole remedy of MTC and the Participating Cities under this Agreement for such failures, MTC shall have the right to terminate this Agreement upon 10 days' notice to Operator without any further right of Operator or any Recognized Lender to remedy such failure. Operator shall provide evidence of such purchase order reasonably promptly following a request by MTC.

3.4.2 Phase II. Operator shall submit to the Participating Cities complete applications for Site Permits for Stations containing an additional 15% of the total Bicycles for San Jose, East Bay and San Francisco (the "Phase II Stations") by the date that is 9 months after the Effective Date, such date being subject to extension by Events of Force Majeure or by Participating City Delay (such date, as it may be so extended, being the "Agreed Phase II Site Permit Submission Date"). Operator shall not be obligated to commence installation of fully functional and operational Bicycles and related Equipment at such Sites until the date that is 5 months after the issuance by the Participating Cities of Site Permits for 75% of the Phase II Stations and shall complete such installation for all such Sites by the date that is 5 months after the issuance by the Participating Cities of Site Permits for the remainder of such Stations, such date being subject to extension by Events of Force Majeure or by Participating City Delay (such date, as it may be so extended, being the "Agreed Phase II Completion Date"; the installation of the percentage of total Bicycles and related Equipment as required by this paragraph being "Phase II"). Based on the schedule set forth in this paragraph, the objective of the Parties is for Operator to complete Phase II by the date that is 14 months after the Effective Date (such date being the "Scheduled Phase II Completion Date").

3.4.3 Phase III. Operator shall submit to the Participating Cities complete applications for Site Permits for Stations containing the remaining 60% of the total Bicycles for East Bay (the "Phase III Stations") by the date that is 12 months after the Effective Date, such date being subject to extension by Events of Force Majeure or by Participating City Delay (such date, as it may be so extended, being the "Agreed Phase III Site Permit Submission Date"). Operator shall not be obligated to commence installation of fully functional and operational Bicycles and related Equipment at such Sites until the date that is 5 months after the issuance by the Participating Cities of Site Permits for 75% of the Phase III Stations and shall complete such installation for all such Sites by the date that is 5 months after the issuance by the Participating Cities of Site Permits for the remainder of such Stations, such date being subject to extension by Events of Force Majeure or by Participating City Delay (such date, as it may be so extended, being the "Agreed Phase III Completion Date"; the installation of the percentage of total Bicycles and related Equipment as required by this paragraph being "Phase III"). Based on the schedule set forth in this paragraph, the objective of the Parties is for

Operator to complete Phase III by the date that is 17 months after the Effective (such date being the “Scheduled Phase III Completion Date”).

3.4.4 Phase IV. Operator shall submit to the Participating Cities complete applications for Site Permits for Stations containing an additional 30% of the total Bicycles for San Jose and San Francisco (the “Phase IV Stations”) by the date that is 16 months after the Effective Date, such date being subject to extension by Events of Force Majeure or by Participating City Delay (such date, as it may be so extended, being the “Agreed Phase IV Site Permit Submission Date”). Operator shall not be obligated to commence installation of fully functional and operational Bicycles and related Equipment at such Sites until the date that is 5 months after the issuance by the Participating Cities of Site Permits for 75% of the Phase IV Stations and shall complete such installation for all such Sites by the date that is 5 months after the issuance by the Participating Cities of Site Permits for the remainder of such Stations, such date being subject to extension by Events of Force Majeure or by Participating City Delay (such date, as it may be so extended, being the “Agreed Phase IV Completion Date”; the installation of the percentage of total Bicycles and related Equipment as required by this paragraph being “Phase IV”). Based on the schedule set forth in this paragraph, the objective of the Parties is for Operator to complete Phase IV by the date that is 20 months after the Effective Date (such date being the “Scheduled Phase IV Completion Date”).

3.4.5 Phase V. Operator shall submit to the Participating Cities complete applications for Site Permits for Stations containing 30% of the total Bicycles for San Jose and San Francisco (the “Phase V Stations”) by the date that is 22 months after the Effective Date, such date being subject to extension by Events of Force Majeure or by Participating City Delay (such date, as it may be so extended, being the “Agreed Phase V Site Permit Submission Date”). Operator shall not be obligated to commence installation of fully functional and operational Bicycles and related Equipment at such Sites until the date that is 5 months after the issuance by the Participating Cities of Site Permits for 75% of the Phase V Stations and shall complete such installation for all such Sites by the date that is 5 months after the issuance by the Participating Cities of Site Permits for the remainder of such Stations, such date being subject to extension by Events of Force Majeure or by Participating City Delay (such date, as it may be so extended, being the “Agreed Phase V Completion Date”; the installation of the percentage of total Bicycles and related Equipment as required by this paragraph being “Phase V”). Based on the schedule set forth in this paragraph, the objective of the Parties is for Operator to complete Phase V by the date that is 26 months after the Effective Date (such date being the “Scheduled Phase V Completion Date”).

3.5 Failure to Achieve Completion of any Phase. Notwithstanding anything to the contrary in this Agreement, for the avoidance of doubt, the sole remedy of MTC and the Participating Cities against Operator under this Agreement for Operator’s failure to complete Phases I, II, III, IV or V by the Agreed Phase I Completion Date, the Agreed Phase II Completion Date, the Agreed Phase III Completion Date, the Agreed Phase IV Completion Date, and the Agreed Phase V Completion Date, respectively, is to reduce the Initial Term pursuant to Section 2.3, subject to the rights of the Recognized Lender.

3.6 Pilot Program. Attachment A sets forth the terms and conditions pursuant to which MTC and Operator have agreed that Operator will continue operation of the Pilot Program.

## SECTION 4

### SITING

4.1 General. The Coordination Agreement, together with the Siting Criteria, sets forth, among other matters, (a) the Siting Criteria and the Site selection process for determination and approval of locations of the Stations in each Participating City, and (b) the protocols and procedures for the submission materials by Operator to each Participating City for, and the issuance by the Participating City of, Site Plan approvals and permits to install the Equipment at each Station.

4.2 Delays in Approval: The following constitute delay (“Participating City Delay”) for which Operator is entitled to an extension in the Agreed Site Permit Submission Dates and the Agreed Completion Dates:

- 4.2.1 Identification of Sites. If, notwithstanding fulfillment of Operator’s obligations under this Agreement regarding community engagement, field work and outreach, Operator fails to identify, by a date that is not less than 2 months prior to the Agreed Site Permit Submission Date for a Phase, 75% of the Sites required for such Phase, such Sites being both viable and acceptable to the Participating Cities and the applicable communities, or Operator fails to identify, by a date that is not less than 1 month prior to such Agreed Site Permit Submission Date, the remaining 25% of the Sites required for such Phase, such Sites being both viable and acceptable to the Participating Cities and the applicable communities, then such Agreed Site Permit Submission Date shall be extended by any reasonably necessary additional period required by Operator to identify a sufficient number of viable and acceptable Sites for such Phase.
- 4.2.2 Issuance of Site Permits. If Operator timely submits complete applications for the Site Permits for any Phase by the applicable Agreed Site Permit Submission Date but the Participating Cities fail to issue Site Permits for 75% of the Stations by the date that is 3 months prior to the Scheduled Phase Completion Date for such Phase other than on account of errors or omissions by Operator or valid reasons for denial, then such failure shall constitute Participating City Delay and Operator shall have the right to delay submission of applications for Site Permits for the next following Phase until a reasonable period after the Participating Cities issue Site Permits for 75% of the Stations for such Phase.
- 4.2.3 Installation Scheduling Permits. If the period of time for the Participating Cities to issue Installation Scheduling Permits exceeds, on average, 7 days after final submission of the required materials by Operator, or if more than 25% of the Installation Scheduling Permits are issued 14 days or longer after final submission of the required materials, other than on account of errors or omissions by Operator or valid reasons for denial, then the Agreed Completion Dates shall be extended to reflect any reasonably necessary additional period required by Operator to complete the Phases.



SECTION 5

RESERVED

SECTION 6

IMPROVEMENTS, MAINTENANCE, REPAIR AND OPERATION

6.1 Operator shall establish and maintain during the Term prompt and efficient procedures for handling complaints from the public for which Operator receives a Notification. Such procedures shall be consistent with all applicable laws, rules and regulations and the provisions of this Section. Such procedures shall be set forth in writing and copies thereof shall be maintained at Operator's office and shall be available to the public and the Participating Cities upon request.

6.2 Operator will operate a primary call center that will answer calls in person 24 hours per day, 7 days per week. Operator shall conspicuously post a notice on each Station and each bicycle advising the general public that they may direct their complaints and comments to Operator's call center. Such call center shall have a full-time availability to handle calls in English, Spanish and Cantonese, whether by in-house staff or by utilization of a translation service.

6.3 Operator shall maintain written, accurate and complete records of all complaints, and those records shall be available to MTC through appropriate Software or, at MTC's reasonable advance request, in written form. Such records shall indicate: (i) the specific Equipment, including its identifying number and location at a specific point in time, for which the complaint was made; (ii) the type of complaint; (iii) the date and time of complaint; (iv) if the complaint is in written form (non-electronic) and the information is available, the name, address, and telephone number of the Person filing the complaint; (v) Operator's action to address the complaint; and (vi) to the extent applicable, the date of resolution of the complaint. All such records shall be retained by Operator throughout the Term. Within 7 business days following a request by MTC, Operator shall provide MTC with records of complaints by location or time period, and statistical reports by type of complaint, location of complaint, Station or Bicycle, and time of complaint.

6.4 Following the Effective Date, MTC may, at its option, request that Operator provide it with a full inventory of Bicycles, including numbers and dates of lease or purchase.

6.5 Operator may, without incurring any liquidated damages or causing a default hereunder, (a) shut down the Program or reduce the number of Bicycles and Stations deployed and/or operating in the Program Area for weather-related or other emergencies for the duration of the emergency in its reasonable discretion, (b) reduce the number of Bicycles and Stations deployed and/or operative in the Program Areas as needed to implement upgrades to the Functional Specifications, and (c) phase-out Kiosks when they have become obsolete on account of the availability and usage of mobile phone apps.

6.6 Operator shall incorporate Wayfinding Elements on each Station as directed and approved by MTC with input from the Participating Cities.

6.7 Nothing in this Agreement shall limit Operator's right to upgrade the Functional Specifications.

## SECTION 7

### ADVERTISING AND SPONSORSHIP

7.1 Operator is responsible for identifying Sponsors and developing branding for the Program tied to the Sponsors. In no event shall any Sponsor of Operator produce or sell alcohol products, tobacco products, firearms, other products banned by the Participating Cities or products otherwise deemed offensive to the general public. MTC, in consultation with the Participating Cities, shall provide written approval to Operator prior to Operator entering into a Sponsorship agreement with the Title Sponsor, which approval shall not to be unreasonably withheld or delayed. If MTC declines to give consent or approval referred to hereunder, it will so advise Operator and provide Operator an opportunity to discuss with MTC and an opportunity to attempt to meet MTC's objections.

7.2 Operator shall not install, or permit to be installed, on any Equipment, any Tobacco Advertising, Alcohol Advertising, Firearms Advertising or other Prohibited Advertising. Advertising on any Equipment, including electronic media, shall be consistent with guidelines adopted by each Participating City for outdoor advertising as set forth in this Agreement. Operator shall not place any Advertising or Sponsorship acknowledgment matter that is indecent, in obvious bad taste, or demonstrates a lack of respect for public morals or conduct. (The prohibitions and restrictions in this Section 7 and in Section 29 of the Coordination Agreement are referred to collectively as the "Advertising Restrictions".)

7.3 Operator shall comply with all applicable laws, rules and regulations in force as of the Effective Date and which may hereafter be adopted, to the extent not grandfathered under the law, with respect to Advertising and Sponsorship.

7.4 Neither MTC nor any Participating City shall have any liability or obligation with regard to any Advertising or Sponsorship that survives the termination or expiration of this Agreement, except MTC and the Participating Cities, at no cost to MTC or the Participating Cities, shall cooperate with the Recognized Lender to keep the Sponsorship agreement in effect while a replacement operator is being pursued and will continue to cooperate if a replacement operator is selected.

## SECTION 8

### REVENUE SHARING

8.1 Definitions.

8.1.1 "Contract Year" shall mean (a) the period commencing on the Agreed Phase I Completion Date and ending on December 31 of the calendar year in which the Agreed Phase I Completion Date falls, which period shall constitute Contract Year 1, and (b) each subsequent calendar year during the Term, the first of which is Contract Year 2

8.1.2 "Ridership Revenue" shall mean all revenues to the extent actually collected by Operator as determined on a GAAP basis as Program membership or user payments (including but not limited to annual, weekly and daily membership payments), and any other Program revenue generated through Bicycle ridership, net of sales taxes or other taxes imposed by law that Operator is obligated to collect and net of credit card fees netted out of amounts due to Operator by the credit company prior to payment to

Operator and other billing related charges treated by the party imposing such charges in a similar manner.

8.1.3 “Ridership Revenue Hurdle” shall mean \$18,000,000 per calendar year, subject to CPI Adjustment. The Ridership Revenue Hurdle shall be prorated for any Contract Year that is not 365 days.

8.1.4 “Sponsorship Revenue” shall mean all revenues to the extent actually collected by Operator as determined on a GAAP basis as a result of Program advertising and sponsorships, including without limitation revenue generated in connection with (a) naming rights related to the Program and (b) Sponsorship or Advertising placements on Bicycles, Stations, Equipment, website, mobile applications or other physical or web-based materials, net of sales taxes or other taxes imposed by law that Operator is obligated to collect and net of credit card fees and other billing related charges.

8.1.5 “Sponsorship Revenue Hurdle” shall mean \$7,000,000 per calendar year, subject to CPI Adjustment. The Sponsorship Revenue Hurdle shall be prorated for any Contract Year that is not 365 days.

8.2 Within 120 days following the end of each Contract Year during the Term, Operator shall:

8.2.1 Deliver to the MTC a schedule, certified by a senior officer of Operator, setting forth the Ridership Revenue and the Sponsorship Revenue for such Contract Year; and

8.2.2 Pay to MTC an amount equal to 5% of the excess of Ridership Revenue for such Contract Year over the Ridership Revenue Hurdle for such Contract Year, subject to Section 8.2.4.

8.2.3 Pay to MTC an amount equal to 5% of the excess of Sponsorship Revenue for such Contract Year over the Sponsorship Revenue Hurdle for such Contract Year, including all Sponsorship Revenue for the period between the Effective Date and Contract Year 1, provided that Operator may defer payment of any amount owed for Sponsorship Revenue for Contract Years 1 through 5 during the Term until Contract Years 6 through 10 during the Term, subject to Section 8.2.4. Operator shall pay any amounts so deferred in equal monthly instalments during Contract Years 6 through 10 during the Term. If the Term is reduced pursuant to Section 2.3, then Operator shall pay the amounts so deferred within 120 days following the expiration of this Agreement.

8.2.4 Notwithstanding anything to the contrary herein, if Participating City Delay results in an insufficient number of Site approvals for Operator to accommodate 500 Stations (being the minimum number of Stations identified in Section 3.4) by the Scheduled Phase V Completion Date plus 90 days (the “Scheduled Phase V Plus 90 Days Date”), then in lieu of MTC’s share of Ridership Revenue and Sponsorship Revenue being determined in accordance with the 5% amount set forth in Sections 8.2.2 and 8.2.3, such percentage shall be reduced to the product of 5% and a fraction whose numerator is the number of Stations for which a Site approval has been issued by such date and whose denominator is 500, and such reduced amount shall apply retroactively and prospectively until Site approvals for an aggregate of 500 Stations have been issued.

Any amounts theretofore paid by Operator to MTC under this Section 8.2 in excess of such amount due to MTC shall be credited against amounts thereafter payable to MTC under this Section 8.2. Notwithstanding the foregoing, if at any time during the period commencing on the Scheduled Phase V Plus 90 Days Date and ending on the date on which Site approvals for an aggregate of 500 Stations have been issued (such period being the “Revenue Sharing Credit Period”) the Ridership Revenue or the Sponsorship Revenue is less than the Ridership Revenue Hurdle or the Sponsorship Revenue Hurdle, respectively, then Operator shall be entitled to a credit against amounts thereafter payable to MTC under this Section 8.2 equal to the sum of (a) the product of (i) the amount by which the Ridership Revenue Hurdle for such period exceeds the Ridership Revenues during such period, and (ii) the amount by which the percentage above has been reduced from 5% in accordance with the reduction set forth on the first sentence of this paragraph, and (b) the product of (i) the amount by which the Sponsorship Revenue Hurdle for such period exceeds the Sponsorship Revenues during such period, and (ii) the amount by which the percentage above has been reduced from 5% in accordance with the reduction set forth on the first sentence of this paragraph. If the Revenue Sharing Credit Period is less than one year, then the calculations in the preceding sentence shall be pro-rated based on the duration of the Revenue Sharing Credit Period. If the Revenue Sharing Credit Period is longer than one year, then the calculations for any fractional period shall be similarly pro-rated. Any amount not paid to MTC when due under Section 8.2 shall accrue interest on the overdue amount at the Applicable Interest Rate in effect from time to time.

8.3 No acceptance of any payment due pursuant to Sections 8.2 shall be construed as an accord that the payment is the correct amount, nor shall such acceptance of payment be construed as a release of any claim that MTC may have for further or additional sums payable under this Agreement.

## SECTION 9

### PRICE SCHEDULES.

9.1 Operator agrees that the amount and terms of the fees it charges users of the Program shall be consistent with the provisions of this Section. Membership Fees and Initial Ride Periods shall be consistent with Section 9.2, the Annual Membership Fee for users eligible for the affordability subscription specified in Section 9.3.1 shall be as described in said Section 9.3.1, the maximum Bicycle usage charge shall be consistent with Section 9.5 and the fees for damaged, lost, stolen or otherwise unreturned Bicycles shall be consistent with Section 9.6 initially charged by Operator shall be consistent with this Section. A “Membership Fee” is an amount that entitles the purchaser of the membership (a “member”, for the period of such purchased membership) to check out (as defined below) one or more Bicycle(s) at a time, for the length of time described below, provided that the member shall be charged a usage fee associated with the time period the Bicycle is checked out beyond the Initial Ride Period. A Bicycle is “checked out” for the period from the time it is removed from a Dock to the time it is returned to a Dock. A member may check out and return a Bicycle from or to any Dock at any Station in the Program, for an unlimited number of times, at any time during the period of the member’s membership, with the usage fee applicable to each such checkout and return sequence being calculated separately (so, for example, a Regular Annual Member may, within the member’s membership period, check out a Bicycle and return it within the first 30 minutes after checkout, and then subsequently check out a Bicycle

and return that Bicycle within the first 30 minutes after that checkout, without incurring any usage fee for either checkout period).

9.2 Membership Fees, New Ridership Programs/Arrangements, and Initial Ride Periods:

9.2.1 Operator shall offer an annual membership (“Annual Membership”) for a fee (the “Annual Membership Fee”) in an amount not to exceed the Annual Membership Fee Cap in effect from time to time. The Annual Membership Fee Cap shall be \$149 for a one-year period, subject to increase on the first anniversary of the Effective Date and on each subsequent anniversary of the Effective Date by a percentage amount equal to the CPI increase for the trailing 4 calendar quarters preceding each such anniversary plus 2% (so, for example, if the CPI increase were 1% for the trailing four calendar quarters preceding a particular anniversary of the date hereof, the applicable permitted percentage increase in the Annual Membership Fee Cap as of that anniversary would be 3%). An Annual Member whose Annual Membership Fee is subject to the Annual Membership Fee Cap is sometimes referred to as a “Regular Annual Member” and the corresponding Annual Membership is the “Regular Annual Membership.” The period of an Annual Membership shall run from the day the annual membership is activated until the first anniversary of the date on which the Annual Membership had been activated (but a membership purchased on February 29 shall expire on March 1 of the following year);

9.2.2 Annual Memberships may be paid in 12 equal monthly instalments at a price not greater than 120% of the Annual Membership Fee;

9.2.3 All memberships will include a free period of usage (the “Initial Ride Period”), which is the length of time at the beginning of each individual Trip to which additional usage fees will not be applied. For Regular Annual Memberships and affordability memberships, the Initial Ride Period is 30 Minutes. Usage fees will be applied to all Trips that exceed the Initial Ride Period; and

9.2.4 For monthly, weekly and daily memberships, and for usage of the Program by non-members, Operator will determine the applicable fees, usage fees, and periods of use for members beyond the Initial Ride Period in its sole discretion.

9.2.5 Nothing in the foregoing shall limit the right of Operator to offer premium memberships featuring an Initial Rider Period longer than 30 minutes for an Annual Membership Fee greater than \$149.

9.3 Affordability Option:

9.3.1 Notwithstanding the permitted rate for a Regular Annual Membership set forth in Section 9.2.1 (as adjusted pursuant to Section 9.11), Operator shall charge those eligible for an “affordability subscription” no more than \$60 per annum (excluding sales tax) as the Annual Membership Fee, or \$5.00 per month for a 12-month membership. Such rate is subject to annual CPI increase on the first anniversary of the Effective Date and on each subsequent anniversary of the Effective Date for the trailing 4 calendar quarters preceding each such anniversary plus 2%.

9.3.2 Members of households enrolled in the Utility Lifeline Programs (also known as California Alternative Rates for Energy (CARE)) available in the MTC Area are eligible for affordability memberships. At least 30 days prior to the completion of Phase I, Operator shall propose, for MTC's review and approval, procedures for verifying enrollment in CARE. In San Francisco, those who meet Muni Lifeline income requirements as determined by the City of San Francisco's Human Services Agency are also eligible for the affordability membership. Upon mutual agreement of the Parties, eligibility may expand to include other categories of persons so long as the eligibility is determined by third parties.

9.3.3 Members enrolling through the affordability program shall be entitled to the same rights and privileges as Regular Annual Members.

9.3.4 The usage fees for affordability members shall not exceed the rate charged to Regular Annual Members.

9.4 The checkout period for the purposes of calculating usage fees shall always commence with the time a Bicycle is actually removed from a Dock, and it shall not be based on the time of insertion of a payment or identification card.

9.5 The maximum Bicycle usage charge initially charged with respect to any member shall be \$100 per 24 hour period, not including charges for damaged, lost, stolen or otherwise unreturned Bicycles.

9.6 Fees for damaged, lost, stolen or otherwise unreturned Bicycles initially charged shall be (i) \$1,200, if not returned, or (ii) if returned, the sum of all direct costs of the repair, including all labor and parts, as determined by Operator in its reasonable discretion, plus a 10% administrative fee; provided, however, that the fees charged to affordability members for unreturned or damaged Bicycles shall be not more than 33% of the fees set forth in the preceding clauses (i) and (ii). Operator shall waive such fees for an any member who is not at fault for the unreturned or damaged Bicycle.

9.7 Operator shall at all times post on all Stations and on Operator's website a complete and up-to-date fee description that sets forth each and every current membership and usage fee offered by Operator, the methods of purchasing memberships and paying fees, available discounts on such fees, the applicability and terms of such discounts and, to the extent applicable, how to apply for or qualify for such discounts, and fees associated with damaged, lost, stolen or otherwise unreturned Bicycles. Operator shall furnish written copies of such material to the public upon request.

9.8 Operator shall accept credit card and debit card payments online and at all Stations but in the case of debit cards only those that have a Visa or Mastercard logo on them. Operator may employ such other methods of payment as it may determine.

9.9 All required state sales and use taxes with respect to membership and usage fees shall be collected and paid by Operator, as required by applicable law.

9.10 Operator shall be permitted to create Program pricing discount programs, which may be targeted in connection with marketing and outreach efforts, and in connection with Sponsorship or

Advertising programs, to expand or enable Program use among different communities or for other lawful purposes.

- 9.11 At any time and from time to time, Operator shall have the right:
- 9.11.1 To adjust the amount of the Annual Membership Fee specified in Section 9.2.1 downwards at any time and upwards on each anniversary of the Effective Date by an amount not to exceed the Annual Membership Fee Cap then in effect;
  - 9.11.2 To adjust the amount of the maximum Bicycle usage charge specified in Section 9.5 and the fees for damaged, lost, stolen or otherwise unreturned Bicycles specified in Section 9.6 downwards at any time and upwards on each anniversary of the Effective Date by a percentage amount equal to the CPI increase for the trailing 4 calendar quarters preceding each such anniversary plus 2% (so, for example, if the CPI increase were 1% for the trailing 4 calendar quarters preceding a particular anniversary of the date hereof, the applicable permitted percentage increase in the Annual Membership Fee Cap as of that anniversary would be 3%);
  - 9.11.3 Any upwards adjustment permitted under this Section 9.11 and not made as of any anniversary date may be made at any time after such anniversary date without derogation of Operator's right to make any other upwards adjustments permitted under this Section 9.11;
  - 9.11.4 To adjust in its sole discretion all other fees, time periods and charges specified hereunder other than those fees, time periods and charges specified in Section 9.2.1 and Section 9.3; and
  - 9.11.5 To adjust upward the duration of the Initial Ride Period.
- 9.12 MTC shall have the right to review and approve the initial Program membership waiver and any material changes thereto, which approval shall not be unreasonably withheld.
- 9.13 At any time and from time to time, Operator may, in its sole discretion, offer discounts and promotions for the Program.

## SECTION 10

### MERCHANDISING, LICENSING AND INTELLECTUAL PROPERTY

10.1 [INTENTIONALLY OMITTED]

10.2 Subject to the limitations, terms and conditions as may be imposed by the Sponsor in the Sponsor's discretion, upon request by MTC and the Participating Cities, Operator shall seek to obtain for MTC and the Participating Cities, or shall assist MTC and the Participating Cities to obtain, for the benefit of MTC, the Participating Cities and their respective business partners and sublicensees, non-exclusive licenses to use during the term of any Sponsorship agreement the Sponsor trademarks, logos, servicemarks, and other similar intellectual property identified for use in connection with the Sponsorship agreement (individually and/or collectively the "Sponsor Property") to market and promote the Program under the name or title for the Program adopted by Operator for the Program (the "Program Name"),

which name shall be subject to the consent of MTC and the Participating Cities, as applicable, to the extent the Program Name consists of MTC/Participating City Property; provided, however, the use of any Sponsor Property by MTC or the Participating Cities shall comply with reasonable quality control measures required by the Sponsorship agreement. To the extent that the Program Name incorporates MTC/Participating City Property, MTC and/or one or more of the Participating Cities, as the case may be, shall own the portion of any Program Name that consists of MTC/Participating City Property. For further clarity, with respect to obtaining the aforementioned licenses, Operator is not the agent of MTC or the Participating Cities and has no authority to enter into agreements on behalf of or otherwise bind MTC or the Participating Cities.

10.3 Subject to the limitations, terms and conditions as may be imposed by the Sponsor in the Sponsor's discretion to the extent the Operator Property incorporates any Sponsor Property, including, without limitation, the Sponsor's consent, Operator hereby grants to MTC and the Participating Cities and their respective business partners and sublicensees a non-exclusive, royalty-free license to use any trademarks, logos, servicemarks, and other similar intellectual property developed by Operator (individually and/or collectively the "Operator Property") required in connection with marketing and promoting the Program during the Term.

10.4 MTC hereby grants to Operator the exclusive right to use during the Term the name "Bay Area Bike Share" and variations thereof (individually and/or collectively "Bay Area Bike Share"). Such right shall terminate upon expiration or termination of this Agreement, but subject to the rights of the Recognized Lender.

10.5 Notwithstanding the foregoing Sections, the Recognized Lender shall not be precluded from collateralizing any intellectual property of Operator.

## SECTION 11

### RESERVED

11.1 [INTENTIONALLY OMITTED]

11.2 [INTENTIONALLY OMITTED]

11.3 [INTENTIONALLY OMITTED]

## SECTION 12

### RESERVED

12.1 [INTENTIONALLY OMITTED]

12.2 [INTENTIONALLY OMITTED]

12.3 [INTENTIONALLY OMITTED]



## SECTION 13

### MARKETING

13.1 Operator shall create a marketing plan for the Program, subject to approval by MTC, which approval will not be withheld so long as the plan is not in bad taste, offensive, obscene or derogatory to MTC or any Participating City. Following such approval, Operator shall market the Program in accordance with such plan. The marketing budget and the allocation of such budget shall be determined by Operator, in its sole discretion. The marketing plan shall include, at a minimum, demonstrations, events, social media outreach, programs, partnerships and other efforts to educate residents of the Participating Cities about bike share, to launch the Program and to grow membership and ridership in a financially sustainable manner.

13.2 A portion of Operator's marketing plan will include marketing and outreach to low-income communities, disadvantaged communities, and communities for which English is not the native language, shall be subject to the approval of MTC and the Participating Cities, shall comply with local requirements regarding language access for each Participating City, shall comply with local standards for decency and not be offensive to the general public. MTC retains the non-exclusive right to conduct marketing and outreach to low-income neighborhoods and limited English proficiency neighborhoods. Operator's marketing activities shall not violate the Advertising Restrictions.

13.3 [INTENTIONALLY OMITTED]

## SECTION 14

### WEBSITE

14.1 Operator shall create and maintain a Program website, subject to the MTC's prior review. The Program's website shall include, at a minimum, all of the following elements:

- 14.1.1 Eligibility requirements;
- 14.1.2 Subscription information and rate schedules;
- 14.1.3 Payment and subscription processing information;
- 14.1.4 Method for subscribers to update required information;
- 14.1.5 Subscriber agreement and acceptance of terms;
- 14.1.6 Map of network of Stations and real-time availability of Bicycles at each Station;
- 14.1.7 Frequently Asked Questions;
- 14.1.8 Safety requirements and information (including malfunctions and crashes);
- 14.1.9 News and operational updates;
- 14.1.10 Special events notices;

- 14.1.11 Links to other bike programs and events;
- 14.1.12 Call center contact information;
- 14.1.13 Real-time information on Bicycles and Docks for app developers (e.g. JSON Feed);
- 14.1.14 System-wide anonymized historical data;
- 14.1.15 For individual members, that member's ridership history;
- 14.1.16 For individual members, that member's payment history; and
- 14.1.17 Operator's privacy policy; and
- 14.1.18 Translation capability to Cantonese, Spanish, and Vietnamese at a minimum.

14.2 Operator shall keep all information on the Program's website updated.

## SECTION 15

### SECURITY FUND

15.1 Prior to installation by Operator of the first new Station, Operator shall deposit with MTC a security deposit ("Security Fund") in the amount of \$250,000.00. Interest on the Security Fund shall accrue in an interest bearing bank account for the benefit of Operator, and all such interest shall be paid annually to Operator on each anniversary of the Effective Date.

15.2 Operator shall maintain \$250,000.00 in the Security Fund at all times during the Term and for 90 days after the end of the Term. Upon expiration of the foregoing period, the remaining balance of the Security Fund shall be disbursed to Operator, unless prior to the expiration of such 90-day period MTC commences litigation against Operator, the underlying claim is covered by the Security Fund, and such litigation is not finally resolved prior to the expiration of such period, in which case an amount of the Security Fund equal to the amount of the outstanding claim shall be retained and only until such claim is resolved. Any amounts remaining in the Security Fund that are not being retained in accordance with this paragraph shall be promptly returned to Operator, and MTC shall fully and timely cooperate with the payment of the Security Fund to Operator.

15.3 The Security Fund shall serve as security for the faithful performance by Operator of all terms, conditions and obligations of this Agreement and shall be available for withdrawal under the following circumstances:

15.3.1 If Operator breaches a payment obligation under this Agreement and fails to remedy such breach within 10 business days following notice by MTC to Operator (a "Payment Breach"), other than the payment of liquidated damages under Section 2.6.3, which is addressed in Section 15.3.5. In the event of a Payment Breach, MTC shall be entitled to withdraw from the Security Fund the amount of the money that is due and payable as set forth in such notice, unless within such 10 business day period Operator initiates the Dispute Resolution Process by giving MTC notice stating that it contests the occurrence of such Payment Breach or the amount thereof. This Section 15.3.1 does not cover a Default under Section 18.1.1 (which is covered in Section 15.3.4).

15.3.2 If Operator commits a non-monetary breach under this Agreement that results in damage to any municipal structure or property of MTC or a Participating City, Operator fails to repair such damage within 30 days following notice by MTC to Operator and in response thereto MTC or the applicable Participating City undertakes such repair (a “Property Damage Breach”), in which event MTC shall be entitled to withdraw from the Security Fund the costs incurred by MTC or the applicable Participating City to undertake such repair, provided such costs are reasonable. Notwithstanding MTC’s withdrawal from the Security Fund for a Property Damage Breach, Operator shall have the right to contest such Property Damage Breach or the costs incurred by initiating the Dispute Resolution Contest, provided that Operator gives MTC notice thereof not later than 30 days after such withdrawal.

15.3.3 If Operator fails to undertake any other non-monetary obligation under this Agreement within the period required under this Agreement and in response thereto MTC or a Participating City exercises self-help to perform such obligation pursuant to a provision of this Agreement that expressly permits self-help or with respect to which self-help is a reasonable response (e.g., a failure of Operator to timely complete a Station De-Installation; or failure of Operator to remove advertising that violates Advertising Restrictions within 24 hours of notice to Operator) (a “Self-Help Situation”), in which event MTC shall be entitled to withdraw from the Security Fund the costs incurred by MTC or the applicable Participating City to undertake such self-help, provided such costs are reasonable. Notwithstanding MTC’s withdrawal from the Security Fund for a Self-Help Situation, Operator shall have the right to contest such Self-Help Situation or the costs incurred by initiating the Dispute Resolution Contest, provided that Operator gives MTC notice thereof not later than 30 days after such withdrawal. This Section 15.3.3 does not cover a breach of Section 16 or matters covered by Section 15.3.2 or 15.3.4.

15.3.4 Operator commits a Default, in which event MTC shall be entitled to withdraw the actual, direct damages arising from such Default unless prior to the expiration of the applicable cure period set forth in Section 18.1 Operator initiates the Dispute Resolution Process by giving MTC notice stating that it contests the occurrence of such Defaults. This Section 15.3.4 does not cover matters covered by Section 15.3.1, 15.3.2, 15.3.3 or 15.3.5.

15.3.5 Operator fails to pay any amount of liquidated damages, and interest, if any due to MTC pursuant to Section 2.6.3 within the time periods provided therein.

15.4 Each notice by MTC to Operator under Section 15.3 of a failure, breach or Default, as applicable, shall provide specific and detailed information about Operator’s non-compliance, together with the amount MTC is intending to withdraw and detailed support for such amount, if then known. Each notice from Operator to MTC under Section 15.3 to contest the occurrence of such non-compliance or the amount to be withdrawn, which notice shall commence the Dispute Resolution Process, shall provide specific and detailed information that rebuts or challenges the information contained in the corresponding notice provided by MTC. Within 2 days following any withdrawal from the Security Fund, MTC shall notify Operator of the date and amount of the withdrawal, together with detailed support for the amount of the withdrawal.

15.5 MTC may not seek recourse against the Security Fund for any cost or damages for which MTC has previously been compensated by Operator or from the Security Fund. The withdrawal of the amounts from the Security Fund shall constitute a credit against the amount of the applicable liability of Operator.

15.6 If a withdrawal from the Security Fund is made, Operator shall be required to replenish the Security Fund by the amount withdrawn within 30 days after receipt of notice of such withdrawal. Notwithstanding the foregoing, if Operator is contesting in good faith MTC's right to withdraw in accordance with the Dispute Resolution Process, then Operator shall not be obligated to replenish on account of such withdrawal until 30 days after such dispute is finally resolved in accordance with the Dispute Resolution Process. Interest on the amount required to be replenished shall accrue at the Applicable Interest Rate in effect from time to time commencing on such 30th date.

15.7 The obligation to perform and the liability of Operator pursuant to this Agreement shall not be limited in nature or amount by the acceptance of the Security Fund required by this Section 15.

## SECTION 16

### INDEMNITY

16.1 Indemnification. Operator shall defend, indemnify and save harmless MTC, the Participating Cities, and their respective commissioners, officers, agencies, departments, agents, and employees (each, an "Indemnified Party"; and collectively, "Indemnified Parties") from and against any and all claims, demands, causes of action, proceedings or lawsuits brought by third-parties ("Claims"), and all losses, damages, liabilities, penalties, fines, forfeitures, costs and expenses arising from or incidental to any Claims (including attorneys' fees and other costs of defense) (collectively, with Claims, "Liabilities"), resulting from, or arising out of, the operation of the Program and the provision of Services, whether such operation or Services is performed or provided by Operator or by Operator's subcontractors or any other person acting for or on behalf of Operator.

16.2 Notwithstanding the foregoing, the following shall be excluded from Operator's indemnification and defense obligations contained in the preceding sentence: any Liabilities to the extent resulting from, or arising out of, (i) the gross negligence or willful misconduct of any Indemnified Party, (ii) Operator complying with the written directives or written requirements of a Participating City, if the Operator has previously objected to such written directives or requirements in writing, with respect to (A) the location or configuration of any Station in relation to the street or sidewalk on which such Station is located or to which it adjoins or (B) a Participating City's Street Treatment Requirements, or (iii) the condition of any public property outside of the perimeter of a Station and not otherwise controlled by Operator (and expressly excluding from this clause (iii) the condition of the Bicycles or other Equipment). If any Claim against Operator includes claims that are covered by clause (iii) of the preceding sentence or claims contesting a Participating City's authority to issue a permit for a Station, then each Party shall be responsible for its own defense against such claims.

16.3 Upon receipt by any Indemnified Party of actual notice a Claim to which such Indemnified Party is entitled to indemnification in accordance with Sections 16.1 and 16.2, such Indemnified Party shall give prompt notice of such Claim to Operator. Operator shall assume and prosecute the defense of such Claim at the sole cost and expense of Operator. Operator may settle any such Claim in its discretion so long as such settlement includes an unconditional release of the Indemnified Party.

## SECTION 17

### INSURANCE

17.1 Minimum Coverages. The insurance requirements specified in this section shall cover Operator's own liability and the liability arising out of work or services performed under this Agreement by any subconsultants, subcontractors, suppliers, temporary workers, independent contractors, leased employees, or any other persons, firms or corporations that Operator authorizes to work under this Agreement (hereinafter referred to as "Agents"). Operator shall, at its own expense, obtain and maintain in effect at all times during the life of this Agreement the following types of insurance against claims, damages and losses due to injuries to persons or damage to property or other losses that may arise in connection with the performance of work under this Agreement.

17.2 Operator shall include in every subcontract the requirement that the Agent maintain adequate insurance coverage with appropriate limits and endorsements to cover the risks associated with work to be performed by the Agent. To the extent that an Agent does not procure and maintain such insurance coverage, Operator shall be responsible for any and all costs and expenses that may be incurred in securing such coverage or in fulfilling Operator's indemnity obligation under Section 16 as to itself or any of its Agents in the absence of such coverage.

17.3 In the event Operator or its Agents procure excess or umbrella coverage to maintain certain requirements outlined below, these policies shall also satisfy all specified endorsements and stipulations, including provisions that Operator's or its Agent's insurance, as the case may be, be primary without right of contribution from MTC.

17.3.1 Workers' Compensation Insurance with Statutory limits, and Employer's Liability Insurance with a limit of not less than \$1,000,000 per employee for injury by disease and \$1,000,000 for injury for each accident, and any and all other coverage of Operator's employees as may be required by applicable law. Such policy shall contain a Waiver of Subrogation in favor of MTC. Such Workers' Compensation & Employer's Liability may be waived, if and only for as long as Operator is a sole proprietor or a corporation with stock 100% owned by officers with no employees.

17.3.2 Commercial General Liability Insurance for Bodily Injury and Property Damage liability, covering the operations of Operator and Operator's officers, agents, and employees and with limits of liability which shall not be less than \$1,000,000 combined single limit per occurrence with a general aggregate liability of not less than \$2,000,000, and Personal & Advertising Injury liability with a limit of not less than \$1,000,000. Such policy shall contain a Waiver of Subrogation in favor of MTC. MTC and its commissioners, directors, officers, representatives, agents and employees are to be named as additional insureds. In addition, the entities listed in Section 17.12 and their respective commissioners, directors, officers, representatives, agents and employees are also to be named as additional insureds. Such insurance shall be primary and contain a Separation of Insureds Clause as respects any claims, losses or liability arising directly or indirectly from Operator's operations.

17.3.3 Business Automobile Insurance for all automobiles owned (if any), used or maintained by Operator and Operator's officers, agents and employees, including but not limited to

owned (if any), leased (if any), non-owned and hired automobiles, with limits of liability which shall not be less than \$1,000,000 combined single limit per accident.

17.3.4 Umbrella Insurance in the amount of \$4,000,000 providing excess limits over Employer's Liability, Automobile Liability, and Commercial General Liability Insurance. Such umbrella coverage shall be following form to underlying coverage including all endorsements and additional insured requirements.

17.3.5 Errors and Omissions Professional Liability Insurance for errors and omissions and the resulting damages, including, but not limited to, economic loss to MTC and having minimum limits of \$5,000,000 per claim. Such policy shall contain cyber risk coverages including network and internet security liability coverage, privacy liability coverage and media coverage. The policy shall provide coverage for all work performed by Operator and any work performed or conducted by any subcontractor/consultant working for or performing services on behalf of Operator. Operator may delegate the obligation to maintain Errors and Omissions Professional Liability Insurance to an Agent, but the failure of such Agent to maintain such insurance shall not relieve Operator of its obligation to maintain such insurance.

17.3.6 Property Insurance. Property Insurance covering Operator's own business personal property and equipment to be used in performance of this Agreement, materials or property to be purchased and/or installed on behalf of MTC (if any), and builders risk for property in the course of construction (if applicable). Coverage shall be written on a "Special Form" policy that includes theft, but excludes earthquake, with limits at least equal to the replacement cost of the property. Such policy shall contain a Waiver of Subrogation in favor of MTC.

17.4 Acceptable Insurers. All policies will be issued by insurers qualified to do business in California and with a Best's Rating of A-VIII or better.

17.5 Self-Insurance. Operator's obligation hereunder may be satisfied in whole or in part by adequately funded self-insurance, upon evidence of financial capacity satisfactory to MTC.

17.6 Deductibles and Retentions. Operator shall be responsible for payment of any deductible or retention on Operator's policies without right of contribution from MTC. Deductible and retention provisions shall not contain any restrictions as to how or by whom the deductible or retention is paid. Any deductible or retention provision limiting payment to the Named Insured is unacceptable.

17.7 In the event that MTC is entitled to coverage as an additional insured under any Operator insurance policy that contains a deductible or self-insured retention, Operator shall satisfy such deductible or self-insured retention to the extent of loss covered by such policy, for any lawsuit arising from or connected with any alleged act of Operator, subconsultant, subcontractor, or any of their employees, officers or directors, even if Operator or subconsultant is not a named defendant in the lawsuit.

17.8 Claims Made Coverage. If any insurance specified above is written on a "Claims-Made" (rather than an "occurrence") basis, then in addition to the coverage requirements above, Operator shall:

- 17.8.1 Ensure that the Retroactive Date is shown on the policy, and such date must be before the date of this Agreement or the beginning of any work under this Agreement;
- 17.8.2 Maintain and provide evidence of similar insurance for at least three (3) years following the expiration or termination of this Agreement, including the requirement of adding all additional insureds; and
- 17.8.3 If insurance is cancelled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the commencement of any work hereunder, Operator shall purchase “extended reporting” coverage for a minimum of three (3) years after the expiration or termination of this Agreement.

17.9 Failure to Maintain Insurance. All insurance specified above shall remain in force until the expiration or termination of this Agreement. Operator must notify MTC if any of the above required coverages are non-renewed or cancelled. The failure to procure or maintain required insurance and/or an adequately funded self-insurance program will constitute a material breach of this Agreement.

17.10 Certificates of Insurance. Prior to commencement of any work hereunder, Operator shall deliver to MTC Certificates of Insurance verifying the aforementioned coverages. Such certificates shall make reference to all provisions and endorsements referred to above and shall be signed on behalf of the insurer by an authorized representative thereof.

17.11 Disclaimer. The foregoing requirements as to the types and limits of insurance coverage to be maintained by Operator are not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by Operator pursuant hereto, including, but not limited to, liability assumed pursuant to Section 16 .

17.12 Additional Insureds: The following entities are to be named as Additional Insureds under applicable sections of this Section 17 and as Indemnified Parties pursuant to Section 16.

- 17.12.1 Metropolitan Transportation Commission (MTC)
- 17.12.2 City of Berkeley
- 17.12.3 City of Oakland
- 17.12.4 City of San Francisco
- 17.12.5 City of Emeryville
- 17.12.6 City of San Jose

## SECTION 18

### TERMINATION AND DEFAULT

18.1 The following events shall be a Default under this Agreement:

- 18.1.1 A breach by Operator of a payment obligation under Section 8 [Revenue Sharing] and the failure to remedy such breach within 10 business days after receipt by Operator from the Executive Director of written notice of such breach;
- 18.1.2 A breach by Operator of a material obligation under Section 7 of this Agreement or Section 29 of the Coordination Agreement [Advertising and Sponsorship]; Section 9 [Price Schedules], Section 10 of this Agreement or Section 30 of the Coordination Agreement [Merchandising, Licensing and Intellectual Property]; any separate licensing agreement between Operator (or its affiliate) and MTC and/or a Participating City; Section 31 of the Coordination Agreement [Marketing, Promotions and Reporting]; Section 14 [Website]; Section 15 [Security Fund]; Section 16 [Indemnity]; Section 20 [Employment and Purchasing]; and Section 21 [Inspection and Audit], and the failure to remedy such breach within 10 business days after receipt by Operator from the Executive Director of written notice of such breach;
- 18.1.3 A breach by Operator of Section 22 [Assignment];
- 18.1.4 A breach by Operation of Section 17 [Insurance] and the failure to remedy such breach within 5 business days after receipt by Operator from the Executive Director of written notice of such breach;
- 18.1.5 (a) Operator's chronic Program-wide failures to abide by its obligations under Sections 2, 3, 4 and 6 of this Agreement and Section 22 of the Coordination Agreement, which failures materially and adversely affect the non-pecuniary benefits to be derived by MTC and the Participating Cities under this Agreement, (b) the failure of Operator to submit to MTC and the Participating Cities, within 15 business days following receipt by Operator from the Executive Director of written notice of such failures, a credible business plan for Operator to proactively and comprehensively address Operator's deficiencies, which plan shall be subject to approval by MTC in consultation with the relevant Participating Cities, and (c) the failure of Operator to take concrete steps to implement such response plan within 30 days of MTC's approval of such plan;
- 18.1.6 If the Security Fund balance falls below \$50,000 and Operator does not replenish the full amount of the Security Fund within 10 days following notice thereof from the Executive Director. However, if Operator is then contesting one or more prior withdrawals from the Security Fund in accordance with the Dispute Resolution Process and the aggregate amount in dispute exceeds \$200,000, then such \$50,000 may only be used pursuant to Section 15.3.2 or Section 15.3.3 until such dispute has been finally resolved;
- 18.1.7 The commencement of any proceeding by Operator under the Bankruptcy Code or relating to the insolvency, receivership, liquidation, or composition of Operator for the benefit of creditors;
- 18.1.8 The commencement of any involuntary proceeding against Operator under the Bankruptcy Code that has not been stayed or dismissed within 120 days of its commencement;



18.1.9 If Operator or any of its officers, directors or senior management has been convicted after the Effective Date under any state or federal law of any of the matters listed in clauses (a) through (e) of this Section 18.1.9: (x) in connection with a matter that is not directly or indirectly connected with this Agreement or the Program and, in the case of the conviction of an individual, such individual has not been terminated by Operator within 30 days after Operator receives notice of such conviction, or (y) in connection with a matter that is directly or indirectly connected with this Agreement or the Program. The matters referred to above as being listed in clauses (a) through (e) are the following:

- (a) A criminal offense that is incident to obtaining or attempting to obtain or to performing a public or private contract;
- (b) Fraud, embezzlement, theft, bribery, forgery, falsification, destruction of records, or receiving stolen property;
- (c) A criminal violation of any state or federal antitrust law;
- (d) Violation of the Racketeer Influence and Corrupt Organization Act, 18 U.S.C. § 1961 et seq., or the Mail Fraud Act, 18 U.S.C. § 1341 et seq., for acts in connection with the submission of bids or proposals for a public or private contract; or
- (e) Conspiracy to commit any act or omission that would constitute grounds for conviction or liability under any statute described in subparagraph (d) above.

18.1.10 If Operator or any of its officers, directors, partners, managers, 5 percent or greater owners, principals, or other employees or persons substantially involved in its activities (a) are subject to a judgment of civil liability under any state or federal antitrust law for acts or omissions in connection with the submission of bids or proposals for a public or private contract, or (b) intentionally makes or causes to be made any false, deceptive, or fraudulent material statement in any bid, proposal, or application for government work, and the individual responsible for such act, omission or material misstatement, if an employee, has not been terminated by Operator, or if not an employee, the relationship therewith has not been terminated, within 30 days after such judgment is entered into in the case of clause (a) above or after a judgment is entered into that any such material statement was intentionally false, deceptive or fraudulent in the case of clause (b).

18.2 If a Default occurs, then, subject to Sections 3.5 and 18.3, MTC shall, at MTC's option, have any or all of the following remedies, all cumulative (so exercise of one remedy shall not preclude exercise of another remedy), in addition to such other remedies as may be available at law or in equity or under any other terms of this Agreement. MTC's remedies include, but are not limited to:

18.2.1 Cause a withdrawal from the Security Fund, pursuant to Section 15, subject to any right of Operator to contest such withdrawal pursuant to the Dispute Resolution Process;

- 18.2.2 Seek actual, direct damages only from Operator for such Default (and notwithstanding anything to the contrary herein, in no event shall MTC be entitled to special, consequential or punitive damages under this Agreement);
- 18.2.3 Seek to restrain by injunction the continuation of such Default;
- 18.2.4 Purchase the Equipment at its then fair market value, subject to the rights of the Recognized Lender not to permit the sale of the Equipment to MTC;
- 18.2.5 Pursue any other remedy permitted by law or in equity or in this Agreement; or
- 18.2.6 Terminate this Agreement, subject to the rights of the Recognized Lender.

18.3 Nothing in this Agreement precludes Operator from contesting the existence of such Default or the breach, failure or other occurrence underlying a Default in accordance with this Section 18.3 and the Dispute Resolution Process. If Operator seeks to contest any of the foregoing, Operator must notify MTC prior to the expiration of the applicable cure period set forth in Section 18.1. Following such notice, the dispute shall be addressed and resolved in accordance with the Dispute Resolution Process. Pending final resolution of such dispute, Operator may continue operating the Program in accordance with the terms of this Agreement, and any exercise by MTC of its remedies hereunder shall be stayed until final resolution of such dispute in accordance with the Dispute Resolution Process. In addition, if such final resolution is against Operator, then MTC shall have the right to terminate this Agreement only if such Default is not cured within the period otherwise provided in the definition of Default to remedy such default, provided that for this purpose the applicable remedy period shall commence upon the final resolution of such dispute.

18.4 Subject to the rights of the Recognized Lender (if any and if applicable), upon termination of this Agreement on account of a Default by Operator, reduction of Initial Term under Section 2.3, or expiration of the Term, Operator shall comply with the following close-out procedures:

- 18.4.1 Turning over to MTC or its designees copies of all books, records, documents and materials specifically relating to this Agreement and reasonably requested by MTC;
- 18.4.2 Submitting to MTC, within 120 days, a final statement and report relating to this Agreement that has been reviewed by a certified public accountant or a licensed public accountant;
- 18.4.3 Providing reasonable assistance to MTC during the transition; and
- 18.4.4 Continuing to operate the Program in accordance with the terms of this Agreement and to effect an efficient and orderly transition of responsibility with respect to the operation of the Program until the earlier of (i) 180 days after such termination and (ii) the selection of a replacement operator for the Program and such replacement operator commencing operation of the Program; provided, however, that Operator shall have the right to cease operating prior thereto if Operator experiences an operating shortfall during the transition period and MTC fails to compensate Operator for such shortfall.

18.5 Subject to the rights of the Recognized Lender (if any and if applicable), upon termination of this Agreement on account of a Default by Operator, reduction of the Initial Term under Section 2.3, or expiration of the Term, MTC shall have the option to:

- 18.5.1 require Operator to remove all Equipment at its sole cost and expense;
- 18.5.2 require Operator to assign to MTC (or a third-party operator designated by MTC) the Program Property and Operator's rights under the Escrow Agreement, subject to satisfaction of the Program Property Assignment Conditions; or
- 18.5.3 take over operation of the Program, and in connection therewith assign to MTC the Program Property and Operator's rights under the Escrow Agreement, subject to satisfaction of the Program Property Assignment Conditions.

18.6 Not less than 6 months prior to the expiration of the Term, MTC shall elect either (a) to purchase (or have a designee purchase) the Program Property at the expiration of the Term or (b) to require Operator to remove the Equipment upon expiration of the Term. If MTC elects clause (a), then Operator and MTC shall negotiate a purchase price for the Program Property based on the fair market value of the Program Property as an installed system, and at the expiration of the Term, Operator shall assign to MTC (or its designee) the Program Property and Operator's rights under the Escrow Agreement, subject to satisfaction of the Program Property Assignment Conditions. If MTC elects clause (b), then within 90 days of the expiration of the Term, Operator shall remove all Equipment.

18.7 In the event of a breach of this Agreement by any Party or by any Participating City, the other Party or parties shall act in good faith and exercise commercially reasonable efforts to mitigate any damages or losses that result from such breach. Notwithstanding the foregoing, nothing contained in this Section shall limit in any respect the rights of MTC and the Participating Cities to indemnification pursuant to Section 16.

18.8 No Party shall be liable (including, but not limited to, for payment of liquidated damages) for failure to perform any of its obligations, covenants, or conditions contained in this Agreement, to the extent such failure is caused by the occurrence of an Event of Force Majeure, and such Party's obligation to perform shall be extended for a reasonable period of time, commensurate with the nature of the event causing the delay, and no breach or default shall exist or liquidated damages be payable with respect to such extended period.

## SECTION 19

### RIGHTS OF RECOGNIZED LENDER

19.1 Operator shall have the right to collaterally assign its rights under this Agreement to the Recognized Lender as collateral for the Recognized Loan. Operator or the Recognized Lender shall notify MTC of the existence of the Recognized Loan and the collateral assignment of this Agreement and shall notify MTC of the name and address of the Recognized Lender. In no event shall there be more than one Recognized Lender at any one time.

19.2 MTC shall give the Recognized Lender, at the address of such Recognized Lender and in the manner set forth in Section 25.2 a copy of each notice of default at the same time as it gives notice of default to Operator. A notice of default to Operator shall not be effective unless a copy thereof is concurrently given to the Recognized Lender.

19.3 The Recognized Lender shall, in the case of any Default by Operator under Section 18.1.1, have a period of 10 days more than is given Operator, to remedy such Default prior to MTC terminating this Agreement on account of such Default, and in the case of a Default by Operator under Section 18.1.2 or 18.1.5, shall have a period of 10 days more than is given Operator to remedy such Default prior to MTC terminating this Agreement on account of such Default, provided that if such Default is not one that can be cured with the payment of money and if the Recognized Lender needs to exercise its remedies and obtain access to its collateral prior to being able to effectuate the cure of any such default, such additional 10-day period shall, so long as the Recognized Lender is diligently and continuously pursuing such cure and has provided written notice to MTC of its intent to cure such Default, be extended for such additional time as is necessary for the Recognized Lender to obtain such access and commence and effectuate such cure.

19.4 If this Agreement terminates on account of a Default, then Operator shall give any Recognized Lender prompt notice thereof. Within 60 days following receipt of such notice, the Recognized Lender may elect to require MTC to enter into a new agreement with a replacement operator designated by the Recognized Lender for the remaining Term of this Agreement, considered as if the Term had not ended on account of such Default and on substantially the same terms as contained in this Agreement (the "Replacement Agreement"). Within 120 days of such notice, the Recognized Lender shall identify a replacement operator and credible business plan for such replacement operator to proactively and comprehensively address Operator's deficiencies. Such replacement operator and business plan shall be subject to the approval of MTC, which approval shall not be unreasonably withheld or delayed. If MTC approves such replacement operator and business plan, then MTC and such replacement operator shall enter into the Replacement Agreement. If MTC and the Recognized Lender are unable to agree on the replacement operator or the business plan within 150 days following such notice, or if the Recognized Lender does not elect to require MTC to enter into a Replacement Agreement within 60 days following receipt of such notice, then MTC shall have the right to exercise its other remedies under Section 18.5 without regard to the rights of the Recognized Lender.

19.5 If pursuant to Section 2.3, MTC exercises its right to reduce the Initial Term by 5 years, then MTC shall give the Recognized Lender notice thereof. Within 60 days following receipt of such notice, the Recognized Lender may elect to require MTC to enter into a new agreement with a replacement operator designated by the Recognized Lender commencing on the expiration of the Term as reduced pursuant to Section 2.3 for the remaining Term of this Agreement, considered as if the Term had not been reduced pursuant to Section 2.3 and on substantially the same terms as contained in this Agreement. Within 120 days of such notice, the Recognized Lender shall identify a replacement operator and credible business plan for such replacement operator to proactively and comprehensively address Operator's deficiencies. Such replacement operator and business plan shall be subject to the approval of MTC, which approval shall not be unreasonably withheld or delayed. If MTC approves such replacement operator and business plan, then MTC and such replacement operator shall enter into such replacement agreement. If MTC and the Recognized Lender are unable to agree on the replacement operator or the business plan within 150 days following such notice, or if the Recognized Lender does not elect to require

MTC to enter into a replacement agreement within 60 days following receipt of such notice, then the Recognized Lender shall have no further rights arising on account of the reduced Term.

19.6 MTC and Operator shall not amend or modify any provision of this Agreement if the effect thereof is to reduce the Term, reduce Operator's rights or increase Operator's obligations in any material respect, or weaken any of the Recognized Lender's express rights under this Agreement, including the Recognized Lender's rights under this Section 19, in each case without the prior written consent of the Recognized Lender. MTC shall not accept a surrender of this Agreement by Operator, nor shall MTC and Operator agree to a termination of this Agreement, without the prior written consent of the Recognized Lender.

19.7 If Operator defaults on the Recognized Loan and as a result thereof the Recognized Lender has a right under the applicable loan documents to foreclose on its Program-related collateral, then without the consent of MTC or any Participating City, the Recognized Lender (or a subsidiary thereof) and/or a third party may succeed to the interest of Operator under this Agreement, so long as (a) the party succeeding to the interest of Operator under this Agreement, or a third party manager designated by such successor, has the experience and expertise to operate a large-scale bikeshare program, (b) such successor succeeds to Operator's interest in the Bicycles, other Equipment and other collateral, (c) such successor has substantially the same legal right to obtain replacement Bicycles and other Equipment, to utilize the Bicycle patents and other Equipment patents, and to utilize the required Software that Operator has as of the Effective Date; and (d) agrees to comply with all terms of this Agreement.

19.8 The terms and provisions of this Section 19 and the rights of the Recognized Lender hereunder shall survive a termination of this Agreement pursuant to a Default or the expiration of this Agreement pursuant to Section 2.3.

## SECTION 20

### EMPLOYMENT

20.1 Operator will pay wages to all of its employees that equal or exceed the living wage in effect as of the date of this agreement under State law or applicable local law.

20.2 Operator shall use reasonable efforts, at its own cost and expense, to conduct outreach for employment purposes to residents of the Participating Cities for the opportunities to be created by the construction, installation, operation, management, administration, marketing and maintenance of the Program. Such recruitment activities shall include provisions for the posting of employment and training opportunities at appropriate Participating City agencies responsible for encouraging employment of Participating City residents. Operator shall ensure the promotion of equal employment opportunity for all qualified Persons employed by, or seeking employment with, Operator. For San Francisco-based entry level job openings with Operator, Operator shall post such openings through San Francisco's First Source Hiring Program and offer the City of San Francisco the first opportunity to refer qualified candidates to Operator for such openings.

20.3 Operator shall not refuse to hire, train, or employ, bar or discharge from employment or discriminate against any individual in compensation, hours of employment, or any other term, condition, or privilege of employment, including, but not limited to, any promotion, upgrading, demotion, downgrading, transfer, layoff, or termination, on the basis of race, creed, color, national origin, sex, age,

handicap, marital status, affectional preference or sexual orientation, in accordance with applicable law. Operator agrees to comply in all respects with all applicable federal, state and local employment discrimination laws and requirements during the Term.

20.4 Operator shall select, train and employ such number of employees as is necessary or appropriate for Operator to satisfy its responsibilities hereunder. Operator shall be the sole authority to hire, terminate and discipline any and all personnel employed by Operator.

## SECTION 21

### INSPECTION AND AUDIT RIGHTS

21.1 MTC shall have the right at reasonable times and upon reasonable notice to inspect the installation, operation, and maintenance of the Program and its associated elements.

21.2 Operator shall open and maintain a facility in each of San Francisco, San Jose and East Bay to support Program operations.

21.3 Operator shall comply with the reporting requirements set forth in Appendix C.

21.4 Throughout the Term, Operator shall maintain complete and accurate books of account and records of the business, ownership and operations of Operator with respect to the Program.

21.5 MTC has the right upon written demand with reasonable notice to Operator under the circumstances, to inspect, examine or audit during normal business hours all documents, records or other information pertaining to Ridership Revenue and Sponsorship Revenue or any other data collected and maintained by Operator to comply with the reporting requirements of Appendix C. All such documents shall be made available at one of Operator's local offices. All such documents shall be retained by Operator for a minimum of 6 years following the expiration or termination of this Agreement.

## SECTION 22

### RESTRICTION AGAINST ASSIGNMENT

22.1 Operator shall not sell, assign or otherwise transfer all or any portion of its interest in this Agreement without the prior written consent of MTC, except as otherwise provided in Sections 19.1 and 19.7. Operator shall notify MTC of any proposed sale, assignment or transfer of this Agreement, in writing, at least 60 days prior to the proposed effective date of such sale, assignment or transfer. In the event that any such sale, assignment or transfer of this Agreement is approved by MTC, the purchaser, assignee or transferee shall agree to be bound by all the covenants of this Agreement required of Operator to the extent arising from and after the effective date of such sale, assignment or transfer. Any purported sale, assignment or transfer without MTC's approval as required above shall be void and of no force or effect. Nothing in the foregoing shall limit (a) the right of Bikeshare Holdings to sell, assign or otherwise transfer interests in Operator, (b) the right of direct or indirect owners of equity interests in Bikeshare Holdings to sell, assign or otherwise transfer such interests, (c) the right of Bikeshare Holdings to sell, assign or transfer all or substantially all of its assets, including its interest in this Agreement, so long as Operator or, in the case of clause (c), its successor, has the experience and expertise to operate a large-scale bikeshare program and has substantially the same legal right to obtain replacement Bicycles and other Equipment, to utilize the Bicycle patents and other Equipment patents, and to utilize the required

Software that Operator has as of the Effective Date. In addition, nothing in the foregoing shall prohibit a merger, reorganization, recapitalization, consolidation or similar transaction involving Bikeshare Holdings or any direct or indirect holder of equity interests in Bikeshare Holdings, so long as the conditions set forth in the preceding sentence are satisfied.

### SECTION 23 DISPUTE RESOLUTION PROCESS

23.1 In the event of a dispute between the Parties, including, without limitation, a dispute regarding liquidation damages pursuant to Section 2.6.3, a dispute regarding the Security Fund, a dispute regarding a breach of this Agreement or regarding the occurrence or continued existence of a Default, such dispute shall be addressed and resolved in accordance with the following (the “Dispute Resolution Process”):

23.1.1 MTC’s Program Manager assigned to the Program and Operator’s General Manager of the Program, or their respective delegates, shall meet, within 10 days after receipt by one Party of notification from the other Party of such dispute, to negotiate in good faith in order to try to resolve such dispute (the date of the first such meeting, or the expiration of such 10-day period if the meeting is not timely held, being the “Initial Meeting Date”). A KPI Contest Notice shall constitute appropriate notification for a dispute regarding a right to liquidated damages under Section 2.6.3, and a rejection of a KPI Change Request shall constitute appropriate notification for a dispute under Section 2.6.2(a). If such persons fail to resolve such dispute within 15 days after the Initial Meeting Date, then the Executive Director of MTC and the President of Bikeshare Holdings shall meet promptly and negotiate in good faith in order to resolve such dispute. If such persons fail to resolve such dispute within 30 business days after the Initial Meeting Date, then such dispute shall be subject to mediation under Section 23.1.2. As used in this Section 23.2.1, a meeting may be held in person, by conference call or by video conference. By agreement of the Parties, any of the deadlines set forth in this Section 23.1.1 may be extended or shortened. The process described in this Section 23.1.1 shall be confidential and treated as a compromise negotiation for purposes of federal and state rules of evidence.

23.1.2 Unless the Parties otherwise agree, mediation shall be administered by the American Arbitration Association (the “AAA”) in accordance with its Commercial Rules, or similar service. A request for mediation shall be made in writing, delivered to the other Party and filed with the applicable mediation service. Either Party may submit such request. The Parties shall share the mediator’s fee and any filing fees equally. The mediation shall be held in San Francisco. The Parties shall be represented by individuals of their choosing. Agreements reached in mediation shall be binding on the Parties and enforceable in a State or Federal Court of competent jurisdiction sitting in San Francisco County. The mediation process shall be confidential and treated as a compromise negotiation for purposes of federal and state rules of evidence.

23.1.3 For the avoidance of doubt, the Parties shall comply with any settlement agreement regarding any dispute that is the subject of a settlement agreement.

23.1.4 As used in this Agreement, “final resolution” of a dispute or a dispute being “finally resolved” means that (a) the Parties have entered into a settlement agreement to resolve such dispute, or (b) if either Party has initiated a judicial proceeding to contest such dispute, that a final-non-appealable order of a court of competent jurisdiction has been issued for such dispute.

SECTION 24  
REPRESENTATIONS AND WARRANTIES OF OPERATOR

24.1 In addition to the representations, warranties, and covenants of Operator set forth elsewhere herein, Operator represents and warrants to MTC and the Participating Cities as of the Effective Date:

- 24.1.1 Operator is a limited liability company, validly existing and in good standing under the laws of the State of Delaware, and it is duly authorized to do business in the State of California;
- 24.1.2 The sole owner of Operator is Bikeshare Holdings; and
- 24.1.3 Operator has all requisite power and authority to own or lease its properties and assets, to conduct its business as currently conducted and to execute, deliver and perform this Agreement and all other agreements entered into or delivered in connection with or as contemplated hereby.
- 24.1.4 The execution, delivery and performance of this Agreement and all other agreements, if any, entered into in connection with the transactions contemplated hereby have been duly, legally and validly authorized by all necessary action on the part of Operator.
- 24.1.5 This Agreement has been duly executed and delivered by Operator and constitute the valid and binding obligations of Operator, and are enforceable in accordance with their respective terms, subject to equitable legal principles and the laws governing creditors' rights. Operator has obtained the requisite authority to authorize, execute and deliver this Agreement and to consummate the transactions contemplated hereby and no other proceedings or other actions are necessary on the part of Operator to authorize the execution and delivery of this Agreement and the consummation of the transactions contemplated hereby.
- 24.1.6 Neither the execution and delivery of this Agreement by Operator nor the performance of its obligations contemplated hereby will:
  - (a) Conflict with, result in a material breach of or constitute a material default under (or with notice or lapse of time or both result in a material breach of or constitute a material default under) (i) any governing document of Operator or to Operator's knowledge, any agreement among the owners of Operator, or (ii) any statute, regulation, agreement, judgment, decree, court or administrative order or process or any commitment to which Operator is a party or by which it (or any of its properties or assets) is subject or bound;
  - (b) Result in the creation of, or give any party the right to create, any material lien, charge, encumbrance, or security interest upon the property and assets of Operator; or



(c) Terminate, breach or cause a default under any provision or term of any contract, arrangement, agreement, license or commitment to which Operator is a party.

24.1.7 Warranty of Services. In the performance of its services, Operator represents and warrants that it has and will exercise the degree of professional care, skill, efficiency, and judgment of those with special expertise in providing such services, and that it carries and will maintain all applicable licenses, certificates, and registrations needed for the work in current and good standing.

24.1.8 Neither Operator nor any of its officers, directors or senior management has committed or been convicted (where such conviction is a final, non-appealable judgment or the time to appeal such judgment has passed) of any criminal offense, including, but not limited to, bribery or fraud, arising out of or in connection with (a) this Agreement, (b) the award of this Agreement, or (c) any act to be taken pursuant to this Agreement by MTC or its officers, employees or agents, or (d) the business activities and services to be undertaken or provided pursuant to this Agreement. Operator shall promptly terminate its relationship with any office, director or senior management of Operator who is convicted (where such conviction is a final, non-appealable judgment or the time to appeal such judgment has passed) of any criminal offense, including, but not limited to, bribery or fraud, arising out of or in connection with: (i) this Agreement, (ii) the award of this Agreement, (iii) any act to be taken pursuant to this Agreement by MTC or its officers, employees or agents, or (iv) the business activities and services to be undertaken or provided by Operator pursuant to this Agreement.

24.2 All representations and warranties contained in this Agreement shall survive the Term.

## SECTION 25 MISCELLANEOUS

25.1 Operator, MTC and the Participating Cities acknowledge and agree that the nature of the Program requires extensive and ongoing long-term coordination among the Parties and the Participating Cities. Accordingly, no later than 10 business days after the Effective Date, Operator, MTC and, in accordance with the Coordination Agreement, each Participating City, shall designate an employee as its designated representative (the “Designated Representative”) to be the principal contact of such party in its dealings with the other parties in connection with the implementation of the Program. Any party may change its Designated Representative in its sole discretion so long as notice of such change is given to the other parties.

25.2 All notices, demands or requests under this Agreement shall be in writing and shall be sufficiently given if sent by registered or certified mail, return receipt requested, by electronic mail (email), by overnight mail, or by personal delivery, in each case to the address listed below, or to such other location or person as any party may designate in writing from time to time. Any notice, demand or

request under this Agreement intended for the Participating Cities shall be sent to MTC. Any notice, demand or request shall be deemed given on the date of receipt or rejection by the intended recipient.

If to MTC:

Metropolitan Transportation Commission  
Joseph P. Bort MetroCenter,  
Oakland, CA 94607-470  
Attention: Executive Director  
Email: [ \_\_\_\_\_ ]  
Attention: General Counsel:  
Email:[ \_\_\_\_\_ ]  
Attention: Designated Representative  
Email:[ \_\_\_\_\_ ]

If to Operator:

Bay Area Motivate, LLC,  
5202 Third Avenue  
Brooklyn, New York 11220  
Attention: Chief Executive Officer:  
Telephone: [ \_\_\_\_\_ ]  
Email:[ \_\_\_\_\_ ]  
Attention: General Counsel  
Telephone: [ \_\_\_\_\_ ]  
Email: [ \_\_\_\_\_ ]  
Attention: Designated Representative  
Telephone: [ \_\_\_\_\_ ]  
Email: [ \_\_\_\_\_ ]

Notwithstanding the foregoing, any notice required to be given to Operator pursuant to Section 18 for which a cure period is 10 business days or less or any other notice that requires action to be taken within 10 business days or less must be given by email, personal delivery or overnight mail service.

25.3 If Operator receives either a notice of default or a notice of noncompliance from a Sponsor, a lender or a material supplier, it shall notify MTC and supply a copy of the notice of noncompliance within 5 days of receipt.

25.4 Upon request by Operator, MTC shall execute, acknowledge and deliver to Operator (or directly to a designated third party) an estoppel certificate in a form reasonably acceptable to the Parties. MTC shall sign, acknowledge, and return such estoppel certificate within 15 days after request, even if Operator is in default. Any estoppel certificate shall bind MTC to the extent set forth therein.

25.5 This Agreement shall be binding upon and inure to the benefit of the parties and their respective permitted successors and assigns. The Recognized Lender shall be a third party beneficiary of Section 19.

25.6 No failure on the part of MTC or Operator to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right preclude any other right, except as provided herein, subject to the conditions and limitations established in this Agreement. The rights and remedies provided herein are cumulative and not exclusive of any remedies provided by law, and nothing contained in this Agreement shall impair any of the rights of any party under applicable law, subject in each case to the terms and conditions of this Agreement. A waiver of any right or remedy by a party at any one time shall not affect the exercise of such right or remedy or any other right or other remedy by such party at any other time. In order for any waiver of any party to be effective, it must be in a writing signed by such party. The failure of MTC to take any action regarding a default by Operator shall not be deemed or construed to constitute a waiver of, or otherwise affect, the right of MTC to take any action permitted by this Agreement at any other time regarding such default.

25.7 The clauses and provisions of this Agreement are intended to be severable. If any clause or provision is declared invalid, in whole or in part, by any court, agency, commission, legislative body, or other authority of competent jurisdiction, such provision shall be deemed a separate, distinct, and independent portion, and such declaration shall not affect the validity of the remaining portions hereof, which other portions shall continue in full force and effect, but only so long as the essential terms underlying this Agreement are not undermined. If, however, the essential terms underlying this Agreement are undermined as a result of any clause or provision being declared invalid, in whole or in part, by any court, agency, commission, legislative body, or other authority of competent jurisdiction, and such declaration is not stayed within 30 days by a court pending resolution of a legal challenge thereto or an appeal thereof, the adversely affected party shall notify the other parties in writing of such declaration of invalidity and the effect of such declaration of invalidity and the parties shall enter into good faith negotiations to modify this Agreement to compensate for such declaration of invalidity. If the parties cannot come to an agreement modifying this Agreement within 120 days (which 120 day period shall be tolled during any stay contemplated above) of such notice, then this Agreement shall terminate with such consequences as would ensue if it terminated pursuant to Section 18, except Operator shall not be liable for any damages.

25.8 If any applicable federal, state, or local law or any regulation or order is passed or issued, or any existing applicable federal, state, or local law or regulation or order is changed (or any judicial interpretation thereof is developed or changed) in any way which undermines the essential terms underlying this Agreement, the adversely affected party shall notify the other parties in writing of such change and the effect of such change and the parties shall enter into good faith negotiations to modify this Agreement to compensate for such change, subject to any necessary approvals of MTC and the Participating Cities.

25.9 The headings contained in this Agreement are to facilitate reference only, do not form a part of this Agreement, and shall not in any way affect the construction or interpretation hereof. Terms such as “hereby,” “herein,” “hereof,” “hereinafter,” “hereunder” and “hereto” refer to this Agreement as a whole and not to the particular sentence or paragraph where they appear, unless the context otherwise requires. The term “may” is permissive; and, the terms “shall,” “must,” and “will” are mandatory, not merely directive. The term “day” means a calendar day, unless otherwise stated herein to be a “business day.” The term year means any period of 365 days, unless otherwise stated herein to be a “calendar year.” All references to any gender shall be deemed to include both the male and the female, and any reference by number shall be deemed to include both the singular and the plural, as the context may require. Terms used in the plural include the singular, and vice versa, unless the context otherwise requires. References

in this Agreement to Sections, Appendices and Exhibits are to Sections, Appendices and Exhibits of this Agreement.

25.10 Operator shall conduct the work to be performed pursuant to this Agreement as an independent contractor and not as an agent of MTC or any Participating City.

25.11 This Agreement shall be governed in all respects, including validity, interpretation and effect, and construed in accordance with, the laws of the State of California, irrespective of conflict of laws principles, as applicable to contracts entered into and to be performed entirely within the State of California.

25.12 Subject to the requirement that disputes be addressed in accordance with the Dispute Resolution Process, each hereby irrevocably submits to the jurisdiction of any State or federal court sitting in San Francisco County, California, over any suit, action or proceeding arising out of or relating to this Agreement. Each party hereby irrevocably waives, to the fullest extent permitted by law, any objection it may now or hereafter have to such venue as being an inconvenient forum.

25.13 Should any party employ an attorney for the purpose of enforcing or construing this Agreement, or any judgment based on this Agreement, in any legal proceeding whatsoever, including insolvency, bankruptcy, arbitration, declaratory relief or other litigation, the prevailing party shall be entitled to receive from the other party or parties thereto reimbursement for all reasonable attorneys' fees and all costs, including but not limited to service of process, filing fees, court and court reporter costs, investigative costs, expert witness fees and the cost of any bonds, whether taxable or not, and such reimbursement shall be included in any judgment, decree or final order issued in that proceeding. The "prevailing party" means the party in whose favor a judgment, decree, or final order is rendered.

25.14 No provision of this Agreement nor any Appendix or Exhibit shall be amended or otherwise modified, in whole or in part, except by a written instrument, duly executed by the Parties and approved as required by applicable law.

25.15 This Agreement may be executed in one or more counterparts which, when taken together, shall constitute one and the same.

25.16 Time is of the essence with respect to the obligations of the parties under this Agreement and with respect to the deadlines for submitting notices, including, without limitation, a KPI Failure Notice, a KPI Contest Notice or any notice under Section 15.3 or 18.1.

25.17 If Operator publishes a work dealing with any aspect of performance under this Agreement, or of the results and accomplishments attained in such performance, then MTC shall have a royalty-free, non-exclusive and irrevocable license to reproduce, publish, or otherwise use and to authorize others to use the publication, or, in the event that only a portion of the publication deals with an aspect of performance under this Agreement, such portion of the publication.

IN WITNESS WHEREOF, MTC and Operator have executed this Agreement as of the Effective Date.

METROPOLITAN TRANSPORTATION COMMISSION

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

Name:

Title:

BAY AREA MOTIVATE, LLC

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

Name

Title

## Appendix A

### Key Performance Indicators and Liquidated Damages

This Appendix A sets forth the Key Performance Indicators and the liquidated damages assessed against Operator for failing to comply with the Key Performance Indicators. Key Performance Indicators are subject to extension for Events of Force Majeure. Liquidated damages are subject to the annual limitation of 4% of Ridership Revenues.

KPI #	Title	Definition	Measurement Tool(s) <sup>1</sup>	Liquidated Damages
1	<b>Station Cleaning and Inspection</b>	Station Cleaning for each Station must occur 2 times per month-- one time between the first and fifteenth days of the month, and one time between the sixteenth and last days of the month. Litter removal needs to occur for on street Stations at least once per week.  Additional litter removal to occur on an as-needed basis.	Operator records/ databases	\$75 for each Station that is not cleaned according to schedule.
2	<b>Graffiti Removal</b>	(a) Except as required by clause (b) below, Operator shall remove conspicuous graffiti within 72 hours after Notification.  (b) Operator shall remove racist and hate graffiti within 4 hours after Notification.	Operator records/ databases	(a) \$50 for each 24-hour period (or part thereof) beyond 72 hours.  (b) \$50 for each 4-hour period (or part thereof) beyond 4 hours.
3	<b>Litter Removal</b>	Operator shall remove conspicuous accumulations of litter from Stations within 24 hours after Notification.	Operator records/ databases	\$50 for each 4-hour period (or part thereof) beyond 24 hours.
4	<b>Bicycle Maintenance</b>	Every Bicycle in the Bicycle Fleet shall receive a Bicycle Maintenance check at least once every two calendar months.	Operator records/ databases	\$25 for each Bicycle that is not subject to a Bicycle Maintenance in any 2-calendar month period.

<sup>1</sup> Sources of information used to assess compliance with these service levels may include, but are not limited to, those listed in the "Measurement Tool(s)" column.  
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KPI #	Title	Definition	Measurement Tool(s) <sup>1</sup>	Liquidated Damages
5	<b>Station Deactivation and De-Installation</b>	<p>As directed by MTC or a Participating City, Operator must perform:</p> <ul style="list-style-type: none"> <li>(i) Station Deactivation(s);</li> <li>(ii) Station De-Installation(s);</li> <li>(iii) Station Re-Installation(s);</li> <li>(iv) Station Adjustment(s).</li> </ul> <p>(i) Operator will Deactivate a Station within 24 hours after a request from a Participating City, except in instances where the continued presence/activity of the station has been determined to pose a threat to public safety.</p> <p>(ii) Operator will complete a De-Installation of a Station within 72 hours after a request from a Participating City, except in instances where the continued presence/activity of the station has been determined to pose a threat to public safety.</p> <p>(iii, iv) Deactivated Stations must be reactivated within 24 hours of direction from a Participating City. De-Installed or Adjusted Stations must be reinstalled or Readjusted to their original configurations within 72 hours of direction from a Participating City.</p> <p>Notwithstanding the foregoing, the KPIs for De-Installation and reinstallations are limited to 20 in any 72-hour period. The time permitted for larger scale De-Installation and reinstallation will be subject to agreement between Operator and MTC.</p>	Electronic communications	<ul style="list-style-type: none"> <li>(i) \$75 for each hour of delay (or part thereof) beyond 24 hours for Deactivation.</li> <li>(ii) \$75 for each hour of delay (or part thereof) beyond 72 hours for De-Installation.</li> <li>(iii, iv) \$50 for each hour of delay (or part thereof) beyond 24 hours for reactivation; \$50 for each hour of delay (or part thereof) beyond 72 hours for reinstallation or Readjustment.</li> </ul>

KPI #	Title	Definition	Measurement Tool(s) <sup>1</sup>	Liquidated Damages
6	<b>Program Functionality</b>	<p>The Program must be operational 100% of the time every month (i.e., every hour of every day, 24 hours per day, 7 days per week, measured monthly), so that, at a minimum, all Program users can dock and undock Bicycles at all times, excluding (i) scheduled downtime, and (ii) any period when the Computer Hardware for the Program and/or Software is, and remains, damaged through Hacking.</p> <p>Program Functionality does not apply to hardware malfunctions at individual Stations or to individual Stations that are not Operable Stations.</p>	Software System	If in any month the Program is operational less than 100% of the time, then \$300 for every hour (or part thereof) that the Program is not operational.
7	<b>Station Operability</b>	<p>Stations, in the aggregate, must be Operable Stations 99% of the time every month (i.e., every hour of every day, 24 hours per day, 7 days per week, measured monthly), excluding (i) during scheduled downtime, and (ii) any period when a Station is not an Operable Station because the Kiosk or other Equipment located at the Station has been damaged by third-parties.</p> <p>Calculated by taking the sum of the number of hours that each Station was an Operable Station during a month, dividing that sum by the product of the total number of hours in the month and the number of Stations that month.</p> <p>Station Operability does not apply during any period in which the entire Program system is down.</p>	Operator records/ databases	If in any month the Stations are not Operable Stations 99% of the time, then \$100 for every hour that Stations are not Operable Stations below the 99% threshold.



<b>KPI #</b>	<b>Title</b>	<b>Definition</b>	<b>Measurement Tool(s)<sup>1</sup></b>	<b>Liquidated Damages</b>
8	<b>Website Operations</b>	The Program website must be operational 100% of the time every year (i.e., every hour of every day, 24 hours per day, 7 days per week, measured annually) excluding (i) scheduled downtime, and (ii) any period when the Computer Hardware for the Program and/or Software is, and remains, damaged through Hacking.	Operator records/ databases	If in any year the website is not operational 100% of the time, then \$50 for every hour each year that the website is not operational.
9	<b>Telephone Answering Time</b>	Not less than 80% of telephone calls to Operator's call center each month must be answered by a person within 90 seconds or less.	Operator records/ databases	\$100 for every percentage point below 80% that telephone calls are not answered in 90 seconds or less in any month.
10	<b>Email Response Time</b>	Not less than 95% of emails to Operator's public information email address must be answered within 1 business day.	Operator records/ databases	\$100 for every percentage point below 95% that emails are not answered within 1 business day or less in any month.
11	<b>Bicycle Availability</b>	This Bicycle Availability requirement is met if the monthly average Bicycle Fleet Level, recorded once each Day of the month between the hours of 11:00 AM and 3:00 PM, is not less than 90% of the Program Fleet.  Damages are calculated as the sum of Bicycles under the threshold for each Day that the recorded Bicycle Fleet Level is less than the required Bicycle Fleet Level.	Software System	\$15 for each Bicycle that is under the 90% threshold each month.

KPI #	Title	Definition	Measurement Tool(s) <sup>1</sup>	Liquidated Damages
12	<b>Rebalancing</b>	<p>No station Cluster shall be completely empty of available bikes for use or completely lacking of empty, operable docks for more than 10 consecutive minutes during Peak Hours (i.e., 6:00 am to 10:00 pm).</p> <p>The Rebalancing KPI set forth above is an interim KPI. During the Assessment Period (as defined in Section 2.6.2(b) of the Agreement), the Rebalancing KPI will be assessed and reformulated, and a new Rebalancing KPI will be fully implemented immediately following the Assessment Period.</p>	Software System/ Operator records/ databases	<p>\$1.00 for each minute that a Cluster Outage occurs beyond 10 consecutive minutes during Peak Hours.</p> <p>Liquidated Damages do not apply to the Stations installed as part of a Phase for the first 6 months after the completion of such Phase.</p>

## Appendix B

### Cost of Equipment

#### PILOT CITIES:

- Cost to upgrade AD Equipment: \$12.50 per Dock per month, subject to PPI Adjustment.
- Cost to purchase new Equipment: As set forth in the New Equipment Price Schedule below. The prices set forth in such schedule are subject to PPI Adjustment.
- Cost to install new Equipment (including site planning and drawings): \$4,000 per Station, subject to CPI Adjustment
- Cost to operate and maintain the Equipment: \$100 per Dock per month, subject to CPI Adjustment, and subject to the following reductions:
  - (i) Cost to operate and maintain will be reduced to \$75 per Dock per month, subject to CPI Adjustment, during any 12-month period in which there is an average of 1 Trip per Bicycle per day for the entire Bicycle Fleet in such Pilot City (subject to Bicycle Availability)
  - (ii) Cost to operate and maintain will be reduced to \$50 per Dock per month, subject to CPI Adjustment, during any 12-month period in which there is an average of 1.5 Trips per Bicycle per day for the entire Bicycle Fleet in such Pilot City (subject to Bicycle Availability)
  - (iii) Cost is reduced to \$0 per dock, adjusted by CPI, if an average of 3 rides per bike per day citywide occurs for a 12 month period

#### OTHER ELIGIBLE CITIES:

- Cost to purchase new Equipment: As set forth in the New Equipment Price Schedule below. The prices set forth in such schedule are subject to PPI Adjustment.
- Cost to install new Equipment (including site planning and drawings): \$4,000 per Station, subject to CPI Adjustment
- Cost to operate and maintain the Equipment: \$130 per Dock per month, subject to CPI Adjustment, and subject to the following reductions:
  - (i) Cost to operate and maintain will be reduced to \$97.50 per Dock per month, subject to CPI Adjustment, during any 12-month period in which there is an average of 1 Trip per Bicycle per day for the entire Bicycle Fleet in such Eligible City (subject to Bicycle Availability)

- (ii) Cost to operate and maintain will be reduced to \$65 per Dock per month, subject to CPI Adjustment, during any 12-month period in which there is an average of 1.5 Trips per Bicycle per day for the entire Bicycle Fleet in such Eligible City (subject to Bicycle Availability)
  - (iii) Cost to operate and maintain will be reduced to \$0 per Dock per month, subject to CPI Adjustment, during any 12-month period in which there is an average of 3.0 Trips per Bicycle per day for the entire Bicycle Fleet in such Eligible City (subject to Bicycle Availability)
- If Operator contracts with a private property owner to locate a publicly-accessible Station on private property in the Eligible City, then the cost to operate and maintain the Equipment will be a matter for agreement between Operator and the private property owner.

<b>New Equipment Price Schedule</b>					
<b>Station Size (No. of Bicycles)</b>	<b>No. of Docks</b>	<b>Cost (Excluding Sales Tax)</b>			
8	15	\$ 47,166.98			
10	19	\$ 55,503.56			
12	23	\$ 63,840.15			
14	27	\$ 72,176.74			
16	31	\$ 80,513.33			
18	35	\$ 88,849.92			
20	39	\$ 97,186.51			

## Appendix C

### Reporting Requirements

MTC shall have real-time, read-only access to data as specified in the Functional Specifications.

Operator shall deliver a monthly report, by the 25th day of each month, to MTC, with all of the data described below, and in a form that is acceptable to, and approved by, MTC for the Program. Except for financial information, the data shall reflect all relevant facts as they existed with respect to the immediately preceding calendar month (e.g., the June report would reflect the non-financial data for May), and the reports shall provide cumulative calendar year-to-date totals for each category (as may be applicable). For all financial information, the data shall reflect all relevant facts as they existed with respect to the calendar month that immediately precedes the immediately preceding calendar month (e.g., the June report would reflect the financial data for April), and the reports shall provide cumulative calendar year-to-date totals for each category (as may be applicable). No more frequently than once every six months, Operator may request a meeting with MTC to assess the effectiveness of these Reporting Requirements; upon mutual agreement, the Reporting Requirements below may be adjusted.

#### 1) Membership:

- YTD membership counts at the end of the reporting month, by membership type and Participating City;
- Number of new members by type and Participating City, who signed up during the reporting month, by day and month; and
- Number of cancellations and expirations of registered members, by type and Participating City, during the reporting month.

#### 2) Ridership:

- “Trip” shall mean the use of a Bicycle from one Station to another Station or back to the initial Station;
- Trips per Day, per Participating City and member type, for the entire Program; and
- Total Trips per month, and YTD per Station, Participating City, and member type, for the entire Program.

#### 3) Environmental Impact:

- Total and average calories burned per Day/month, by Participating City for the entire Program, based on calculation using total and average Trip durations; and
- Carbon offset per month, by Participating City and for the entire Program, based on calculation using total hours of usage.

#### 4) Rebalancing Operations:

- Number of Bicycles rebalanced per Day;
- Bicycles on the street per Day per Participating City;
- List of full and empty instances (Station, start time, end time, and date) in excess of 10 consecutive minutes between 6:00 AM and 10:00 PM;
- Count of full and empty instances per Station and Participating City by Day and month in excess of 10 consecutive minutes between 6:00 AM and 10:00 PM;
- Breakdown of full and empty instances by duration in excess of 10 consecutive minutes between 6:00 AM and 10:00 PM;
- List of full and empty instances (Station, start time, end time, and date) between 6:00 AM and 10:00 PM at “priority” Stations (to the extent “priority” Stations have been established);
- Count of full and empty instances per Station and Participating City by Day and month between 6:00 AM and 10:00 PM at “priority” Stations (to the extent “priority” Stations have been established);
- Breakdown of full and empty instances by duration between 6:00 AM and 10:00 PM at “priority” stations (to the extent “priority” stations have been established); and
- Percentage of time Stations are normal, full, or empty.

5) Station Maintenance Operations:

- List of Stations cleaned and dates of each cleaning;
- Number of active Stations;
- List of all Station malfunctions (Station, start and end date and time, and event); and
- Percentage of time Stations were available to provide rentals for monthly and annual members by Station and for the entire Program.

6) Bicycle Maintenance Operations:

- Count of Bicycles checked per month;
- Count of Bicycles repaired per month;
- List of Bicycles by unique ID number not checked per month.

7) Incident Reporting:

- List of all incidents (crash, vandalism, theft, and police action) with dates and summary of outcomes.

8) Customer Service Reporting:

- Number of calls and emails, with total and broken down by classification;
- Average time to answer call;
- Average time of call;
- Number of refunds and amount given per month; and
- Upon call center software availability, number of calls of different types of issues, and average length of call.

9) Customer Outreach:

- Web site analytics.

10) Financial Summary:

- Fees assessed to bike share users due to lost or damaged bicycles;
- Revenue generated from subscriptions, by subscription type;
- Revenue generated from usage fees, by subscription type; and
- Revenue generated from other sources, including Advertising and Sponsorships.

11) Compliance with KPIs:

- Recorded Bicycle Fleet Level for each day as recorded between the hours of 11:00 AM and 3:00 PM.

## Appendix D

### Functional Specifications

<b>Functional Specification</b>	
<b>Software</b>	
<b>Billing</b>	
	<b>Product requirements</b>
	Annual and casual billing
	Usage charges billing
	Discounts
	Refunds
	Administrative and stolen bike charges
	Automatic renewal of accounts
	Opt-in/Opt-out ability for automatic renewal
	Allow Annual Members to use Clipper Card to access Bicycles in lieu of key fob <sup>2</sup>
	<b>Automatic emails to customers</b>
	Ability to edit text in emails to customers
	<b>Automatic emails in the following instances:</b>
	Upon successful renewal
	Upon signup
	Upon failed monthly payment
	Upon successful monthly payment
	Upon credit card change
	Upon credit card expiration
	Upon account renewal needed (manual billing)
	Upon upcoming automatic account renewal (automatic billing)
	Upon successfully account renewal
	Upon failed account renewal
	Upon successful bike return (user configurable)
	Upon missing bike (user and system configurable)
	Upon incurrence of overage fees
	Upon system shut down
	<b>PCI Compliance</b>
	PCI Compliance of Bike Share Operator and System
	<b>Remote functionality</b>
	Ability to shut down system (prevent bikes from being rented)
	Ability to lock down bikes (with visual indicator)
	Ability to shut down stations
	Ability to reboot remotely (when connected)
	<b>Operational Dashboards (The following dashboards should be available at a minimum)</b>

<sup>2</sup>To be achieved by the later of 20 months after the Effective Date and completion of Phase IV.



	<b>Subscriptions</b>
	Number of casual users by subscription type
	Number of members by subscription type
	<b>Customer rental activity</b>
	Number of open rentals and duration of rental
	Number of trips and rentals completed by casual and registered members
	<b>Real-Time Dashboards</b>
	Station status (total, working, out of order, locked, disconnected)
	Station occupancy (current and recent history of station bike/dock occupancy)
	Docking point status (total, locked, error, empty, bike docked)
	Bike status (docked, in rental, defective, other)
	<b>Private data feed</b>
	MTC to have access to analytical/reporting databases provided by bikeshare system.
	<b>Public data feed</b>
	All public data feeds should cover the following at a minimum:
	Station Name
	Station ID
	Station Status (locked/unlocked)
	Latitude
	Longitude
	# of total docking points
	# of available docking points
	# of inoperable docks (w/ and w/o bikes)
	# of available bikes
	Last communication time with server
	Excludes test/warehouse station
	<b>Product support and redundancy</b>
	<b>Features for product support include</b>
	System redundancy
	Real-time database backups
	Development and QA will be done separate from the production environment
	<b>Software escrow</b>
	A third-party software escrow with the latest major software release must be maintained at all times
	<b>Hardware</b>
	<b>Docking mechanism</b>
	Subscriber can unlock a bike (e.g., via a valid key or card)
	Locking mechanism that opens within configurable number of seconds
	Locking mechanism that closes immediately with moderate docking force
	Defaults to unlocked/open when bike is not present
	Functional user lock-down capability ("wrench button") with permanent visual

	indicator
	Visual and audible indication of successful, failed, or in-progress transaction
	<b>Bike</b>
	Step through design
	Hold someone up to 240 pounds
	Can lock and unlock securely
	Bell
	Front and rear flashing lights when bike is moving; stay illuminated for 60 seconds after bike stops
	Reflective sidewalls on tires
	Within range, an infinitely adjustable seat height with ergonomic lever/tension adjustment and high-contrast height markings
	Carrier not susceptible to trash accumulation
	Wheels greater than or equal to 26" in diameter
	Fenders for front and rear wheels
	Front and rear hand brakes
	Multiple speed drivetrain
	Scratch- and graffiti-resistant frame finish
	Reflectors on pedals, spokes, and front and rear of bike
	Rubber tread on pedals
	Room for safety messaging on handlebar and front cockpit
	Tamper-resistant hardware (including hidden cables and custom wrench fittings)
	Chain guard
	<b>Kiosk station</b>
	Short-term user can unlock one or multiple bikes (e.g., via valid ride code or key). Casual users can use single credit card to rent up to 4 bikes
	Hibernation stage
	Vandal resistant, replaceable screens
	Nearby station functionality
	Multiple languages

**Attachment A**

**Agreement to Continue Pilot Bike Share Program**