

**FRANCHISE AGREEMENT
(Dockless Bike Share System)**

THIS FRANCHISE AGREEMENT is made and entered into on this ___ day of _____, 2018 (“Effective Date”), between the CITY OF SPARKS, a Nevada municipal corporation (hereinafter "City"), and NEUTRON HOLDINGS, INC, DBA LIMEBIKE, a Delaware corporation (hereinafter "Contractor"), with reference to the following facts. City and Contractor are sometimes collectively referred to as the "Parties," or singularly as a "Party." In consideration of the covenants and agreements described below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties covenant and agree as follows:

WITNESSETH:

A. **WHEREAS**, transportation contributes thirty percent of climate pollution in Reno and Washoe County, and 83% of those emissions are from passenger vehicle use; and,

B. **WHEREAS**, bike share is an emerging form of transportation that reduces climate pollution by offering a transportation alternative to passenger vehicle use for short trips taken by residents and visitors, and first and last mile transportation options that augment public transportation; and,

C. **WHEREAS**, bike share programs have been shown to catalyze investments in bicycle infrastructure and facilities; and,

D. **WHEREAS**, bike share systems contribute to the local economy by providing residents and visitors with a unique user experience that encourages greater spending at local retailers and restaurants; and,

E. **WHEREAS**, bike share systems offer a range of benefits, including improved health and wellbeing, reduced traffic congestion, improved air quality, and financial savings for individuals; and,

F. **WHEREAS**, dockless bike share is a scalable solution that is provided by the Contractor at no cost to the City for the bicycles and operations, and minimal cost for bicycle parking infrastructure, code enforcement, and managing the Agreement and partnership with the Contractor; and,

G. **WHEREAS**, the City and its partners the City of Reno, Washoe County, the Reno-Sparks Indian Colony, and the University of Nevada, Reno, agreed to collaborate on a regional dockless bike share pilot program; and,

H. **WHEREAS**, pursuant to NRS 268.081, the City Council may provide or grant exclusive franchises for public transportation and utilities; and,

I. **WHEREAS**, the Contractor is duly qualified to transact business within the State of Nevada, is engaged in the business of providing dockless bike share services; and,

J. **WHEREAS**, the Contractor seeks to utilize the right-of-way for the implementation of a dockless bike share system; and,

K. **WHEREAS**, a review of the Contractor through a competitive public process, indicates that Contractor is ideally situated to undertake the installation, management, implementation, and operations of a dockless bike share system; and,

L. **WHEREAS**, City and Contractor have negotiated an exclusive franchise under which Contractor shall install, operate, and maintain a public bike share system that includes rental of dockless bicycles along with specific equipment and technology affixed to the bicycle to be located in the public rights of way of the City under terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and of the performance by Contractor of the requirements below set forth, and subject to the following terms and conditions, the City grants this Franchise to the Contractor.

ARTICLE 1 DEFINITIONS

For purposes of this Agreement the following words or phrases shall have the following meanings. To the extent of any inconsistency between the definitions of the following terms provided in this Article and the use or definition of those terms that may appear in related City, County, State or Federal laws, ordinances or regulations, the following definitions shall be used in the interpretation of this Agreement.

“Agreement” means this Agreement between the City and Contractor, including all exhibits and future amendments.

“Applicable Law” means all Federal, State and local laws, ordinances, regulations, rules, orders, judgments, decrees, resolutions, permits, approvals, or other type of requirement imposed by any governmental agency having jurisdiction over bicycles available in the right-of-way for public use, including those that are in force and effective as of the Effective Date, as well as such additions and changes thereto as become effective by means of their enactment, amendment, issuance or promulgation at any time after the Effective Date and during the Term of this Agreement.

“Bicycle” or “Bike” refers to standard dockless bicycles, electric assisted dockless bicycles, electric scooters, and related dockless mobility products provided by the Contractor.

“City Representative” means the City Manager, or his/her designee, who may be a City official, employee or an agent of City specifically designated to serve as the City Representative and authorized to act on behalf of the City hereunder.

“Expansion” means Bicycles added to the System over and above the Initial Fleet within the Service Area and within the time limits of this Agreement.

“Initial Fleet” means the initial seven hundred and fifty (750) vehicles in total to be operated for the System.

“Launch Date” means the date that Parties shall make the System available for use by the general public, anticipated to occur in May 2018; provided, however, that Parties makes no representations as to the exact date and shall have no liability for a later launch.

“Participating Entity” or “Participating Entities” means the individual local entities collaborating under an Interlocal Agreement to establish the System serving the Truckee Meadows region. This specifically includes the City of Reno, City of Sparks, Washoe County, University of Nevada, Reno, and the Reno-Sparks Indian Colony.

“Participating Entity Representative” means the designee, who may be a official, employee or an agent of the Participating Entity specifically designated to serve as the Representative and authorized to act on behalf of the Participating Entity hereunder.

“Rates” or “Rate” means the amount consumers shall be charged to use the System by the Contractor under this Agreement.

“Service Area” means the geographic limits of the City of Sparks in which the Contractor shall have the exclusive right and obligation to install, operate, maintain and manage the System pursuant to Applicable Law and this Agreement. The Service Area includes all land in the City of Sparks. If after the Effective Date land is annexed or otherwise added to the City of which is not then in the Service Area (“Annexed Land”), the Annexed Land shall be added to the Services Area.

“Sponsorship” means the branding logo of Sponsor designed by Sponsor, and approved by City to be placed on the Bicycles or within the user experience, for additional System revenue.

“System” means the total sum of the equipment and technology required to install, operate, maintain and manage a system of public transportation that provides, without limitation, the rental of Bicycles within the Service Area under the terms and conditions of this Agreement

“System Logo” means the name and logo for the System.

“Working Days” means, unless otherwise specified, Monday through Sunday, excluding legal State and Federal holidays.

ARTICLE 2

CONTRACTOR’S REPRESENTATIONS, WARRANTIES

2.1 REPRESENTATIONS AND WARRANTIES OF CONTRACTOR

Contractor represents and warrants to City as follows:

A. Business Status

Contractor is qualified to transact business in the State of Nevada and has the corporate power to own its properties and to carry on its business as now owned and operated and as required by this Agreement.

B. Corporate Authorization

Contractor has the authority to enter into and perform its obligations under this Agreement. The Board of Directors of Contractor has taken all actions required by law, its articles of incorporation, its bylaws or otherwise to authorize the execution of this Agreement. Each individual signing this Agreement represents and warrants that he or she is duly authorized to execute and deliver this Agreement on behalf of Contractor, such that this Agreement shall constitute a valid and binding obligation of Contractor enforceable in full accordance with its terms, except only to the extent limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws of general application relating to or affecting enforcement of creditors’ rights.

C. No Conflict

Contractor warrants and represents that, to Contractor’s knowledge, as of the Effective Date neither the execution nor the delivery by Contractor of this Agreement nor the performance by Contractor of its obligations hereunder: (i) conflicts with, violates, or results in a breach of any law or governmental regulation applicable to Contractor; or (ii) conflicts with, violates, or results in a breach of any term or condition of any judgment, decree, agreement (including, without limitation, the certificate of incorporation of Contractor), or instrument to which Contractor is a party or by which Contractor or any of its properties or assets are bound, or constitutes a default under any such judgment, decree, agreement or instrument.

D. Information Supplied By Contractor

To Contractor's knowledge the information supplied by Contractor in all written submittals made in connection with procurement of Contractor's services, including Contractor's financial information, is true, accurate, correct, and complete in all material respects on and as of the Effective Date of this Agreement.

E. Contractor Qualifications

Contractor warrants and represents it has the experience, financial capability and operational capability to perform the Contractor's duties and obligations under this Agreement and meets or exceeds the Qualifications.

**ARTICLE 3
FRANCHISE AGREEMENT**

3.1 AGREEMENT TERM AND EXTENSIONS

A. Initial Term

The Initial Term shall commence on the Effective Date and shall expire on January 31, 2019 (the "Pilot Period").

B. Extension Term

The City may extend the Term of this Agreement by one (1) year by providing written notice to Contractor 60 days prior to the expiration of the Pilot Period.

3.2 CONTRACTOR'S DOCKLESS BIKESHARE SERVICES

A. Exclusive Franchise

City hereby grants Contractor, and Contractor shall have throughout the Term of this Agreement, the exclusive right, privilege, franchise and obligation within the Service Area to install, operate, manage, and maintain the System.

B. Equipment

Contractor shall procure, maintain and replace sufficient equipment to operate the System. All equipment used in the performance of the System shall be maintained in an operational manner to industry standards. Equipment must be designed to withstand the demands of outdoor, shared use. Equipment must be attractive and highly durable; theft and vandal resistant; able to weather winter conditions; safe, comfortable and easy to use by a wide range of users.

1. *Bicycles.* Bikes must include a front light that emits white light and a rear red reflector or light. Bikes must include a basket for user convenience and safety. Bikes that are part of the System must come with a self-locking mechanism, remain upright when parked, and capable of being parked in a standard bicycle rack. Bicycle must be a minimum of 3-gears and accommodate heights ranging from 5'0" to 6'6" with an adjustable bicycle seat. A company Trademark is to appear on each Bicycle in uniform manner. A unique Bicycle identification number must appear on each Bicycle. A 24-hour customer service number must appear on each Bicycle. The use of proprietary parts to deter equipment theft and vandalism is required. All Bikes must be in compliance with all applicable local, state, and federal laws and regulations covering bicycles. This includes the standards outlined in the Code of Federal Regulations (CFR) under Title 16, Chapter II, Subchapter C, Part 1512 – Requirements for Bicycles. Additionally, permitted systems shall meet the safety standards outlined in ISO 43.150 – Cycles, subsection 4210.

2. *Electric-assist Bicycles.* Bikes must meet the requirements of the Bicycle in Section 3.2 (B)(1) and must meet the National Highway Traffic Safety Administrations (NHTSA) definition of low-speed electric bicycles; and shall be subject to the same requirements as the other bikes described herein. Electric-assist bikes shall have fully operable pedals, an electric motor of less than 750 watts, and produce no more than one (1) brake horsepower, and a top motor-powered speed of less than 20 miles per hour. If providing electric-assist Bicycles, the Contractor must demonstrate the ability to comply with local and state regulations around motorized vehicles and must notify users of requirements before use of the electric assist Bicycle. Contractor must comply with applicable laws NRS 484B.

3. *Electric Scooters.* Electric scooters shall an electric motor of 250 watts and a top motor-powered speed of less than 15 miles per hour. Electric scooter shall be 3.5 feet tall and 3 feet long weighing no more than 30 pounds with 8” solid wheels and the frame made from magnesium alloy. The scooter shall be powered by a lithium battery with a travel range of 30 to 37 miles in distance.

Contractor regularly improves upon its fleet, with an eye toward improving safety and the customer experience; any resultant changes to these specifications shall be shared with the City. If providing electric scooters, the Contractor must demonstrate the ability to comply with local and state regulations and must notify users of requirements before use of the electric scooter. Contractor must comply with applicable laws NRS Chapter 484B.

C. Technology

Commencing on the Effective Date, and throughout the term of this Agreement, Contractor shall have the right and obligation to install, operate, manage and maintain the System.

1. *Mobile Application.* Contractor’s mobile application, available via both Apple and the Google Play store, accepts payments and promotional codes, handles all aspects of rental transactions (including unlocking the Bicycle), hosts user profiles with user history, and provides information on bike availability and locations. Further, the application allows users to report issues with the Bicycle or Bicycle parking. Contractor’s app also identifies and recommends preferred parking spots (which can be identified with input from the community). The app will also discourage improper parking with pop-up notifications when a rider crosses into a restricted area (e.g. pedestrian pathway or bus stop). The app can also provide the rider with examples of proper biking protocols. The LimeBike app rewards model behavior through guides like financial incentives or competition badges. Finally, it also penalizes bad behavior with fines and account suspension for repeat bad parkers.

2. *Global Positioning System (GPS) Technology.* GPS technology or equivalent technology on or in the Bicycle is required to provide real-time tracking of Bicycle location for security and routes and to record trip data. Solely utilizing GPS tracking from a user’s phone is not an acceptable means of tracking the System.

3. *Geofencing.* The ability to virtually designate the System Service Area(s) and parking areas, either short-term or long-term, to support fleet management.

D. Contractor to Furnish Resources

The services to be provided by Contractor pursuant to this Agreement shall be in conformance with the requirements include the furnishing of all labor, supervision, vehicles, equipment, materials, supplies, and all other items necessary to operate the System, and the payment of all related expenses including all fees, taxes, utility charges, etc. Contractor shall provide the System using standard industry practice for comparable operations.

3.3 ADDITIONAL OBLIGATIONS OF CONTRACTOR

As part of the consideration under this Agreement, Contractor agrees to the following:

A. Parking Siting Plan

The City reserves the right to require the selected Contractor(s) to establish a parking siting plan to ensure adequate capacity and signage for bike share Bicycle parking. This option may be exercised by the City to designate specific areas for Bicycle parking or a hybrid free-floating bike share system. Contractor shall work with the City to determine best approaches to parking.

B. Annual User Survey

Contractor shall collaborate with the Participating Entities and conduct an annual user survey to collect user demographics, trip motives, and customer service and general feedback.

C. Equity

Contractor must ensure that the System equitably services low-income neighborhoods, which may include ensuring accessibility of Bicycles in low-income neighborhoods, offering means of accessing Bicycles regardless of the user's ability to access a smartphone and/or a credit or debit card, and offering a bilingual mobile app for Spanish.

D. Multi-Modal Interoperability

Participating Entities prefer a regionalized System that increases the accessibility of other modes of transportation and builds upon a cohesive regional transportation network. Contractor shall provide a System that can interact with other modes of transportation, such as public transit, car sharing services, ride hailing services, and existing bike share services, as the technology becomes available. Contractor is required to work in a cooperative manner with the existing and emerging multi-modal transportation systems. This includes, but is not limited, to car sharing services, the Regional Transportation Commission of Washoe County ("RTC"), and other bike sharing services that may be allowed in the future.

E. Relocation of Bicycles

For Bicycles on public property, the City may require the Contractor to relocate Bicycles to another location if the current location needs to be used for a foreseeable municipal purpose. City shall have the right, but not the obligation, to relocate Bicycles to another location upon twenty-four (24) hours prior written notice to Contractor. Contractor expressly agrees to pay City's costs in making such relocations. In cases of emergency or unforeseen circumstances, the City may relocate Bicycles to another location without notice to Contractor.

3.4 COMPENSATION TO CONTRACTOR; RATES

Contractor shall be entitled to charge and collect the Rates from consumers for use of the System, as more fully provided in Section 5.1 of this Agreement.

3.5 CONTRACTORS FEES; BUSINESS LICENSE

A. Franchise Fee

Contractor shall pay to the City an annual Franchise Fee during the Term and any extensions equal to ten dollars (\$10.00) per Bicycle which is based on the Initial Fleet released in the Service Area at the Launch Date. This fee will increase by ten dollars (\$10.00) per Bicycle at the time of any Expansion in the Service Area.

For the Initial Term, the Franchise Fee will be split equally between the Participating Entities.

B. Adjustment of Franchise Fee

The Franchise Fee shall be increased in proportion to changes in the Bicycle fleet size hereof and the City reserves the right to increase or decrease the Franchise Fee upon ninety (90) days written notice to Contractor.

C. Payment of Franchise Fees by Contractor

The Franchise Fee during the Pilot Period and any extensions of the Term shall be paid by Contractor on or before the 45th day following the Launch Date or any Fleet Expansion. Contractor shall provide to City along with the payment a report as outlined in Section 7.2, attested to by a representative of Contractor as being true and correct. Any Franchise Fee not paid by the date due shall bear interest at Seven Percent (7%) per annum until paid. The Franchise Fee and the calculation thereof shall be subject to audit and inspection by the City under Section 6.3 below and Contractor shall cooperate fully in all such audits and inspections.

D. Sponsorship Percentage Charge

The intent of the Participating Entities is work with Contractor during the Pilot Period to determine reasonable revenue share based on Sponsorships secured for the System. This will be assessed by the Participating Entities during the Pilot Period and written modifications aligned with the Extension Term may be determined and mutual agreed upon by all Participating Entities and the Contractor.

E. No Additional Fees or Charges

The Franchise Fee and Sponsorship Percentage shall be the only fees or compensation paid by Contractor to City in connection with the System and this Agreement and no other permit, privilege or other fee, tax or charge shall be imposed by City upon Contractor; provided; however, that nothing in this section shall modify the obligation of Contractor to pay business licensing fees, building permit fees, and other similar fees relating any automobile ownership/operations or facility construction.

F. Business License

Contractor shall obtain a City business license prior to the Pilot Period and the placement of any bikes in the City. City agrees that in lieu of a business license fee during the Pilot Period, the Franchise Fee defined in 3.5.A above shall be considered the business license fee and no separate for business license fee will be paid by Contractor. Parties mutually agree that the Franchise Fee may be reconsidered at the end of the Pilot Period and a business license tax may be imposed by City upon 60-day notice to Contractor.

3.6 INFORMATION MANAGEMENT SYSTEMS

Contractor shall maintain such information management systems as are needed to collect, store, and organize operational and financial data, and to produce the reports and plans as specified in this Agreement. All data shall be backed up so as to ensure no loss of data due to computer failure. Data collected by Contractor shall not be sold without the express written consent of City.

3.7 ADOPTION BY CITY OF ORDINANCES AND AMENDMENTS

On or before the Effective Date hereof and thereafter during the Term of this Agreement, City shall adopt and thereafter maintain new or amended ordinances reasonably necessary or appropriate to implement and make enforceable and binding the terms and conditions of this

Agreement; provided, however, subject to Contractors rights under this Agreement, City shall have the right and discretion to adopt and amend ordinances or otherwise exercise its regulatory authority relating to the subject matter of this Agreement. Pursuant to this Franchise Agreement, LimeBike is exempt from the provisions of Sparks Municipal Code 10.72.010 through and including 10.72.080.

ARTICLE 4 OPERATIONS

4.1 PERSONNEL

Contractor shall furnish qualified operational, mechanical, supervisory, clerical, educational, and other personnel as necessary to provide the System required by this Agreement in a safe and efficient manner and otherwise as provided in this Agreement. Contractor must provide ground operations to ensure the safety, accessibility, and responsible placement of Bicycles and to meet the Service Levels outlined in Exhibit A.

A. Customer Service.

Contractor shall provide customer service via multiple mechanisms (e.g.: mobile applications, website, phone number, live chat), enabling members of the public to ask questions, report bikes that are damaged or improperly parked, request refunds, or otherwise receive support. Customer support is available 24/7/365 in both English and Spanish; 90% of all calls are handled within one hour. Multiple languages are preferred. A toll-free or local customer support number must be visible on all Bicycles provided through the System. Coordination with Participating Entities on issue reporting processes, which can include Washoe311, RenoDirect, non-emergency call services, or direct phone calls. Contractor must be able to receive courtesy notifications on bike issues. Contractor must serve as an “active ticket resolver.” Contractor must also provide a reliable and up-to-date method for Participating Entities Representatives to report issues directly to local Contractor personnel.

B. System Rebalancing and Maintenance.

Daily bike rebalancing and distribution, including ensuring a minimum number, which is 90% of the total fleet, functional Bikes are operational each day within the Service Area of each Participating Entity. Contractor must be able to ensure that all Bikes in its fleet available to the public are in good working order and safe to operate. Exhibit A defines the required maintenance schedule. A plan must be in place to maintain charge on pedal-assist Bicycles and electric scooters. Equipment inspection, maintenance and repair shall be consistent with or should exceed manufacturer’s recommendations. If operational in the winter, Contractor must provide services to ensure Bicycles are accessible and safe to use. Contractor must provide a plan for operations in the case of weather-related emergencies that prioritizes the safety of users and is responsive to Participating Entity concerns.

C. Marketing, Outreach, and Education.

The Contractor must provide education and outreach efforts to inform the general public of program awareness and bicycle safety. Contractor shall collaborate with the Participating Entities in the development and implementation of the Outreach and Education Plan for the System. Contractor must provide specific bicycle safety tips on the website, social media platforms, and through the System mobile application. Contractor shall collaborate on development and dissemination of a media campaign in advance of the System launch and during the initial weeks or months of the System rollout.

Contractor will collaborate with the Participating Entities on attending community and university events to promote the program. Contractor shall offer promotions during the initial two (2) week launch period and periodic new rider promotions to build ridership.

4.2 PARKING REQUIREMENTS

The Contractor shall demonstrate ability to comply with the following Bicycle parking requirements:

1. Bicycles shall be parked in the part of the sidewalk adjacent to the roadway curb (so long as 48-inches of pedestrian clear zone is maintained), at a public bike rack, or other locations expressly permitted by the City that is consistent with the local laws and regulations.

2. Bicycles must not be parked immediately adjacent to or within: transit zone, loading zone, accessible parking zone or other facilities specifically designated for handicap accessibility, fire hydrant, street furniture, curb ramp, entryway, driveway, parklet. Bicycles may not be parked in a manner that in any way violates ADA accessibility requirements.

3. Use of public sidewalks must not: (i) adversely affect the streets or sidewalks (ii) inhibit pedestrian movement (iii) act as a barrier to an accessible path of travel or (iv) create conditions which are a threat to public safety and security. Should the City find any bicycles deemed to be a threat to public safety and security, the City will immediately contact Contractor, who will have one hour to retrieve the bicycle(s) and rectify the situation. Failure to do so may result in immediate removal by the City at the expense of the Contractor and possession of the bicycle shall be maintained by the City until such time as Contractor reimburses the City for expense of removal.

4. Bicycles parked in one location for more than three (3) consecutive days without moving may be removed by the City at the expense of the Contractor. Before removal, City will undertake reasonable efforts to contact Contractor to seek resolution. Possession of the bicycle shall be maintained by the City until such time as Contractor reimburses the City for expense of removal.

5. Any Bicycle that is parked incorrectly shall be re-parked or removed by the Contractor based on these times: 1) 8 a.m. – 6 p.m. on weekdays, not including holidays – within three hours of receiving notice. 2) All other times – within 12 hours of receiving notice.

6. An inoperable Bike, or any Bicycle that is not safe to operate, shall be made not available to the public immediately and removed, or efforts to remove, from the public right-of-way by the Contractor within four hours of notice.

7. The Contractor must inform customers of how to appropriately park Bicycles through multiple means of communication, such as but not limited to mobile app, social media, videos, traditional media, etc.

4.3 [RESERVED].

4.4 SERVICE COMPLAINTS AND RESOLUTION

Contractor shall maintain computer records of all oral and written service complaints registered with Contractor from System users and the general public (“Complaint Record”). Contractor shall be responsible for prompt and courteous attention to, and prompt and reasonable resolution of, all customer complaints. Contractor shall record the Complaint in the customer file contained in the Contractor’s customer database, noting the name of complainant, date and time of complaint, nature of complaint, identity of supervisor, and nature and date of resolution. The

nature of complaint shall be categorized to facilitate understanding and evaluation. City has the right under this Agreement to inspect the Complaint's and Contractor's records of local Complaints made against Contractor upon written request to Contractor at any time.

ARTICLE 5 COMPENSATION TO CONTRACTOR

5.1 COMPENSATION TO FRANCHISEE; RATES

The Contractor is entitled to one hundred percent (100%) of the compensation derived from users of the System. Contractor shall be entitled to adjust Rates without consent from the City.

A. Discounts.

Contractor shall provide discounts for students and seniors. Seniors discounts shall be available to individuals 60 and older through partnerships with qualified social service providers. Contractor welcomes assistance from Participating Entities to engage with qualified providers, which will speed up our ability to provide such services to their members. Contractor shall offer bulk purchasing discounts for organizations that offer bike share memberships to employees as an element of commute trip reduction program.

B. Rates.

Under this Agreement the initial Rates shall be:

1. \$1 per 30-minute ride on standard pedal Bicycle.
2. \$1 to unlock and \$0.15 per minute for electric assist Bicycles and electric scooters.
3. Discounted plans available for low-income populations, students, and businesses.
4. Franchisee may seek additional sponsorship revenue to support the System. All such additional revenue shall derive entirely to Contractor unless otherwise agreed with Participating Entities in advance.

5.2 COMPENSATION TO FRANCHISEE; FROM THE CITY

The City will provide no financial compensation to Contractor to provide the System during the Term or Extension Term of this Agreement.

ARTICLE 6 BILLING; COLLECTION AND PAYMENT

6.1 BILLING, COLLECTION; FROM THE CONSUMER

Contractor is responsible for billing the consumer and collecting Rates. Contractor shall be entitled to establish rules, procedures and requirements for consumers to use the System and for collecting any amount payable for the System.

6.2 RECEIPT OF PAYMENT; FROM THE CONSUMER

Contractor shall record all amounts received from System users into an appropriate accounting format.

6.3 AUDIT OF FEE

The City's Business License Division may perform an audit of Contractor's records and data specifically relevant to the calculation and payment of the Franchise Fee, as set forth in this Article.

ARTICLE 7 RECORD KEEPING, REPORTING AND INSPECTION

7.1 RECORD KEEPING AND DATA

A. Accounting Records

Contractor shall maintain full, complete and separate financial, statistical and accounting records and accounts, pertaining to the Rates and Franchise Fee calculations and payments. Such records shall be subject to audit, copy, and inspection by City Representative or designee at any time during normal business hours upon prior written reasonable notice. Contractor shall maintain such records for a period of not less than five (5) years following the close of each of Contractor's fiscal years.

B. Data Access

Contractor shall maintain data and records of the services provided under the Terms of this Agreement and provide this information to the City at no cost. Contractor agrees to provide select data to be made available for police investigations. The Contractor must provide "dashboard" access to identified personnel at the City so aggregated data can be reviewed as needed.

1. Bike location data must include data available on a per-bike, real-time basis which includes: i) Point location of parked bikes (GPS coordinates); ii) Bicycle identification number; iii) Type of Bicycle; iv) Battery charge level (for electric-assist bikes and scooters)

2. Trip-level data must include: i) Anonymized data for each trip record to inform and support safe and effective management of the System; and ii) for transportation planning efforts. Contractor must provide the following fields to the Participating Entities at least quarterly:

Field Name Format (example)

Trip Duration MM:SS

Trip Distance Miles

Start Date MM, DD, YYYY

Start Time HH, MM, SS

End Date MM, DD, YYYY

End Time HH, MM, SS

Start Location GPS Coordinates

End Location GPS Coordinates

3. System heat maps are required to show the Bicycle distribution and GPS-based natural movement of the System.

C. Data Security

Contractor will be responsible for providing secure user applications. The appropriate safeguards within the environment should include the use of encryption software and

unique IDs and passwords to protect the data's confidentiality, integrity, and availability. All applications must meet security standards appropriate for the information type that they will be storing, processing or transmitting. If the application will not be storing, processing or transmitting any explicitly regulated information, then PCI DSS 3.1 compliance standards will be used as a best practices guide. All applications must meet PII standards which are based on NIST standards. Personally, identifiable information (PII) must be physically stored within solution architecture within the United States. Contractor must provide most recent third-party PCI audits.

D. Sale of data

Contractor is required to follow all local, state, and federal laws and regulations with respect to personally identifiable information and credit card information. Contractor shall not resell users' personally identifiable information.

7.2 ROUTINE REPORTING

A. General

Annual and quarterly reports shall be submitted to the City within forty-five (45) days after the end of the reporting period which include a narrative summary of System operation and supporting quantitative data.

B. Reporting Standards

Anonymized and aggregated data for the City that must include, but is not limited to: i) Total number of bikes in service; ii) Total number of bikes out of service (damaged); iii) Total unique users of System by month; iii) Total equity users of System by month; iv) Trip number by day, week and month broken out by Participating Entity; v) Detailed, aggregate trip origin/destination information for planning purposes; vi) Average trip length; vii) Average trip duration (time); ix) Total miles ridden x) Total number of rentals; xi) Summary of bike re-distribution activities; xii) summary of customer comments/complaints and resolution; xiii) summary of theft/vandalism and resolution; xiv) summary of bike maintenance activities. Contractor will collaborate with Participating Entities to gather and report data on community benefits, such as calories burned and reduction in greenhouse gas emissions.

C. Maintenance and customer service reports

Record of all maintenance performed for each Bicycle, all reported collisions, and all customer services inquiries and resolutions provided on a monthly basis.

7.3 INSPECTION BY THE CITY

City Representative, or designee(s), shall have the right to observe and review Contractor's facilities and records specifically relevant to the amount of Approved Bicycle Fleet Size accepted under this Agreement and the calculation of the Rate and Franchise Fee and in connection therewith to enter the Contractor's facility premises during normal business hours for the purposes of such observations, and review at any time upon not less than twenty four (24) hours prior written notice. City Representative shall notify Contractor's representative upon arrival. City Representative will comply with all policies and procedures of Contractor when on Contractor's premises. Contractor may condition any such entry in or upon Contractor's premises, by City Representative or designee(s), on the prior execution of a waiver of any liability of Contractor for any injury or damages suffered by City Representative or designee(s), or their respective heirs and assigns, or others claiming by, through or under them, arising out of or relating to such entry.

ARTICLE 8 INDEMNITY, INSURANCE, PERFORMANCE SECURITY

8.1 INDEMNIFICATION OF THE CITY

Contractor agrees to and shall indemnify, defend and hold harmless City its officers, officials, employees, volunteers, agents and assigns (collectively, the “Indemnitees”) from and against any and all costs, damages, loss, liability, fines, penalties, forfeitures, claims, demands, actions, proceedings or suits (whether administrative or judicial), in law or in equity, of every kind and description, (including, but not limited to, injury to and death of any person and damage to property) including without limitation court costs and reasonable attorneys' fees, resulting from or in connection with arising directly or indirectly out of or from or on account of: (i) the installation, operation, maintenance or use of the System within the Service Area by any individual, regardless of whether Contractor granted permission to use the System; (ii) the failure of Contractor to comply with this Agreement; and (iii) the performance by Contractor, its officers, agents, employees, and subcontractors of the System or other obligations of Contractor hereunder, except in each case to the extent caused by the default, negligence or intentional misconduct of City. The indemnification obligation hereunder shall arise only in excess of any available and collectible insurance proceeds, and the Contractor shall be liable hereunder to pay only the amount of damages, if any, that exceeds the total amount that all insurance has paid for the damages, plus the total amount of all deductible and self-insured expenses paid under all insurance policies.

8.2 INSURANCE SCOPE AND LIMITS

A. Insurance Required

During the Term of this Agreement Contractor shall procure and maintain the following minimum insurance coverage, to the extent available:

1. *Commercial General Liability*: Commercial General Liability Insurance with limits of not less than One Million Dollars (\$1,000,000) per occurrence with an aggregate of Two Million Dollars (\$2,000,000). This policy shall be issued on a per-occurrence basis.

2. *Automobile Liability*: Comprehensive Automobile Liability Insurance with limits for bodily injury of not less than One Million Dollars (\$1,000,000). Coverage shall include owned and non-owned vehicles used in connection with the Agreement.

3. *Worker's Compensation*: A policy of Worker's Compensation insurance as may be required by the Nevada Revised Statutes.

B. Other Insurance Provisions

The insurance policies shall contain, or be endorsed to contain, the following provisions:

1. City, its officers, officials, employees and volunteers are to be covered as additional insureds with respect to liability arising out of automobiles owned, leased, hired or borrowed by or on behalf of Contractor; and with respect to liability arising out of work or operations performed by or on behalf of Contractor including materials, parts or equipment furnished in connection with such work or operations.

2. Contractor's insurance coverage shall be primary insurance in relation to the City, its officers, officials, employees, agents and volunteers. Any insurance or self-insurance maintained by City, its officers, officials, employees, agents or volunteers shall be excess of Contractor's insurance and shall not contribute with it.

3. Each insurance policy required by this clause shall be occurrence-based, or an alternate form as approved by City and shall be endorsed to state that coverage shall not be

canceled by the insurer or reduced in scope or amount except after thirty (30) days prior written notice has been given to City.

4. Contractor's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5. Worker's Compensation and Employers Liability Coverage. The insurer shall agree to waive all rights of subrogation against the City, its officers, officials, employees and volunteers for losses arising from work performed by Contractor for City.

C. All Coverages.

Each insurance policy required by this Article shall be occurrence-based or an alternate form as approved by the City and endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City.

D. Verification of Coverage

Contractor shall furnish City, within 30 days after the Effective Date and upon request of City thereafter, with original certificates evidencing coverage required.

E. Acceptability of Insurers

All insurance policies required by this Article shall be issued by admitted insurers in good standing with and licensed to do business in the State of Nevada, and possessing a current A.M. Best, Inc. rating of B+ FSC VIII or better.

F. Subcontractors

Contractor shall include all subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each subcontractor. All coverages for subcontractors shall be subject to all of the requirements stated in this Section.

G. Liability Coverage Amounts

Not more often than every five (5) years during the Term, City shall be entitled to increase the amount of liability insurance coverage required under this Section 8.2 if such coverage is below amounts generally accepted for similar services. In that event, City and Contractor will cooperate in good faith to establish the amount of liability insurance coverage generally accepted for similar services and Contractor will provide such liability coverage amounts.

H. Additional insured

All insurance policies should list all the Participating Entities as the additional insured party to the policy.

Participating Entity Full Name and Mailing Address:

1. City of Reno, c/o City Manager's Office, 1 E 1st St, Reno, NV 89501
2. City of Sparks, c/o Community Services, 431 Prater Way, Sparks, NV 89431
3. Washoe County, c/o Washoe County Manager's Office, P.O. Box 11130, Reno, NV 89520-0027
4. Reno-Sparks Indian Colony, c/o Planning Department, 34 Reservation Road, Reno, NV 89502

5. Board of Regents of the Nevada System of Higher Education on behalf of the University of Nevada, Reno, Attn: Risk Management, 70 Artemesia Way/ MS 0241, Reno Nevada 89557-0241

ARTICLE 9 TERMINATION

Either Party may terminate this Agreement upon ninety (90) days written notice to the other Party.

ARTICLE 10 MISCELLANEOUS AND OTHER AGREEMENTS OF THE PARTIES

10.1 RELATIONSHIP OF PARTIES

The Parties intend that Contractor shall operate the System as an independent Contractor engaged by City and not as an officer or employee of City or as a partner of or joint venturer with City. No employee or agent of Contractor shall be or shall be deemed to be an employee or agent of City. Except as expressly provided herein, Contractor shall have the exclusive control over the manner and means of operating the System and all persons performing such services on behalf of Contractor. Neither Contractor nor its officers, employees, subcontractors, and agents shall obtain any rights to retirement benefits, workers' compensation benefits, or any other benefits which accrue to City employees by virtue of their employment with City.

10.2 FORCE MAJEURE

Provided that the requirements of this Section are met, Contractor shall not be deemed to be in default and shall not be liable for failure to perform under this Agreement if Contractor's performance is prevented or delayed by acts of terrorism, acts of God including landslides, public or private construction activities, lightning, forest fires, storms, floods, freezing and earthquakes, civil disturbances, wars, blockades, public riots, explosions, unavailability of required materials, work stoppages or lockouts, governmental restraint or other causes, whether of the kind enumerated or otherwise, that are not reasonably within the control of the Contractor ("Force Majeure"). If as a result of a Force Majeure event, Contractor is unable wholly or partially to meet its obligations under this Agreement, it shall promptly give the City written notice of the Force Majeure event, describing it in reasonable detail. The Contractor's obligations under this Agreement shall be suspended, but only with respect to the particular component of obligations affected by the Force Majeure event and only for the period during which the Force Majeure event exists.

10.3 COMPLIANCE WITH LAW

In providing the services required under this Agreement, Contractor shall at all times, at its sole cost, comply with all Applicable Laws, including all permit requirements for Dockless Bike Share Service.

10.4 GOVERNING LAW

This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Nevada.

10.5 JURISDICTION AND VENUE

Any lawsuits between the Parties arising out of this Agreement shall be brought and concluded in the courts of Washoe County in the State of Nevada, which shall have exclusive

jurisdiction over such lawsuits. With respect to venue, the Parties agree that this Agreement is made in and will be performed in County of Washoe in the State of Nevada.

10.6 [Reserved]

10.7 [Reserved]

10.8 NON-DISCRIMINATION

Contractor shall not discriminate in the provision of service or the employment of persons engaged in performance of this Agreement on account of race, religious creed, color, national origin, ancestry, physical handicap, medical condition, marital status, or sex of such persons or as otherwise prohibited by law.

10.9 BINDING ON SUCCESSORS

The provisions of this Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the Parties.

10.10 PARTIES IN INTEREST

Except as expressly provided to the contrary herein, nothing in this Agreement, whether express or implied, is intended or shall be deemed to confer any rights on any persons other than City and Contractor and their representatives, successors and permitted assigns.

10.11 WAIVER

The waiver by either Party of any breach or violation of any provisions of this Agreement shall not be deemed to be a waiver of any breach or violation of any other provision, nor of any subsequent breach or violation of the same or any other provision. The subsequent acceptance by either party of any monies that become due hereunder shall not be deemed to be a waiver of any preexisting or concurrent breach or violation by the other party of any provision of this Agreement.

10.12 NOTICE

A. Notice Procedures

Except as otherwise specifically provided herein, all notices, demands, requests, proposals, approvals, consents and other communications made in connection with this Agreement shall be in writing and shall be effective when personally delivered to a representative of the Parties at the address below or deposited in the United States mail, first class postage prepaid, addressed as follows:

If to CITY: City of Sparks
 c/o: Community Services Department
 Transportation Manager
 431 Prater Way
 Sparks, NV 89431

If to CONTRACTOR: LimeBike
 Attn: _____
 2121 S El Camino Real
 B-100
 San Mateo, CA 94402

The address to which communications may be delivered may be changed from time to time by a notice given in accordance with this Section 10.12.

10.13 ACTION BY CITY; CITY AND FRANCHISEE REPRESENTATIVE

Subject to the restrictions provided in this Section, whenever action or approval by City is required under this Agreement, the City Council hereby delegates to the City Representative the authority to act on or approve such matter unless specifically provided otherwise in this Agreement or unless the City Representative determines in his or her sole discretion that such action or approval requires referral to the City Council. The City Representative will have the authority to make approvals, issue interpretations, waive provisions, execute all necessary documents enter into amendments and otherwise take actions on behalf of the City relating to this Agreement. All actions of City Representative are subject to appeal by Contractor to the City Council and Contractor is entitled to rely on all actions of the City Representative. Any alteration, change or modification of or to this Agreement, in order to become effective, will be made in writing and in each instance signed on behalf of each party. Contractor shall, by the Effective Date, designate in writing a responsible official, or duly authorized agent, who shall serve as the representative of Contractor in all matters related to the Agreement and shall inform City in writing of such designation and of any limitations upon his/her authority to bind Contractor. City may rely upon action taken by such designated representative as action of Contractor. Notwithstanding anything to the contrary in this Section 10.13, the City Council shall have the sole authority to take the following actions; i) termination of this Agreement under Section 9.3 of this Agreement, and ii) any increase or decrease of the Fee.

10.14 ENFORCEMENT

Contractor shall be entitled to independently enforce against third parties the terms, covenants, conditions and requirements of this Agreement and City ordinances related thereto, including without limitation defending challenges thereto and to prevent violations by third parties thereof (including without limitation the right and obligation to provide the System). City shall reasonably cooperate in such enforcement; provided, however, City shall not be required to incur third party costs in connection therewith.

10.15 [Reserved]

10.16 ENTIRE AGREEMENT

This Agreement constitutes the entire agreement between the Contractor and City with respect to the subject matter hereof and supersedes all previous Agreement negotiations, proposals, commitments, writings, advertisements, publications, and understanding of any nature whatsoever unless expressly included in this Agreement.

10.17 REFERENCES TO LAWS

All references in this Agreement to laws shall be understood to include such laws as they may be subsequently amended or recodified, unless otherwise specifically provided.

10.18 INTERPRETATION

Each of the Parties has received the advice of legal counsel prior to signing this Agreement. Each Party acknowledges no other party or agent or attorney has made a promise, representation, or warranty whatsoever, express or implied, not contained herein concerning the subject matter herein to induce another party to execute this Agreement. The Parties agree no provision or provisions may be subject to any rules of construction based upon any party being considered the party "drafting" this Agreement.

10.19 MODIFICATION

Any matters of this Agreement may be modified from time to time by the written consent of both Parties without, in any way, affecting the remainder.

10.20 SEVERABILITY

If any provision of this Agreement is for any reason found or deemed to be invalid or unenforceable, this Agreement shall be construed as not containing such provision. All other provisions of this Agreement which are otherwise lawful shall remain in full force and effect, and shall be enforced as if such invalid or unenforceable provision had not been contained herein, and to this end the provisions of this Agreement are hereby declared to be severable.

10.21 COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be considered an original.

[Signature page follows]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date written above.

“CONTRACTOR”

NEUTRON HOLDINGS, INC, DBA LIMEBIKE

By _____


CITY OF SPARKS

By _____
Geno Martini, Mayor

ATTEST

By _____
City Clerk

APPROVED AS TO LEGAL FORM:

By _____
City Attorney's Office

EXHIBIT A

Service Level Agreement

Implementation Phases

LimeBike anticipates launching an initial fleet of 750 bikes across the service area. We anticipate launching only standard pedal Bicycles, which will enable us to quickly identify the topographic, geographic, and sociographic conditions of the greater Reno area. These lessons will guide subsequent deployments, potentially including e-bikes and scooters.

Number of Bicycles

Based on the geographic spread and population of the Participating Entities, LimeBike would launch with 750-1000 Bikes. In this case, we suggest launching on the smaller side of that range, to both quickly ensure consistent, organized operations and to minimize the psychological impact on the community of a sudden influx of new mobility options. However, we anticipate significant early usage, with growth coming quickly as the spring months turn to summer. Early usage and community response will inform further expansion, including both timeline and product mix.

Number of E-Bikes

We do not anticipate deploying E-Bikes in phase 1. However, based on lessons learned and demand, we foresee adding e-bikes in the summer months.

Number of E-Scooters

We do not anticipate deploying electric scooters in phase 1. However, based on lessons learned and demand, we foresee adding e-scooters in the summer months.

Performance Indicators

The following performance indicators shall be met and reported to help the Participating Entities measure our success serving their citizens and improving the livability and mobility of the Truckee Meadows region. LimeBike will maintain its bikes to be in an excellent state of cleanliness and repair, with a minimum of 90% of deployed bikes operable at any time.

Performance Indicator	Description	Measurement Tool	Minimum Performance Standard	Reporting Frequency
App & customer service support portal	LimeBike reservation System fully operational	Uptime reporting	99.5% uptime.	Monthly
Bicycle distribution	Maps identifying trends in peak bike distribution	Maps showing aggregate usage patterns	Fleet will focus on serving the Participating Entities	Monthly
Bicycles in service	Bikes in service	Daily uptime reports	Deploy and maintain a minimum of 750 Bicycles in service in any calendar month. Bicycles will be	Monthly

			phased into deployment over a 6 week period and can be increased based on usage and demand.	
Report-responsive	Response time to improper bike parking / other problems communicated to Customer Service	Time relative to report logs	<p>Within three (3) hours during business hours between 8am to 6pm Monday through Friday except for State and Federal holidays.</p> <p>For any complaint outside of business hours, within twelve hours (12) of receiving notice or within two hours of the start of the next business day.</p>	Monthly

EXHIBIT B

Service Area Map

