

REPORT FROM

## OFFICE OF THE CITY ADMINISTRATIVE OFFICER

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Date: December 12, 2016

CAO File No. 0220-05293-0000

Council File No. 15-1227

Council District: 1,9,10,13,14

To: The Transportation Committee

From: Miguel A. Santana, City Administrative Officer

Reference: **Transportation Committee Request on December 7, 2016 for a CAO Report Back**

Subject: **Electric Vehicle Car Share Pilot Program**

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### SUMMARY

On December 7, 2016 the Transportation Committee considered the Department of Transportation (DOT) and City Administrative Officer (CAO) report(s) relative to the DOT request to enter into a contract with Blue California, LLC for an Electric Vehicle (EV) car share pilot program in select communities as part of a \$1.67 million grant awarded by the California Air Resources Board (CARB).

Blue California will provide an upfront financial investment of up to \$10 million for infrastructure and equipment installation, vehicle leasing, operations and maintenance, staffing costs, and technology systems needed to implement the program. Some of this investment may be required to be reimbursed should the City terminate early or elect to not renew. After discussions on the potential pros and cons of entering into this type of contract, the Chair of the Transportation Committee requested the CAO to work with the Chief Legislative Office (CLA) and DOT to provide additional clarity on the fiscal implications and address outstanding items of concern and report back.

### RECOMMENDATIONS:

That the City Council, subject to approval of the Mayor:

1. Authorize the General Manager of the Department of Transportation (DOT) to execute a contract with Blue California, LLC. to install, operate and maintain an electric vehicle (EV) car share pilot program in selected communities for an 11 year term (five years effective from the date of contract execution, with three two-year options for renewal), for a total compensation not to exceed \$600,000, and subject to the approval of the City Attorney as to form and legality;

2. Direct the General Manager of the DOT to report back and seek City Council approval should the Department elect to terminate the contract over the 11 year term; or not exercise the renewal options as there is a fiscal impact;
3. Direct the General Manager of the DOT to report back and seek City Council approval should there be a desire to expand the pilot program to other areas;
4. Recommend that the franchise exemption be capped to this pilot area and this operator;
5. Recommended that should this pilot program be expanded to other areas in the City that the Department seek Full Cost Recovery for applicable Permits and Fees through either a grant reimbursement or the car share operator;
6. Recommend that DOT be instructed to ensure that graffiti removal meets existing city standards to ensure compliance with the City's zero tolerance policy;
7. Authorize the General Manager of the DOT to execute a Memorandum of Understanding (MOU) with the Steering Committee, a collaboration of community based organizations located within and around the project area to provide program services to enhance EV car share member recruitment, project design, communication, outreach and marketing services for a term of three years effective from the date of contract execution, for a total compensation not to exceed \$492,000, subject to the approval of the City Attorney as to form and legality;
8. Instruct the General Manager of the Los Angeles Department Water and Power (LADWP) and the General Managers of the Public Works Bureaus of Contract Administration and Engineering in collaboration with DOT, to establish an EV infrastructure installation planning and approval process that meets the project's operational requirements and City criteria; ensure the on-time commercial launch of the car share project; and dedicate adequate support staff and resources through completion of the installation.
9. Authorize DOT to invoice Blue California for parking related costs and deposit these funds into the Special Parking Revenue Fund No. 363 in an account TBD as revenue to offset the loss of parking meter receipts;
10. Request the City Attorney to draft an amendment to the Los Angeles Municipal Code Section 80.58.1 to add a new subsection which exempts EV Charging Stations installed as part of an EV car share Disadvantaged Communities Pilot Program from the provisions of Los Angeles Municipal Code Section 62.08. Above Ground Facilities Installation Ordinance.
11. Authorize the General Manager of the DOT, or designee, to prepare Controller instructions and/or make any technical adjustments that may be required to implement the actions approved by the Mayor and Council on this matter, subject to the approval of the City Administrative Officer, and authorize the Controller to implement these instructions.



Due to the complexity of the proposed contract, which includes several clauses relative to Termination by the City, Termination by the Contractor, Renewal Terms and/or Remedies Upon Termination for Breach, the Transportation Committee requested additional information.

#### *Contractual Obligations*

The contract's initial term is five years, with subsequent renewal options. DOT staff has clarified under the renewal terms both parties have agreed to provide 180 calendar days or 6 months advance notice prior to the expiration of the initial term or subsequent renewal options. If neither party gives notice, the agreement is considered renewed automatically.

Should the City terminate at the end of the initial five year term, or end of the subsequent renewal options, the City is obligated to reimburse the contractor for the infrastructure and will be given the option to purchase the equipment based on an unamortized cost contingent upon the year of termination.

- It is important to note, that under the breach provisions, should the City exit the contract early during the initial term or renewal terms, the City would be obligated to reimburse a portion of the initial investment ranging from \$3.1 million up to \$6 million. The City liability would be capped at \$6 million under this scenario. This amount includes reimbursement for the original financial investment for infrastructure and equipment made in Year One and actual documented Operating Costs incurred, from the date of execution to the date of termination.

The following provides some visual context relative to the Terms and/or Breach Scenarios:

**Table A**

	Termination at End of Five Year/Renewal Year*	Breach during first Five year/Renewal Years**
City	<p>Obligated to purchase infrastructure. City has option to purchase equipment. Purchase would be based on amortized value.</p> <p>If the City does not want to purchase the equipment, the Contractor will remove and pay for half of the expense.</p> <p>Fiscal Impact: \$1.8 million to \$3.1 million</p>	<p>City obligated to pay Infrastructure, Equipment and actual Operational Costs incurred up to that point in time, excluding lost profits. Under this scenario, the reimbursement would not be the depreciated value, but the initial \$3.12 million investment.</p> <p>180 days are provided to cure any Breach. Maximum amount for tort liability is \$6 million. Contractor would be subject to Audit standards and would need to pass a reasonable test.</p> <p>Fiscal Impact to the City: \$3 million to \$6million</p>
Contractor	<p>City not obligated to purchase infrastructure or equipment but will be given option to do so. If option not exercised, Contractor will seal infrastructure in ground and remove equipment at their expense.</p>	<p>City not obligated to purchase infrastructure or equipment but will be given option to do so. If option not exercised, Contractor will seal infrastructure in ground and remove equipment at their expense.</p> <p>Recoverable costs by City not determined. Maximum amount of Contractor liability is \$6 million.</p>

### *Fiscal Assumptions*

At the request of the Committee, this Office and DOT have estimated the total potential costs under different scenarios (Table B). The costs include Infrastructure (cabling underground), Equipment (Station Fixtures above ground – charging stations, reservation kiosks, and meter pedestals, and Operational Costs (Vehicles, Staffing Insurance, and Technology).

**Table B.**

POTENTIAL COST FOR 200 INSTALLED EVSE					
Termination before end of	Infrastructure*	Equipment (Station Fixtures)*	Maximum Sub Total (Millions)	Breach Liability: Estimated total Costs (Includes Operations-Car lease & staffing)** (Millions)	Breach Assumptions
1 <sup>st</sup> year	\$1,872,000	\$1,248,000	\$3,120,000	Up to \$4,400,000	Based on \$3.12 million infrastructure/equipment investment and \$1.5 million operating structure. The City liability is capped at \$6 million.
2 <sup>nd</sup>	1,684,800	1,123,200	2,808,000	Up to 6,000,000	
3 <sup>rd</sup>	1,497,600	998,400	2,496,000	Up to 6,000,000	
4 <sup>th</sup>	1,310,400	873,600	2,184,000	Up to 6,000,000	
5 <sup>th</sup>	1,123,200	748,800	1,872,000	Up to 6,000,000	
FIRST RENEWAL OPTION					
6 <sup>th</sup>	936,000	624,000	1,560,000	Up to 3,000,000	Based on \$1.56 m sub total and \$1.5 million net operating loss per year
7 <sup>th</sup>	748,800	499,200	1,248,000	Up to 4,500,000	
SECOND RENEWAL OPTION					
8 <sup>th</sup>	561,600	374,400	936,000	Up to 2,500,000	Based on \$0.94 m sub total and \$1.5 million net operating loss
9 <sup>th</sup>	374,400	249,600	624,000	Up to 4,000,000	
THIRD RENEWAL OPTION					
10th	187,200	163,200	350,400	Up to 1,800,000	Based on \$0.35m sub total and \$1.5 million net operating loss
11	-	-	-	Up to 3,000,000	

The overall potential cost to the City upon termination of the contract in Year Five will be \$1.1 million for infrastructure and \$748,800 should the City exercise the option to purchase the equipment. The reimbursement obligation would decrease over the 11 years. However, as noted earlier, any breach by the City during the term would trigger a repayment mechanism of \$3.1 million to up to \$6 million. The Maximum liability is up to \$6 million under a breach. Both parties will have 180 days to cure any issues and both parties have agreed to a Dispute Resolution process to mitigate such scenarios.

### *Fiscal Policy Decision*

The Council decision to move forward with this contract should be based on a Cost / Benefit Analysis. The cost to the City either upon expiration of the five years or subsequent renewal years and/or the cost to terminate the contract should be compared against the potential value of the pilot program to residents of the selected communities and the larger community. Ultimately, the goal of the pilot program is to reduce Greenhouse Gas emissions through the introduction of advanced clean technologies in communities which fall into the top ten percent of census tracts identified most at risk for exposure to multiple pollutants. The pilot car share program seeks to reduce the number of private vehicle ownership and new vehicle purchases as a strategy to

reduce emissions. The City would not be able to implement this pilot program within the required CARB timeline without this upfront financial commitment of equipment and outside staffing levels.

It would be reasonable to assume that the City would most likely not terminate the program prior to the remaining grant expiration term of two years. This timeframe will allow the City the opportunity to evaluate the merits of the program and project deliverables. The estimated costs cost prior to the end of the Fifth Year is between \$3.1 million to \$6 million.

*Contract Language Highlighted in CAO Report for Discussion*

The CAO report highlighted several clauses in the contract which should be strengthen or better defined to protect the City's interest. Subsequent to the Transportation Committee meeting, the DOT and Blue California met to finalize contract negotiations and to resolve the following outstanding items of concern held by this Office. Attached is the proposed contract

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The following table identifies each item, the initial concern and the remedy. All items have been addressed and modifications made to provide better clarity and direction for both parties.

Section	Proposed Language / Overall Concern	Remedy
Section 2.4.2:  Termination by City at end of Five Year Term/Renewal Years	City obligated to purchase the infrastructure should the City terminate prior to the five year term or upon subsequent renewal options.  Fiscal Impact of repayment and timing of when this repayment would be due.	City would be obligated to pay within 30 days upon termination upon acceptance by the City of the Contractor's invoice, and an agreement as to the amount of costs incurred via mediation.  Under the renewal terms the City or Contractor would have 180 calendar days to provide notice of non-renewal.  <i><b>This item is closed.</b></i>
Section 2.4.3: Termination by Contractor	If the contractor terminates, the City will be provided the option to purchase the infrastructure or equipment within thirty days. If this option is not exercised, the Contractor will leave the infrastructure underground and remove the station fixtures and patch any openings on the sidewalk.  Will the contractor pay for the removal of the station fixtures? How will the City ensure the repair is done in compliance with City standards?	Revised language has been added to the contract to ensure clarity. Contractor will pay for the removal of the station equipment and repair work on sidewalk to its original condition. Contractor will need to obtain and pay for an A permit by the Bureau of Engineering.  <i><b>This item is closed</b></i>
Section 3.5.1. Maintenance and Support	City is required to fix infrastructure in the public right-of-way within ten business days should the EV car share service be unreasonably impaired by the condition of the infrastructure.  a) The ten day requirement appeared unreasonable given that staffing levels or other high priority projects present challenges. b) Unreasonably impaired should be clearly defined by both parties. c) Further flexibility desired to meet the ten day requirement due to acts of nature.	a) There is another section in contract, Section 2.3.1.4 which references a cure period of 180 days, if the ten day requirement cannot be met. This will allow more time if needed.  b) The term "unreasonably impaired" has changed to "Unusable at a station".  c) Language added to reference PSC-7 City Standard Provisions which include acts of nature.  <i><b>This item is closed</b></i>
Section 3.10.3 Site Selection	The proposed language allows the Contractor to terminate the contract following the effective date should fewer than ten stations be implemented within 120 calendar days without penalty by notice to the City  City should not be obligated to reimburse for Contractor for investment.	Further clarification was provided from staff. This section only refers to site selection and not implementation.  <i><b>This item is closed.</b></i>
Section 3.14.1.4 Title	The proposed language states that a franchise is not required and that further clarity be provided by the City Attorney's Office	The City Attorney's Office has advised that this language only applies to the 'pilot' program in communities outlined in the contract, with the possible ability to put them elsewhere if the City determines that it wants to expand the pilot. Per the City Attorney, the agreement does not preclude any other car share company from operating or installing EV stations anywhere in the City.  The prior language relative to use of Blue LA, as the operator of the City of Los Angeles EV Car Sharing Service has been deleted.  <i><b>This item is closed. The CAO has provided Recommendation No. 3 and 4</b></i>

Section	Proposed Language / Overall Concern	Remedy
Section 3.19 Street Sweeping	<p>The proposed language exempts Blue California from moving their vehicles for street sweeping and asserts the Contractor shall be responsible for maintaining the locations of the stations clean and free of debris.</p> <p>The City is required to comply with the Clean Water Act and other city services as necessary. Flexibility should be provided to require Blue California to move the vehicles for street sweeping should the City and Blue California be unable to clean the streets to ensure compliance, including other activities such as street resurfacing, or City activities such as parades, special events.</p>	<p>Added language to Contract stating that Blue California shall be responsible to ensure compliance with the Clean Water Act. Should it be determined that any of the Stations are not in compliance with the Clean Water Act, the City shall notify the Contractor and the Contractor shall cooperate with the City to resolve the issues. Section 3.18.5 includes other activities.</p> <p><b><i>This item is closed.</i></b></p>
Section 3.20 Graffiti	<p>The proposed language states the Contractor shall be responsible for responding to and removing graffiti and stickers from vehicles and stations in compliance with requirements of law.</p> <p>City has a zero tolerance for graffiti. Operational standards and monitoring intervals should be further defined to ensure prompt removal.</p>	<p>New language requires the Contractor to submit a graffiti mitigation plan prior to a public launch of the pilot program detailing how the Contractor will maintain the Station Fixtures free from graffiti and other defacements. Such plan shall require inspection of the Station Fixtures at least four (4) times each year and include information regarding the resources that shall be used in order to mitigate graffiti.</p> <p><b><i>The CAO has provided Recommendation No.6</i></b></p>
Section 4.3.1 Scope and Financial Risk	<p>The proposed language was still in draft and not agreed to by all parties.</p>	<p>New language proposed by CAO Risk Manager was accepted concerning limits of liability.</p> <p><b><i>This item is closed.</i></b></p>

**AGREEMENT  
BETWEEN  
THE CITY OF LOS ANGELES  
AND  
BLUECALIFORNIA, LLC  
VEHICLE FOR  
ELECTRIC CARSHARING**



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STATION LOCATION AND EVSE INSTALLATION PROCESS

Exhibit 2:

STANDARD PROVISIONS FOR CITY CONTRACTS

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BLUEINDY CURRENT SAMPLE USER AGREEMENT

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**AGREEMENT  
BETWEEN  
THE CITY OF LOS ANGELES  
AND  
BLUECALIFORNIA, LLC  
FOR  
EV CARSHARING**

This Agreement is made and entered into on this \_\_\_\_\_ day of \_\_\_\_\_ 2016 (the “**Effective Date**”), by and between the City of Los Angeles (hereinafter referred to as “**City**”), a municipal corporation acting through the Department of Transportation (hereinafter referred to as the “**LADOT**”), and BlueCalifornia, LLC acting as the City’s exclusive contractor for the Project (hereinafter referred to as “**Contractor**” or “**BlueCalifornia**”, and together with City and LADOT, collectively, hereinafter referred to as the “**Parties**”, and each individually, hereinafter referred to as a “**Party**”).

**WITNESSETH**

WHEREAS, the City believes that it is in the best interests of the public to establish a program for electric vehicle car sharing, initially in disadvantaged communities within the City, to enable the residents of those communities to enjoy greater mobility and access to resources and jobs within the City, while promoting environmentally sustainable transportation options, and with a goal to establish a financially viable program over time, recognizing that one by-product of car sharing programs is a reduction in private vehicle ownership and thus a reduction in parking congestion;

WHEREAS, the City has applied for and secured funding totaling one million six hundred sixty-nine thousand three hundred forty-three dollars (\$1,669,343) from the California Air Resources Board (hereinafter referred to as “**CARB**”) to implement a program entitled L.A. Leading by Example: Partnering to Pilot EV Carsharing in Disadvantaged Communities;

WHEREAS, the City’s sponsored Electric Vehicle (EV) Car Sharing service shall be referred to herein as the “**Project**”;

WHEREAS, in furtherance of the provisions of Los Angeles Municipal Code Section 80.58.1, and California Vehicle Code Section 22507.1, and following compliance with City contracting procedures and requirements, the City issued a Request for Qualifications (“**RFQ**”) and has determined that a franchise is not required for the Project and the Service to be provided pursuant to this Agreement;

WHEREAS, the Contractor's affiliated entities are experienced in operating EV car sharing programs in other jurisdictions and plans to operate similar programs within the City;

WHEREAS, in its submittal in response to the RFQ, among other things, the Contractor offered to double the number of Electric Vehicle Supply Equipment (EVSE) requested by the City in the RFQ, and subsequently agreed to coordinate and provide installation services for related equipment in lieu of the City providing such installation services;

WHEREAS, the Contractor's response to the RFQ demonstrated both the experience of its principals and affiliates with EV car sharing programs and the commitment that it shares with the City to serve disadvantaged communities, including via the City's First Source Hiring Ordinance;

WHEREAS, upon the recommendation of the Mayor and the City Council's Transportation Committee, and with the approval as to form of this Agreement by the City Attorney of the City, the City Council has approved this Agreement and directed the General Manager of the City of Los Angeles Department of Transportation to execute this Agreement in the name and on behalf of the City;

WHEREAS, City has selected and hereby appoints Contractor as its exclusive contractor to implement the Project and provide EV car sharing service (the "**Service**") within the City;

WHEREAS, LADOT is authorized pursuant to Los Angeles Municipal Code Section 80.58.1 to designate locations upon which parking is reserved for the exclusive use of vehicles displaying a permit issued in connection with the Project and such Station locations shall be designated according to the terms and conditions set forth herein;

WHEREAS, the City Council and the Mayor granted LADOT authority to enter into this Agreement on \_\_\_\_\_ 2016; and

WHEREAS, concurrently with its approval of the execution and delivery of this Agreement, the City Council has directed the City Attorney to prepare a draft Ordinance to amend Los Angeles Municipal Code Section 80.58.1 to create a new subsection that exempts from the provisions of Los Angeles Municipal Code 62.08 (Specifications and Procedures for Above Ground Facilities Installations in the Public Rights-of-Way, electrical vehicle (EV) stations installed as part of a car share pilot agreement approved by City Council, including this Agreement.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements set forth herein, the Parties hereto agree as follows:

## **SECTION 1. INTRODUCTION AND GENERAL PROVISIONS**

### **SECTION 1.1. Designation of Representatives and Coordination.**

SECTION 1.1.1. The City shall designate one (1) individual (hereinafter referred to as "**City Representative**") to serve as the single point of contact for the purposes of communications between the City and the Contractor regarding the subject matter of this Agreement.

SECTION 1.1.2. The City Representative shall be authorized and empowered to give and receive all notices, demands, and other communications, including agreeing to Station locations and other matters requiring mutual agreement of the City and the Contractor, as provided herein, and to take actions, for and on behalf of the City. The City Representative shall coordinate the performance of the City Obligations under this Agreement with the various City departments involved.

SECTION 1.1.3. The City, through the City Representative or her duly authorized Designee, shall ensure that the various City departments and any other entity provide timely support to enable all tasks described in this Agreement, perform all tasks identified herein, and assist the Contractor in the deployment and operation of the Service. In particular, the City Representative shall serve as the overall project manager to work with the Mayor's Office of Sustainability, LADOT, the Los Angeles Department of Water and Power (hereinafter referred to as "**LADWP**"), the Los Angeles Department of Public Works' Bureau of Engineering (hereinafter referred to as "**BOE**") and the Bureau of Contract Administration (hereinafter referred to as "**BCA**"), the Los Angeles Department of Building and Safety (hereinafter referred to as "**LADBS**"), the Los Angeles Fire Department (hereinafter referred to as "**LAFD**"), the Los Angeles Police Department (hereinafter referred to as "**LAPD**") and all other City agencies responsible for implementing and approving this Project. The City shall appoint, convene and manage an EVSE Installation Team coordinated by the City Representative and with designated points of contact at each department or other entity. Exhibit 1 to this Agreement sets forth a description of the permits required, issuing entities, timeline and process for siting and installation of EVSEs; provided that in the event of any inconsistency between Exhibit 1 and this Agreement, the provisions of this Agreement shall govern. By its approval of this Agreement, the City Council of the City of Los Angeles hereby instructs the City Departments and agencies involved in the installation of EV infrastructure, including but not limited to the Department of Public Works, LADWP, LADOT, BOE, BCA, LADBS, LAFD and LAPD to timely perform the obligations of the City set forth in this Agreement, and to cooperate with and report to the City Representative.

SECTION 1.1.4. The Contractor shall designate one (1) individual (hereinafter referred to as "**Contractor Representative**") to serve as the single point of contact for the purposes of communications



between the City and the Contractor regarding the subject matter of this Agreement; provided, however, that only an officer of the Contractor is authorized to execute formal Contract notices and documents.

SECTION 1.1.5. The representatives of the respective Parties who are authorized to administer this Agreement and to whom formal notices, demands, and communications shall be given are as follows:

Unless otherwise indicated, the City Representative shall be:

Seleta J. Reynolds or Designee  
General Manager Los Angeles  
Department of Transportation  
100 South Main Street, 10th Floor  
Los Angeles, California 90012  
Email: [seleta.reynolds@lacity.org](mailto:seleta.reynolds@lacity.org)

Unless otherwise indicated, the Contractor Representative shall be:

Hervé Muller or Designee  
President  
BlueCalifornia, LLC  
2049 Century Park East, Suite 3200  
Los Angeles, California 90067

and

1842 Baldwin Way  
Marietta, Georgia 30068  
Email: [herve.muller@ier.aero](mailto:herve.muller@ier.aero)

With copy (which shall not constitute notice) to:

Lisa Greer Quateman, Esq.  
Polsinelli LLP  
2049 Century Park East, Suite 2900  
Los Angeles, California 90067  
Email: [lquateman@polsinelli.com](mailto:lquateman@polsinelli.com)

SECTION 1.1.6. The City shall be responsible for the administration of and compliance with the requirements of the CARB Grant Number G14-LCTI-03 (the "**CARB Grant**") related to the Project, including all communications, reporting, provision of insurance, and records maintenance and retention.

SECTION 1.1.7. The City hereby recognizes the Contractor as an entity that meets the requirements of Los Angeles Municipal Code (LAMC)

Section 80.58.1 "Parking of Carshare Vehicles", and the City shall issue "Car Share Permits", as the term is used in such Ordinance, and in consideration of the performance of the obligations of the Contractor hereunder, such Car Share Permits shall be issued free of any permit fees therefor. To the extent the terms of this Agreement are different than the rules and guidelines proposed by LADOT relating to car sharing parking permit fees, the terms of this Agreement shall prevail.

SECTION 1.1.8. A Party may designate a replacement representative at any given time by delivering written notice thereof. Notwithstanding anything to the contrary contained in this Agreement, such notice may be delivered by electronic mail. Such notice shall be given within five (5) business days of said change.

SECTION 1.1.9. Formal Notices, demands, and communications to be given by either party shall be made in writing and may be effected by personal delivery or mail; provided, however that any notices relating to alleged breach of contract, liquidated damages, or performance penalties shall be sent via certified mail to the Parties at the addresses listed in Section 1.1.5.

## SECTION 1.2. Conditions Precedent and General Requirements.

SECTION 1.2.1. Standard Provisions for City Contracts. Hereby incorporated by reference into this Agreement are the provisions of the RFQ, its addenda, and the Contractor's response to the RFQ, as well as the Standard Provisions for City Contracts (Revised 3/09) (the "**City Standard Provisions**"), which are appended hereto as Exhibit 2 and included herein by reference. Should any provision in this Agreement conflict with the Standard Provisions for City Contracts, except as otherwise expressly stated herein, the City Standard Provisions shall prevail. With respect to PSC-7 of the City Standard Provisions, the Term (as defined herein) shall, to the extent practicable, be extended by an amount of time equivalent to the duration of the Excusable Delay. The Parties acknowledge that PSC-25, Discount Terms, is not applicable to this Agreement.

SECTION 1.2.2. Indemnification. See City Standard Provisions – Indemnification - PSC-20, which shall govern without limitation in the event of tort liability including tort liability which is a consequence of contractual liability.

SECTION 1.2.3. Insurance Requirements. The Contractor shall comply with all the insurance requirements under this Agreement and all insurance verification must be produced on City Insurance Endorsement forms. Required Insurance and Minimum Limits are

included in the Standard Provisions for City Contracts (Revised 3/09), see Exhibit 2.

SECTION 1.2.3.1. Coverage Term. Coverage must remain in effect for the entire term of this Agreement. If the insurance coverage expires during the term of the this Agreement, a new certificate must be received by the City no later than ten (10) business days prior to the expiration of the then current insurance. Any new insurance must comply with the terms of this Agreement.

SECTION 1.2.3.2. Policy Cancellation or Termination and Notice of Non-Renewal. The Contractor is responsible for notifying the City within five (5) business days of any cancellation, non-renewal, or material change that affects required insurance coverage.

SECTION 1.2.3.3. Premiums, Assessments, and Deductibles. The Contractor is responsible for any premiums, policy assessments, deductibles, or self-insured retentions contained within its insurance program.

SECTION 1.2.3.4. Primary Clause. Any insurance required to be provided by Contractor and contained in this Agreement shall be primary, and not excess or contributory, to any other insurance carried by the City.

SECTION 1.2.3.5. Insurance Carrier Required Rating. All insurance companies must carry an AM Best rating of at least "A-" with a financial category rating of no lower than VI. The Contractor intends to self-insure for a portion or all of its insurance and understands that review of financial information may be required.

SECTION 1.2.3.6. Endorsements. Any required endorsements requested by the City must be physically attached to all requested certificates of insurance and not substituted by referring to such coverage on the certificate of insurance.

SECTION 1.2.3.7. Use of Subcontractor. In the case of the Contractor's utilization of subcontractors to complete the scope of work, the Contractor shall include all subcontractors as insureds under the Contractor's insurance or supply evidence of subcontractor's insurance to the City equal to policies, coverages, and limits required of the Contractor, as may be applicable to the work done by any such subcontractors.

SECTION 1.2.3.8. Insurance Requirements. The Contractor shall provide evidence of the following on a certificate of insurance evidencing the following coverages:

SECTION 1.2.3.8.1. Commercial General Liability. The Contractor shall maintain general liability on an occurrence form with limits not less than one million dollars (\$1,000,000) per occurrence for bodily injury and property damage liability combined with a two million dollar (\$2,000,000) annual policy aggregate. A "per project aggregate" endorsement is required. The policy shall include coverage for liabilities arising out of premises, operations, independent contractors, products, completed operations, personal & advertising injury, and liability assumed under an insured contract or grant. This insurance shall apply separately to each insured against whom claim is made or suit is brought subject to Contractor's limit of liability. The policy must name the City of Los Angeles and the State of California, their officers, agents, and employees as additional insured, but only with respect to work performed under this Agreement.

SECTION 1.2.3.8.1.1. Automobile Liability. Upon its purchase or lease of its first Vehicle, the Contractor shall maintain business automobile liability insurance as broad as Form CA0001 for limits not less than one million dollars (\$1,000,000) combined single limit. Such insurance shall cover liability arising out of any and all motor vehicles owned, hired, or non-owned. "Any Auto" symbol 1 is required. Contractor shall notify City when its first Vehicle is purchased or leased for the Service.

SECTION 1.2.3.8.2. Workers Compensation and Employers Liability. Upon hiring its first employee, the Contractor shall maintain statutory worker's compensation and employer's liability coverage for all its employees who will be engaged in the performance of this Agreement. In addition, employer's liability limits of one million dollars (\$1,000,000) are required. Contractor shall notify City when its first employee entitled to workers' compensation is hired.

## **SECTION 2. TERM; TERMS OF THE AGREEMENT; FINANCIAL ARRANGEMENTS**

### **SECTION 2.1. Compensation.**

SECTION 2.1.1. Start-up Costs. The City shall pay to the Contractor, no more than the sum of six hundred thousand dollars (\$600,000) in reimbursement for any of the Contractor's start-up costs associated

with this Agreement (hereinafter referred to as “**Start-up Costs**”). The Start-up Costs can, at the discretion of the Contractor, consist of staff costs, third party services, information technology systems, or services, Station Infrastructure and Station Fixtures purchase and installation costs, marketing/outreach/member survey costs; vehicle, driver, passenger and facilities insurance costs; reservation system and maintenance costs, personnel and fringe benefits costs; operating costs (supplies, rent of event and/or storefront (if applicable) locations; equipment; indirect costs such as telephone services, general administrative, office space; printing and mailing. The Start-up Costs shall be reimbursed within the periods requested for compliance with the CARB Grant, specifically, two hundred eight thousand dollars (\$208,000 of the Start-up Costs shall be invoiced by the Contractor to the City by March 31, 2017 and the balance of the Start-up Costs shall be invoiced by the Contractor to the City by June 1, 2017.

**SECTION 2.1.2. Electric Vehicle Supply Equipment (EVSE) Funding.**

The City shall reimburse the Contractor the sum of four thousand dollars (\$4,000) each for two hundred (200) Charge Points. Funds for the payment provided for in this Section are held in an LADWP trust fund under the account name “EV Chargers Rebate Program TF Revolving Account” within LADWP’s Power Revenue Fund, as part of LADWP’s Electric Vehicle Commercial Charger Rebate Program (“Charge-Up LA!!!”) and shall be available provided that the Contractor submits the requisite Charger Rebate Application for reimbursement and submits the same postmarked on or before June 30, 2018 unless otherwise extended by LADWP. There are no other conditions to payment of these sums not included in this Agreement. In addition to the payments provided for in this Section, LADWP shall provide a credit of eighty thousand dollars (\$80,000) to offset LADWP customer fees associated with the installation of these units that would otherwise be due to LADWP. Such LADWP fees associated with Station construction, including but not limited to stub out, inspection, U Permit fees, etc., shall not exceed \$2,000 per Station and eighty thousand dollars (\$80,000) in total.

**SECTION 2.1.3. BOE Funding.** The City shall reimburse the Contractor up to three hundred thousand dollars (\$300,000) in applicable fees due to BOE including but not limited to E and/or A Permits, Inspection, BSS Peak Hour Compliance, E and/or A Permit Special Engineering, BBCA Special Inspection, One Stop Permit Surcharge, Equipment and Training Surcharge, Street Damage Remediation Fee (SDRF), Slurry Seal Damage Restoration Fee (SSDRF). The Contractor shall pay these fees to BOE as applicable and shall submit invoices to the City for reimbursement of such fees. These invoices shall be sent on July 1, 2017 for reimbursement of fees previously incurred, and monthly thereafter for fees incurred on or after July 1, 2017.

SECTION 2.1.4. Outreach Ambassador Funding. The City shall reimburse the Contractor the sum of three hundred twenty thousand dollars (\$320,000) for costs for street marketing staff (hereinafter referred to as “Ambassadors”) to be hired and trained by the Contractor, to perform outreach efforts to communicate the Service and enroll new members in the Service. As part of this funding the Contractor shall subcontract an outreach coordinator service, which shall be hired by and report to one of the members of the Steering Committee on terms reasonably acceptable to the Contractor, in the amount of one hundred fifteen thousand dollars (\$115,000) for the purposes of coordinating between the activities of the Steering Committee, the Ambassadors, and LADOT for a period of at least fifteen (15) months following the date of engagement.

SECTION 2.1.5. Parking Space Conversion. The City shall pay the Contractor up to one hundred six thousand dollars (\$106,000) to reimburse costs associated with parking space conversion (parking meter post removal (the City shall handle parking meter head removal), pavement marking, and signage) associated with Station construction for the Initial Term. Upon request of the Contractor during the Term, the City shall provide Contractor with a budget for these tasks. Alternately, at the election of the Contractor, the City shall perform these tasks at one or more locations in lieu of providing said funding. Any space conversion costs in excess of one hundred six thousand dollars (\$106,000) and approved by the Contractor shall be borne by the Contractor.

SECTION 2.1.6. Funds Availability. The City has budgeted and appropriated funding in amounts sufficient to satisfy the City’s obligations under this Agreement.

SECTION 2.1.7. Invoices.

SECTION 2.1.7.1. For any payment due by the City, the Contractor shall submit to the City an invoice/claim indicating the amount of payment sought and supporting documentation as specified in Section 2.1.7.2. Promptly following the Effective Date, the City shall furnish the Contractor with a sample form of invoice which shall comply with City requirements applicable to this Agreement. The City shall reimburse such costs within thirty (30) calendar days of receipt of such Contractor invoice/claim and documentation.

SECTION 2.1.7.2. The Contractor shall submit invoices no more frequently than one (1) invoice per month. In compliance with City requirements under Charter Section 262(a), the Contractor shall



submit invoices that conform to City standards and include, at minimum, the following information:

- Name and address of the Contractor;
- Name and address of the City department being billed;
- Date of the invoice and the billing period covered;
- Unique identifying number for each invoice;
- Reference to the Contract number;
- Remittance address;
- Description of items invoiced and itemized labor or material costs such as a signed statement of the number of Charge Points installed, invoices, payroll record, or other evidence of the service or costs contemplated; and
- The total amount due.

SECTION 2.1.7.3. All invoices shall be submitted on the Contractor's letterhead that contain the Contractor's official logo, or contain other unique and identifying information such as name and address of the Contractor. Evidence that tasks have been completed, in the form of a report, may be attached to the invoices, as applicable.

SECTION 2.1.7.4. City may request in writing, changes to the content and format of the invoice and supporting documentation at any time. City reserves the right to request additional supporting documentation to substantiate costs at any time, provided however that in the case of information that was not previously requested, payment shall not be delayed.

SECTION 2.1.8. Future Funding. Upon mutual agreement to increase the size of the Service by adding vehicles and/or EVSEs, the City agrees to seek additional funding for such increase, although the City does not guarantee future payments to the Contractor other than those listed in Section 2.1. The City shall exert good faith efforts to seek additional funding sources to allow reduced rates for target communities and the Contractor shall cooperate with the City; provided, however, this Section 2.1.8. shall not obligate the Contractor to incur any additional expense. Should additional grant funding become available for expansion of the Project, the LADOT General Manager is authorized to work with the Contractor on project scoping, areas for expansion, Contractor investment, if any, and resource allocation. Any future funding received may be disbursed under this Agreement as determined by the City Representative.

SECTION 2.1.9. Ownership of EVSE. Ownership of Charge Points, Station Fixtures, and Station Infrastructure including any Station Cabling installed by the Contractor shall remain the property of the

Contractor unless otherwise provided for in Section 2.4. or the Definitions and Terms section of this Agreement or agreed upon by the Parties.

SECTION 2.1.10. Project Expenses of City. In addition to the amounts specified above, during the Initial Term, the City shall fund, on a schedule mutually agreed by the Parties: (a) seventy-two thousand dollars (\$72,000) for Steering Committee administration and activities, and (b) one hundred thousand dollars (\$100,000) for advertising expenses. Upon request of the Contractor, the City shall provide evidence of such expenditures which may be in the form of a copy of the City's quarterly reports pursuant to the CARB Grant.

SECTION 2.2. Contract Duration and Termination. The provisions of this Section 2.2. expressly supersede the City Standard Provisions including PSC-10.

SECTION 2.2.1. Term. The initial term of this Agreement shall commence on the Effective Date and shall terminate on the five (5) year anniversary of the Public Opening (hereinafter referred to as the "**Initial Term**").

SECTION 2.2.2. Following the Initial Term, the City shall have the right to renew this Agreement for renewal terms of two (2) years (each, a "**Renewal Term**", collectively with the Initial Term, the "**Term**") by giving notice of renewal or of intention not to renew at least one hundred eighty (180) calendar days prior to the expiration of the Initial Term or applicable Renewal Term. In addition, the Contractor may provide written notice to the City of its intention not to renew at least one hundred eighty (180) calendar days prior to the expiration of the Initial Term or applicable Renewal Term. If neither party gives notice, then this Agreement shall renew for successive Renewal Terms. There shall be a maximum of three (3) Renewal Terms unless otherwise agreed by the Parties via an Amendment to this Agreement. The City, through the LADOT General Manager, and subject to City Council approval, may seek to amend the Agreement to add more additional Renewal Terms beyond three (3) depending on program viability, Contractor performance, and funding availability.

SECTION 2.2.3. The occurrence of a Renewal Term does not commit the City to providing any payment to the Contractor other than those listed in Section 2.1., unless otherwise agreed by the Parties via an Amendment to this Agreement.

SECTION 2.3. Rights of Termination. The provisions of this Section 2.3. expressly supersede the City Standard Provisions including PSC-10.

SECTION 2.3.1. Notwithstanding any other provision in this Agreement to the contrary, the Agreement may be terminated, as follows:

SECTION 2.3.1.1. Upon expiration of the Term;

SECTION 2.3.1.2. At any time by mutual written agreement of the City and the Contractor;

SECTION 2.3.1.3. By the City, if there has been a material default or breach by the Contractor of any of the representations, warranties, covenants, or agreements of the Contractor contained in this Agreement and such default or breach shall not have been waived by the City or cured by the Contractor within one hundred eighty (180) calendar days after receipt by the Contractor of written notice from the City specifying in reasonable detail the nature of such default or breach (provided that cure shall take place within a shorter period if reasonably possible), or reasonable efforts to cure such default or breach have not been commenced, if such default or breach is not reasonably capable of being cured within such one hundred eighty (180) calendar day period; or

SECTION 2.3.1.4. By the Contractor, if there has been a material default or breach by the City of any of the representations, warranties, covenants, or agreements of the City contained in this Agreement and such default or breach shall not have been waived by the Contractor or cured by the City within one hundred eighty (180) calendar days after receipt by the City of written notice from the Contractor specifying in reasonable detail the nature of such default or breach (provided that cure shall take place within a shorter period if reasonably possible) or reasonable efforts commenced to cure such default or breach have not have been commenced, if such default or breach is not reasonably capable of being cured within such one hundred eighty (180) day period. Notwithstanding the foregoing, there is no formal grace period for undisputed invoices; or

SECTION 2.3.1.5. By the Contractor, at its option, in the event that (i) the Ordinance regarding exemption from Los Angeles Municipal Code Section 62.08 referred to in the Recitals to this Agreement does not become effective by February 28, 2017 or (ii) following the date of this Agreement the City adopts an ordinance or regulation to which the Contractor would become subject the result of which Contractor's rights hereunder are decreased or Contractors' obligations hereunder are increased.

SECTION 2.3.1.6. By either Party under the following circumstance:  
in the event that an existing or new Law operates so as to render any element of the Service unlawful, the Parties shall cooperate and share the burden of defending the matter so that the Service may continue as contemplated in this Agreement. If such effort is unsuccessful then either party may terminate this Agreement.

SECTION 2.4. Consequences of Termination. The provisions of this Section 2.4. expressly supersede the City Standard Provisions including PSC-10.

SECTION 2.4.1. Agreed Value of Station Infrastructure and Fixtures.

The Parties agree that the Contractor shall invest approximately one hundred thousand dollars (\$100,000) per Station of five (5) Charge Points and one Reservation Kiosk put in service of which approximately sixty thousand dollars (\$60,000) represents construction and cabling costs and approximately forty thousand dollars (\$40,000) represents equipment costs, corresponding to approximately twenty thousand dollars (\$20,000) per Charge Point put in service. The actual costs may vary depending on a variety of factors including costs of supplies, equipment, financing and personnel, among other things, and the Parties agree that the above amount represents a reasonable and agreed estimate for purposes of this Agreement. Contractor may demonstrate to the City that it is necessary to make improvements and/or upgrades to the Station Fixtures and/or Station Infrastructure following initial installation thereof, in which case upon the City's agreement thereto, which shall not be unreasonably withheld, conditioned or delayed, the amounts shown in Table A and Table B below shall be adjusted accordingly after the Contractor has made the improvements and/or upgrades. The financial amortization of the assets comprising each Station is agreed to be over a period of ten (10) years except that in the case of necessary improvements or upgrades described in the preceding sentence, the amortization period of such improvements or upgrades shall run concurrently with that of the Station Fixtures and/or Station Infrastructure so improved or upgraded. In consideration of the Contractor's substantial investment in the Station Fixtures and Station Infrastructure to be made pursuant to this Agreement, the City has agreed under certain circumstances detailed herein to repurchase the Station Infrastructure and Station Fixtures from the Contractor.

SECTION 2.4.2. Termination by City. Upon the termination or non-renewal of this Agreement by the City, the City shall have the obligation to purchase the Station Infrastructure, and the City shall have the option to purchase the Station Fixtures, from the Contractor, at the remaining Unamortized Cost per Charge Point as set forth in Table A below for each Charge Point put in service, if termination occurs before the tenth (10th) anniversary of installation of such

Charge Point. Notwithstanding the foregoing, if the termination of this Agreement by the City is pursuant to Section 2.3.1.3. hereof, then the City shall have the option rather than the obligation to purchase the Station Infrastructure. For Stations with fewer than five (5) Charge Points, the remaining per Station Unamortized Cost shall be increased by the percentages set forth in Table B below. In the event the City exercises its option to purchase the Station Fixtures, the Parties may agree on a software license which may be the basis for the City to make such election.

SECTION 2.4.3. Termination by Contractor. Upon the termination or non-renewal of this Agreement by the Contractor pursuant to this Section 2.4.3 or Section 2.2.2, the City shall have the option, exercisable within thirty (30) calendar days following the giving by the Contractor of notice of termination or non-renewal, to purchase the Station Infrastructure and/or the Station Fixtures, for a purchase price equal to the amount listed in Table A. In exchange for the payment in full of such amount, the Contractor shall transfer ownership of the Station Infrastructure and/or Station Fixtures to the City. In the event the City does not exercise its option to purchase the Station Infrastructure from Contractor, Contractor may seal and leave in place any underground cables or conduits installed by it, and the Contractor shall have no obligation regarding any future usability of the Station Infrastructure. Conduits and cables that are located upstream of the LADWP meter shall be owned by LADWP. In the event the City does not exercise its option to purchase the Station Fixtures, the Contractor shall thereupon remove its Station Fixtures at Contractor's expense. Upon any such removal, the Contractor shall patch any conduit opening on the sidewalk at the Station site, at Contractor expense (including the cost of an A permit from BOE), but shall not be responsible for sidewalk surface refinishing, removal of the Station Infrastructure or for any other costs. Upon mutual agreement, the Parties may negotiate an agreement whereby the Contractor may continue operating an EV charging service at the Station Locations.

SECTION 2.4.4. Transfer of Station Fixtures and/or Station Infrastructure. For Charge Points having passed their tenth (10th) anniversary of installation, upon request of the City within sixty (60) days following the termination or non-renewal of this Agreement, the Contractor agrees to transfer ownership of the Station Fixtures and/or the Station Infrastructure, as applicable to the City without payment at the termination or non-renewal of this Agreement. In the event the City does not request the transfer of ownership referred to in the preceding sentence, Contractor may seal and leave in place any underground cables or conduits installed by it, and the Contractor shall have no obligation to remove the Station Fixtures or regarding any future usability of the Station Fixtures or Station Infrastructure. Additionally,

in such event, the City shall exert its best efforts to cause the removal of the Station Fixtures which it does not need in the most economical fashion. Contractor shall be obligated to pay for half of the cost of such removal of Station Fixtures, which total cost shall not be more than ten percent (10%) over the cost of removal proposed by the City's lowest responsible bidder. Contractor shall have no reimbursement obligation if the City plans to continue to use any such Station Infrastructure or Station Fixtures, for example, to continue to use Station Fixtures or install new EVSEs or other use of the electrical or network connectivity installed by or on behalf of the Contractor. City shall reimburse the Contractor for any payments made by Contractor under this Section 2.4.4. if the City resumes use of Station Infrastructure or Station Fixtures within two (2) years after Contractor has made such payments. Any transfer under this Section 2.4. shall be as is, where is, without warranty or recourse. Upon mutual agreement, in case of termination the Parties may negotiate an agreement whereby the Contractor may continue operating an EV charging service at the Station Locations.

Table A: Unamortized Cost per Charge Point placed in service (subject to adjustment as contemplated in Section 2.4.1.)

If Termination occurs before	Unamortized Cost per Charge Point Put in Service			
	First 80 Charge Points		After First 80 Charge Points	
	Infrastructure	Equipment	Infrastructure	Equipment
1 <sup>st</sup> anniversary	\$9,000	\$6,000	\$9,600	\$6,400
2 <sup>nd</sup> anniversary	\$8,100	\$5,400	\$8,640	\$5,760
3 <sup>rd</sup> anniversary	\$7,200	\$4,800	\$7,680	\$5,120
4 <sup>th</sup> anniversary	\$6,300	\$4,200	\$6,720	\$4,480
5 <sup>th</sup> anniversary	\$5,400	\$3,600	\$5,760	\$3,840
6 <sup>th</sup> anniversary	\$4,500	\$3,000	\$4,800	\$3,200
7 <sup>th</sup> anniversary	\$3,600	\$2,400	\$3,840	\$2,560
8 <sup>th</sup> anniversary	\$2,700	\$1,800	\$2,880	\$1,920
9 <sup>th</sup> anniversary	\$1,800	\$1,200	\$1,920	\$1,280
10 <sup>th</sup> anniversary	\$900	\$600	\$960	\$640

Table B: Unamortized Cost per Charge Point at Stations with fewer than five (5) Charge Points:



	Charge Point per Station		
	4	3	2
<b>Equipment Increase</b>	8.4%	22.5%	50.6%
<b>Infrastructure Increase</b>	16.1%	42.9%	96.4%

## SECTION 2.5. Remedies Upon Termination.

In the event this Agreement is terminated pursuant to Section 2.3.1.2. or expires pursuant to Section 2.3.1.1., all rights and obligations of the Parties shall terminate without any Liability of a Party to the other Party. If this Agreement is terminated because of a breach of this Agreement by the non-terminating Party pursuant to Sections 2.3.1.3. or 2.3.1.4., the terminating Party's right to pursue all legal remedies shall survive such termination unimpaired. The Parties agree that in the event this Agreement is terminated pursuant to Section 2.3.1.4., the City shall be obligated to pay the Contractor, all of the Contractor's costs and expenses reasonably and actually incurred to discontinue the Project and recoup any unamortized investment or loss including but not limited to the unamortized actual reasonable costs of Station Infrastructure and Station Fixtures, costs of staffing, contract and lease termination, but not including lost profits subject to the limitation set forth in Section 4.3.1. On December 7, 2016, representatives of the LADOT and the Contractor met at the offices of LADOT to review the overall yearly amounts anticipated to be incurred by Contractor pursuant to this Agreement. LADOT may request additional such meetings on an annual basis during the Term. The amount payable by the City pursuant to this Section 2.5 shall be payable within thirty (30) days following the earlier of (i) acceptance by the City of Contractor's invoice, (ii) agreement as to the amount of costs between the City and the Contractor via mediation, and (iii) determination of the amount of costs pursuant to a process set forth in Section 4.4. The payment obligation of the City hereunder shall survive the expiration or termination of this Agreement.

## SECTION 3. CONTRACTOR DUTIES AND SCOPE OF WORK

### SECTION 3.1. Reporting and Data Collection.

SECTION 3.1.1. The Contractor shall provide a monthly report to the City, beginning on the fifth (5th) day of the second (2nd) month after the Effective Date for one full year, and a quarterly report for the balance of the contract duration. The report shall be formatted as reasonably determined by the Contractor, and shall include:

SECTION 3.1.1.1. Project fund expenditure for payments to Contractor by the City pursuant to Section 2.1. in detail, to date and for the period;

SECTION 3.1.1.2. Schedule of major activities undertaken;

SECTION 3.1.1.3. Member information (total number of members, added and subtracted members);

SECTION 3.1.1.4. Vehicles and EVSE deployment information;

SECTION 3.1.1.5. Trip and usage (trip beginning and end points, miles travelled, estimates of electricity used, proportional use from Members eligible for either discount as provided for in Section 3.24., proportion of trips made as one-way versus round-trip, and other information mutually agreed upon by the Parties);

SECTION 3.1.1.6. Estimates of Greenhouse Gas (GHG) and criteria pollutant emission reductions achieved using the most up-to-date quantification methodology provided by the City; and

SECTION 3.1.1.7. Survey results, if any.

Reports shall be sent to the City in electronic format. The City shall cause the Shared-Use Mobility Center (hereinafter referred to as "**SUMC**") to provide technical assistance for the monthly and quarterly reports at City expense. Notwithstanding anything to the contrary contained in this Agreement, the Parties acknowledge that the Laws pertaining to privacy and data collection are evolving, and accordingly, nothing contained in this Agreement shall obligate the Contractor to collect, review, use, or disseminate in any fashion any personally identifiable or other information that Contractor is not expressly permitted by Law to collect, review, use, or disseminate, and Contractor's obligations hereunder are expressly so conditioned.

SECTION 3.1.2. The Contractor shall participate in discussions with the City (which may invite SUMC and the Steering Committee) on data collection, including design of an intake survey, data elements, frequency access, and reporting related to the Project. Upon request by the City, the Contractor shall send initial and annual e-mail surveys to its Members and provide the voluntary results to the City.

SECTION 3.1.3. The Contractor may, at its discretion, offer incentives for Members to complete various surveys to increase response rates and collect data of interest.

SECTION 3.1.4. The City and the Contractor shall explore the ability to collect driving information such as speed and driving behaviors in support of the City's goal of reducing traffic fatalities with its Vision Zero Program.

SECTION 3.1.5. To the extent permitted by Law, including California Civil Code Section 1936, the Contractor shall establish and maintain

business records of Members, Vehicles, and EVSEs. The Contractor shall use commercially reasonable efforts to:

SECTION 3.1.5.1. Identify Member data that is confidential and develop measures to keep this data confidential to the extent permitted by Law;

SECTION 3.1.5.2. Develop a systematic process and schedule to backup Member reservation database(s) on, at minimum, a daily basis;

SECTION 3.1.5.3. Develop and enforce security measures to safeguard Project database(s); and

SECTION 3.1.5.4. Store all records in a secured storage facility that maintains confidentiality to the extent permitted by Law and provides fire and natural disaster protection.

SECTION 3.1.6. The provisions of this Section 3.1.6. expressly supersede the City Standard Provisions including PSC-17. The Contractor shall retain copies of the reports required under Section 3.1.1. hereof, and the records required under Section 3.1.5. hereof during the Term plus seven (7) years thereafter and, if requested by City prior to the expiration of such seven (7) year period, provide a copy of such reports and records to the City at the end of the seven (7) year period. In the absence of such a request, Contractor may destroy all such records in accordance with its records retention policies. The City shall be responsible for all reporting to CARB. Nothing contained in this Agreement shall be deemed to transfer ownership of Contractor's data and business records, nor shall Contractor be obligated to share information that is proprietary.

SECTION 3.2. Electric Vehicles (EV), Public Infrastructure, and Charge Points.

SECTION 3.2.1. The Contractor plans to use the Bluecar Battery Electric Vehicle ("**BEV**") manufactured by Bluecar SAS, a company of the Bolloré Group, provided however that the Contractor may use other Vehicles at its discretion. Upon mutual agreement, the Contractor may also include non-BEV vehicles in the Service.

SECTION 3.2.2. Any vehicle used for the Service (the "**Vehicle**") shall:

SECTION 3.2.2.1. Be legal for use in the United States and meet applicable U.S. Department of Transportation and State transportation regulations and requirements;

SECTION 3.2.2.2. Meet CARB standards for rebate-eligible EV; and

SECTION 3.2.2.3. Be registered in California.

SECTION 3.2.3. The vehicles may be owned or leased by the Contractor.

SECTION 3.2.4. All EVSE's shall be Level 2 and compatible with most electric vehicles. Typical Level 2 EVSE's are rated up to 240 volts AC, up to 60 amps, and up to 14.4 kW.

SECTION 3.3. Services by the Contractor.

During the Initial Term, the Contractor agrees to provide the services specified herein. It is expressly understood and agreed that some or all of the services to be provided hereunder may be provided directly by Contractor or by Affiliates of the Contractor and the City hereby consents thereto.

SECTION 3.3.1. Use of Vehicles and Charge Points.

SECTION 3.3.1.1. Subject to timely receipt of required City approvals and payments required to be made by the City as specified in this Agreement, the Contractor shall provide, manage, operate, and maintain usage agreements for Vehicles in a quantity of no less than one hundred (100) and shall provide, manage, operate, and maintain Charge Points in a quantity of no less than two hundred (200) at approximately forty (40) Stations during the Initial Term.

SECTION 3.3.1.2. The size of the Service may be increased beyond this configuration at any point during the Term, by:

- The Contractor giving notice to the City that it would like to expand at its own cost and the City agreeing to such proposal, such agreement not to be unreasonably withheld, conditioned or delayed; or
- The City providing additional funding to support the expansion of the Service and the Contractor agreeing to such expansion; or
- Mutual agreement of the Parties.

SECTION 3.3.2. The terms and conditions of use of a Vehicle or Charge Point by a Member shall be set by the Contractor and shall be set forth in a contract between the Contractor and each Member (herein after referred to as the "**User Agreement**"). The User Agreement shall disclose that each of the Vehicles includes a monitoring system that shall:

- Enable Members to contact the Customer Call Center;

- Provide GPS guidance to the Member; and
- Transmit to the customer call center information about the Vehicle, including battery power level and other Vehicle statistics.

Except as required by Law or by this Agreement, the Contractor shall, in its sole discretion, determine the terms of the User Agreement.

SECTION 3.3.3. The Vehicles shall be authorized to be driven in a limited perimeter as set forth in the User Agreement and such perimeter may be changed at any given time by the Contractor.

SECTION 3.3.4. The Parties acknowledge that the use of Services by owners of privately owned EVs who become Members is an important factor in the success of the Services and such service shall be offered by the Contractor at its discretion. Use of the Services shall be encouraged by the Contractor so long as such use does not unreasonably inhibit the use of the Service and such use complies with the terms of the User Agreement.

SECTION 3.3.5. The Contractor shall have no obligation to allow non-Members to use any of its Charge Points.

#### SECTION 3.4. Enrollment Requirements.

##### SECTION 3.4.1. Payment Method.

SECTION 3.4.1.1. The Contractor shall allow Members to enroll and pay for the usage, membership dues, and any fees with any Visa, MasterCard, or American Express credit cards and other credit cards at the Contractor's discretion.

SECTION 3.4.1.2. The Contractor may, at its discretion, accept debit cards, including pre-paid debit cards. Upon Public Opening, the Contractor shall accept pre-paid debit cards, but may discontinue such practice if it experiences a negative economic impact of such initiative.

SECTION 3.4.1.3. The City may choose to promote activation of pre-paid debit cards (e.g., TAP cards) as part of outreach efforts for this Service. The Contractor shall cooperate with such efforts unless it can demonstrate a negative economic impact of such initiative.

##### SECTION 3.4.2. Member Enrollment Criteria.

SECTION 3.4.2.1. The Contractor shall require a current and valid California Class C Driver's license with photo identification from applicants to become a member, including those driver's licenses issued pursuant to Assembly Bill 60.

SECTION 3.4.2.2. The Contractor shall accept valid international drivers' licenses sufficient to allow legal driving in the State of California from Members.

SECTION 3.4.2.3. Members shall meet minimum requirements to drive a Vehicle as required by the Contractor, and the Contractor's insurance provider as set forth in the User Agreement.

SECTION 3.4.2.4. Members may be asked to voluntarily complete an initial Member survey after enrollment. Members may be asked to complete trip surveys and participate in research as requested by the Contractor and/or the City.

SECTION 3.4.2.5. Members shall pay any fees as required by the Contractor and as set forth in the User Agreement.

SECTION 3.4.2.6. The Contractor reserves the right to deny membership or to cancel the membership of individuals based on any legal criteria based on the Contractor's User Agreement published on its website or otherwise distributed to its members. A specific User Agreement shall be published by the Contractor prior to Public Opening and may be updated periodically; however, the User Agreement currently in force for the affiliated service in Indianapolis is attached for illustration as Exhibit 3.

SECTION 3.4.2.7. Members may become ineligible for membership as defined in the User Agreement, which may include one or more of the following events:

- Member becomes ineligible for coverage under the terms of Contractor's insurance;
- Member's driver's license lapses or is revoked;
- Member is found to be an unsafe or impaired driver;
- Member causes damage to a Vehicle or Station Fixtures;
- Non-payment of Service fees; and/or
- Non-compliance with User Agreement as reasonably determined by the Contractor.

#### SECTION 3.4.3. Methods of Enrollment.

SECTION 3.4.3.1. The Contractor shall allow prospective members to enroll via a web application or a mobile application. At various times and locations, the Contractor shall allow its Ambassadors to offer in-person enrollment using electronic tablets.

SECTION 3.4.3.2. The Contractor may, at its discretion, deploy Enrollment Kiosks in locations to be approved by the City (such approval not to be unreasonably withheld, conditioned, or delayed). Alternately, the City may decide to purchase such Enrollment Kiosks from the Contractor.

SECTION 3.4.3.3. The Parties shall discuss the value and economic feasibility of having public storefront location(s) to enroll members. The details and costs shall be mutually agreed upon by the Parties.

SECTION 3.4.3.4. The Contractor shall discuss with the City (which may receive input from the Steering Committee) enrollment campaigns aimed at enrolling the greatest number of prospective members, including the ability for the City or its affiliated services to sell memberships under conditions to be defined.

#### SECTION 3.5. Maintenance and Support.

The Contractor shall provide, manage, operate, and maintain in good, working condition all of the Station Fixtures at the Stations at the Contractor's expense. The Contractor shall use commercially reasonable efforts to maintain the Vehicles and the EVSE so that the Service can operate twenty-four (24) hours a day, seven (7) days a week. Vehicles shall be maintained in accordance with Laws.

SECTION 3.5.1. If all or a portion of the Service is unusable at a Station by the conditions of the City's foundations, streets, sidewalks, curbsides, and structural parts, the City shall make all necessary repairs to return to a state of safe and proper functioning within ten (10) business days of the condition being reported by the Contractor; provided however, that the City shall not be required to pay for such repairs as a result of negligence, recklessness, or willful misconduct of the Contractor and provided, further, that PSC-7 of the City Standard Provisions shall apply.

SECTION 3.5.2. LADWP shall be responsible for maintaining or repairing the distribution or service lines located between the electric meter at the Stations and its distribution system.

SECTION 3.5.3. All repairs, replacements, or maintenance to the Station Fixtures shall be made or performed, as applicable, by the



Contractor or its designated subcontractor and the same shall, at all times, be kept in good order, condition, and repair by the Contractor and shall comply with Laws.

SECTION 3.5.4. The Contractor may, from time to time replace, upgrade, or make alterations or improvements to any Station Fixtures; provided that to the extent that such replacements, upgrades, alterations, or improvements involve altering a public sidewalk or right of way, the Contractor shall seek approval from the City of any such replacements, upgrades, alterations, or improvements before undertaking any action and shall ensure that such alterations comply with current Laws and City design and other standards which the City advises are applicable. The City shall respond to any request described in the preceding sentence within five (5) business days.

SECTION 3.5.5. Vehicle Maintenance. The City shall have the right to review, on request, the Contractor's Vehicle maintenance procedures and records consistent with the requirements of Section 3.5, and the Contractor shall reasonably consider any recommendations of the City regarding maintenance and upkeep of the Vehicle fleet.

#### SECTION 3.6. Customer Call Center.

The Contractor shall implement and maintain a bi-lingual English/Spanish twenty-four (24) hour Customer Call Center (hereinafter referred to as "**Customer Call Center**") in order to assist potential Members in subscribing to or use the Service and to assist Members with any problems in using the Service. The Customer Call Center shall be fully operational and serving Members by the time of Public Opening and thereafter during the Term.

#### SECTION 3.7. Movement of Vehicles.

The Contractor shall use reasonable efforts to ensure that Vehicles are moved between Stations as necessary to help ensure availability of the Services to Members.

#### SECTION 3.8. User Experience.

The Contractor shall use its own software to provide convenient and simple user experience, supported by automated tasks that facilitate all steps of the car sharing process, generally similar to the software used by BlueIndy.

#### SECTION 3.9. Implementation.

##### SECTION 3.9.1. Anticipated Planning.

SECTION 3.9.1.1. A demonstration site shall be selected and mutually agreed upon by the City and the Contractor to demonstrate the EV



car sharing service and allow members of the public to test-drive the Vehicles. The demonstration site shall open no later than four (4) to six (6) months after the Effective Date, barring any delay in site selection and permitting by the City.

SECTION 3.9.1.2. The Service shall open to the public with fifty (50) Vehicles and one hundred (100) Charge Points are ready for operation, on a date determined by the Contractor (hereinafter referred to as the “**Public Opening**”). The Public Opening is targeted to take place approximately seven (7) to nine (9) months after the Effective Date or earlier at Contractor’s discretion. The Parties shall consult concerning events and announcements to celebrate the Public Opening, which events and announcements may occur before or after the Public Opening.

SECTION 3.9.1.3. In the event that there are fewer than one hundred (100) EV’s and two hundred (200) Charge Points deployed for use by Members eighteen (18) months after the Effective Date, the Parties shall confer in good faith to (i) analyze the issues and challenges, (ii) explore methods to overcome the issues and challenges, and (iii) increase Member enrollment and utilization.

#### SECTION 3.10. Site Selection.

SECTION 3.10.1. The City and the Contractor agree that the effective placement of the Stations is a critical element to the success of the Service and the Stations shall typically be located outdoors and include on-street parking spaces for the Vehicles in order to provide the greatest visibility for Members.

SECTION 3.10.2. During the Initial Term, the City shall make available no less than two hundred (200) parking spaces within a minimum of forty (40) sites to be used as Stations for the EV car sharing service. These parking spaces shall be on- street unless otherwise agreed by the Contractor.

SECTION 3.10.3. The City shall make available to the Contractor sites comprised of five (5) contiguous parking spaces for the Contractor to install Charge Points and one (1) Reservation Kiosk. The Contractor may decide to deploy Stations with fewer than five (5) Charge Points. In locations where five (5) contiguous parking spaces are not available, the City shall use its best effort to identify an alternate location with five (5) such spaces and room for one (1) Reservation Kiosk. In the event that within one hundred twenty (120) calendar days following the Effective Date, fewer than ten (10) Station locations have been submitted by the Contractor in an NTP and approved by the City, then, notwithstanding anything to the contrary contained in this Agreement,

the Contractor may terminate this Agreement and its obligations hereunder, without penalty, by notice to the City.

SECTION 3.10.4. Station locations shall be mutually agreed upon by the City and the Contractor in the communities of Westlake, Pico Union, portions of Koreatown, areas north of the University of Southern California, portions of Downtown Los Angeles, and/or elsewhere as may be mutually agreed by the Parties.

SECTION 3.10.5. Within thirty (30) business days of the Effective Date, the City shall begin and conclude work to conduct a geographic information systems (GIS) technical analysis for site selection. Analysis shall include, but not be limited to:

- Population density
- Proximity to transit
- Employment density
- Income levels
- Vehicle ownership
- Transit/Walk/Bike modal shares
- Proximity to affordable housing
- EVSE Infrastructure Suitability and Capability

SECTION 3.10.6. To the extent that the Contractor proposes a Station on property owned or controlled by a Government Entity other than the City, the City shall assist the Contractor to help secure approval for the proposed Station, provided however that the City does not warrant or represent that it can secure approval from the other Governmental Entity.

SECTION 3.10.7. The Contractor shall be responsible for securing approval and paying any costs associated with the rights to a location that is not on City-owned property or City-controlled public right of way. The Contractor shall have the right to add Stations and EVs to the Service without requiring approval by the City if such Stations are located on private property not owned or controlled by the City. By mutual agreement, the Parties may decide that a private Station shall count towards the target number of EVSE goal in Sections 3.9.1.2., 3.9.1.3., and 3.3.1.1. Unless otherwise mutually agreed in writing by the Parties, Station Infrastructure and Station Fixtures located at Stations on non City-owned property or non City-controlled public right of way shall not be subject to the provisions of this Agreement and shall not be subject to City reimbursement obligations or repurchase under Section 2.4 of this Agreement.

SECTION 3.10.8. The City shall assist in identifying optimal locations for the Contractor based on projected demand, proximity, and other ideal

land uses. The City shall propose to the Contractor no less than twenty (20) proposed locations within thirty (30) calendar days of the Effective Date, and a further twenty (20) proposed locations within sixty (60) calendar days of the Effective Date, in each case using best efforts to recommend locations having five (5) contiguous parking spaces. To further the City's goals and to meet the requirements of the Grant Agreement between the City and CARB, emphasis on locations shall be:

- At transit stations and other transportation hubs;
- In and around major employment and retail centers; and
- In and around high density residential areas with affordable housing units and multi-family housing.

SECTION 3.10.9. The Contractor shall consider the locations proposed by the City and submit locations it chooses, whether or not proposed by the City, for approval in a Notice to Proceed as defined in Section 3.10.3.

SECTION 3.10.10. The City may reject a Station for Good Reason and reason for such denial shall be provided to the Contractor within ten (10) business days of receipt of the Notice to Proceed.

SECTION 3.10.11. For any Station location under consideration, the Contractor may request of the City and the City shall provide within ten (10) business days of such request the location and type of electric service available, at or near such location so that the Contractor may assess the feasibility of installing a Station there.

SECTION 3.11. Notice to Proceed.

SECTION 3.11.1. **"Notice to Proceed"** means a written notice issued by the Contractor that, when either accepted in writing by the City or not rejected in writing within ten (10) business days of issuance, requires the City to begin the City's Work and upon the City providing the necessary permits, authorizes the Contractor to begin construction of one (1) or more Stations.

SECTION 3.11.2. Each Notice to Proceed shall include:

- A list of up to ten (10) proposed Stations;
- The number of Charge Points that shall be located at each Station and the number of any other Kiosks;

- An aerial drawing (to scale) showing the specific locations for each Station Fixture to be installed;
- A single-line electrical diagram, load schedule, and equipment schedule;
- Details with respect to the City's Work, if any;
- Details with respect to any work to be performed by the Contractor or any other entity, if any; and
- A construction schedule for completion.

SECTION 3.11.3. Within ten (10) business days of issuance of a Notice to Proceed, the City, including representatives from the various City departments it deems necessary (including LADOT, LADWP, and BOE), shall participate in a site visit for each of the proposed Stations. The Contractor Representative shall schedule such site visit in collaboration with the City Representative.

SECTION 3.11.4. Within three (3) business days of the site visit, the Contractor may adjust certain information and communicate a revised Notice to Proceed to the City.

SECTION 3.11.5. Within the ten (10) business day Notice to Proceed acceptance period, the City shall confirm the following:

- All proposed Stations comply with all applicable Laws, such as but not limited to, existing setbacks and easements, local zoning requirements and/or historic district requirements; and
- LADWP's electrical service point of feed.

SECTION 3.11.6. Each Notice to Proceed that includes a proposed Station that is not situated entirely on City-owned property or City-controlled public right of way shall also include:

- A representation that the Contractor has secured or will have secured prior to placing such Station into Service all rights necessary for the City, LADWP, and their respective personnel, subcontractors, agents, and Affiliates to access the proposed Station and to perform the City's Work at that proposed Station if accepted; and
- The contact information, including telephone number and email address, for an authorized individual for the property

owner on whose property the Station Fixtures will be located.

#### SECTION 3.12. Station Approval.

SECTION 3.12.1. The City may only reject a proposed Station in a Notice to Proceed for Good Reason. Such rejection shall be provided to the Contractor within ten (10) business days of the City's receipt of the Notice to Proceed along with a written explanation explaining the Good Reason. For the purposes of this Section, "**Good Reason**" means that the City shall have Good Reason for an objection to a proposed Notice to Proceed if, and only if, the selection of use of the location:

- Shall result in a threat to the public's safety; or
- Shall result in impeding the City's ability to use the proposed location to address drainage/storm water issues, promote economic development, mass transit, or to address other infrastructure needs; or
- Shall result in the breach of, or constitute a material default under, any provision of Law applicable to the City or any material contract to which the City is a party; or
- Has received a written objection from the City Councilmember in whose Council District the proposed Station is located; provided, however, that the City shall use its best efforts in community and Council office outreach to communicate the benefits of the Project, even though a Station may replace existing parking spots, or customers of a business not using the Service may have to park a farther distance away from the business.

SECTION 3.12.2. If the City objects to a Station for Good Reason as provided in Section 3.12.1., the City shall, whenever possible, offer alternative Station locations within a reasonable distance from the proposed Station not to exceed approximately a quarter mile (measured by walking distance) and as close as is reasonably possible to existing communications and electrical connectivity points.

SECTION 3.12.3. If the City and Contractor are unable to determine a mutually agreeable alternative Station location or the Contractor objects to the City's Good Reason, the Parties shall submit the dispute through the dispute resolution provisions in Section 4.3. of this Agreement.

SECTION 3.13. Relocation.

SECTION 3.13.1. No Party may change a Station in a Notice to Proceed that has been accepted without the written approval of the other Party.

SECTION 3.13.2. In the event that for any reason the City wishes to relocate a Station for which construction has already commenced or has been completed, the City shall reimburse the Contractor for its actual reasonable costs incurred to relocate the Station Fixtures and build the new Station (the location for which shall have been identified and agreed upon as provided in this Agreement) including any costs associated with any necessary modifications to the Station Fixtures, technical drawings, surveys, etc. The foregoing shall apply if relocation becomes necessary due to the adoption or enforcement of a City ordinance or regulation which conflicts with the provisions of this Agreement or restricts parking at a Station that is approved hereunder.

SECTION 3.13.3. In the event that the Contractor wishes to relocate a Station for which construction has already commenced or has been completed, the Contractor shall return the site of the Station to the same condition as before the work commenced, except that the Contractor shall have no obligation to relocate or remove any installed Station Infrastructure.

SECTION 3.14. City Work Following Approval of the Notice to Proceed.

SECTION 3.14.1. During the implementation process, the City agrees to perform and complete, at its own cost and expense, or cause its subcontractors to perform and complete, the work listed in this Section and required for preparation of Stations, as applicable (hereinafter referred to as the "**City's Work**"). The City's Work shall be performed in accordance with all Laws and shall be free of defects in workmanship. In the event and to the extent the City's performance of the City's Work for a Station is reasonably determined to be defective, the City shall re-perform such City's Work during normal business hours at no additional cost to the Contractor. Stations that are subjected to accident, neglect, abuse, vandalism, misuse or disasters, including but not limited to fire, wind, lightning, and flood, are not covered by this warranty other than an accident caused by the City.

SECTION 3.14.1.1. For Stations on City-owned property or City-owned public right of way:

- Repairing all roads and sidewalks at the Stations if the need for repair is not caused by or on behalf of Contractor; and

- Prohibiting parking by vehicles other than the Vehicles or vehicles whose users have subscribed to and become Members of the Services, to charge a privately owned EV at the Charge Points.
- Enforcing the City's Ordinance regarding "Parking of Carshare Vehicles", as codified in LAMC Section 80.58.1, including issuance of permits.

SECTION 3.14.1.2. Participating in on-site surveys scheduled by the Contractor Representative as described in Sections 3.1.2. and 3.4.2.4. of this Agreement.

SECTION 3.14.1.3. Expediting, obtaining, and procuring any and all permits, authorizations, licenses, approvals, franchises, easements, encroachments, and certificates, including Right of Way permits, necessary for construction and operation of the proposed Stations at no cost to the Contractor other than as expressly provided herein. Notwithstanding the previous sentence, the Parties agree that only the fees listed below shall be paid by Contractor:

- Fees due to DWP not to exceed \$2,000 per station as contemplated in Section 2.1.2.
- Fees due to BOE as contemplated in Section 2.1.3.
- BSL Street Lighting Encroachment Permit, if applicable, not to exceed \$350 per Station.
- BOE A Permit fees for conduit patches conducted by or on behalf of the Contractor pursuant to Section 2.4.3.

Fees due to DOT such as TCP fees (Traffic Control Plan) are expressly waived.

SECTION 3.14.1.4. The City represents that the Service does not require a "franchise" under the City's Administrative Code. The City shall expedite any necessary approval from the Department of Public Works or other agencies. The City shall ensure that proper zoning exists for the proposed Stations and that the Contractor possesses all legal rights to occupy the public right of way at the Stations. The City represents to the Contractor that no additional easements, licenses, rights-of-way or permits are required in order for Contractor to occupy the real property at the Stations, beyond the grant of authority contained in this Agreement. Specifically, no "R" permit shall be required to be obtained by the Contractor and any and all required "U" permits for the initial geographic



areas referenced in Section 3.10.4 shall be obtained directly by LADWP, and any fees shall be deducted from the eighty thousand dollar (\$80,000) credit as referenced in Section 2.1.2. The City hereby grants and during the Term shall grant to Contractor any and all additional easements, permits, rights-of-way and other legal real and personal property rights as may be necessary for the fulfillment of this Agreement, not specifically set forth herein, at no cost to the Contractor.

**SECTION 3.15. Permit Application and Station Deployment Processes Following Approval of the Notice to Proceed.**

**SECTION 3.15.1.** Following approval of the Notice to Proceed, LADOT (or, at Contractor's option, Contractor) shall apply for all permits and approvals itself for one or more Stations necessary for construction of the proposed Stations. Provided that the Contractor has not elected to apply for permits and approval itself, the Contractor shall provide to LADOT all documents required for permit application, and within not more than ten (10) business days of receipt of such documents, LADOT shall submit the following applications to the appropriate City departments for review:

**SECTION 3.15.1.1. Application to BSL for Street Lighting Encroachment Permit for each Station located within four (4) feet of a street light:**

- Encroachment request letter on company letterhead explaining why the Contractor requires to encroach within the four (4) foot easement);
- Three (3) copies of site plan detailing:
  - Street names, cross streets, north arrow, and scale of plan;
  - Limits of the encroachment;
  - Any proposed substructure installed within the encroachment limits;
  - Size, depth, and/or profile of any proposed utility vault and/or foundation installed within the encroachment limits;
  - Existing street lighting facilities (electroliers, foundations, pullboxes, conduit runs), if any;
  - Existing curbline;
  - Street Lighting Notes to the contractor;
  - Street Lighting Approval Signature block; and
  - Company Title block

- Check in the amount of three hundred fifty dollars (\$350) payable to “City of Los Angeles”.

#### SECTION 3.15.1.2. Application to BOE for “E” and/or “A” Permit(s):

- Cover letter with applicant name and contact information, describing the proposed installation
- Four (4) sets of 11” x 17” detailed plans to scale, including:
  - Site plan (indicate curb lines, locations of all existing above-ground facilities in the public right of way, and exact locations of proposed electric vehicle supply equipment [charge points, reservation kiosk, meter pedestal])
  - Landscaping plan
  - BEFORE installation photographs showing the location of the proposed electric vehicle supply equipment
  - Equipment specifications
  - Renderings of each fixture to be installed

#### SECTION 3.15.1.3. Application to LADOT for Worksite Traffic Control Plan Approval:

- Cover letter on company letterhead, listing contact information, job location, approximate start and duration of work and a brief description of the project work.
- Construction plan detailing dimensions to curb and other pertinent reference points
- Worksite Traffic Control Plan detailing the following:
  - Existing conditions of work site and roadway showing striping, lane widths, intersection and driveway locations

SECTION 3.15.2. Identification of any major businesses and/or entities at the proposed work site, such as schools, hospitals, stadiums, commercial centers, etc. If after approval of a Notice to Proceed the Contractor encounters conditions that make one or more Stations covered by such Notice to Proceed undesirable or impractical, the Contractor shall not supply the documents listed in this Section for that Station(s) and such Station(s) shall no longer be considered after one hundred eighty (180) calendar days of the date the documents should otherwise have been submitted. The Contractor shall inform the City of such event.

SECTION 3.15.3. Within two (2) business days of receiving all permits and approvals necessary for construction of a proposed Station, provided that the Contractor has not elected to apply for permits and approvals itself, LADOT shall provide to the Contractor a final construction work package with the issued permits and approved plans. To the extent that the Contractor has applied for permits and approvals itself, the affected City departments shall issue such permits and approvals to the Contractor directly.

SECTION 3.15.4. Following the approval of the Notice to Proceed, the Contractor shall provide to LADWP computer aided design site plans. Within twenty-five (25) business days of receipt of the Contractor-provided design site plans, LADWP shall complete conduit design plans from the nearest service point to the meter pedestal location and apply for the Excavation "U" permit through BOE. The City shall provide to the Contractor, within two (2) business days of "U" permit issuance to LADWP, the approved conduit design plans.

SECTION 3.15.5. LADWP and BCA shall conduct the necessary inspections scheduled by the Contractor in coordination with Station construction. After inspections are completed, the BCA shall issue a letter of release to LADWP, signaling the LADWP to begin its work as described in this Section 3.15.5., and issue a final approval notice (hereinafter referred to as the "**Final Approval**"). Following installation by or on behalf of the Contractor and inspection of service conduit by LADWP, LADWP shall install cable from the electric service point to the meter pedestal. LADWP shall install an LADWP meter in the meter pedestal provided by the Contractor and energize the Station within fifteen (15) business days following all final construction inspections and approvals.

SECTION 3.15.6. The Contractor shall send to the LADOT a notice of completion of construction when construction work at a Station has been completed, and a notice of Station commissioning when all site testing has been completed and a Station has been placed in working order.

SECTION 3.15.7. LADOT and LADWP shall make an effort to expedite the timeframes provided for in this Section 3.15, to the extent reasonably possible. The City's Work shall conform to the Installation Requirements and shall be in accordance with each Notice to Proceed not rejected by the City as permitted by this Agreement.

#### SECTION 3.16. Contractor Obligations.

SECTION 3.16.1. The Contractor shall start construction on a new Station promptly after receiving all permits and approvals from the City

and shall endeavor to complete construction within sixty (60) calendar days of start for such Station.

SECTION 3.16.2. After the Public Opening, the Contractor shall complete its deployment of electric vehicles for the new Station and shall have the Charge Points and Reservation Kiosk fully operational for Member use within five (5) business days of the notice of Station commissioning.

SECTION 3.16.3. The Contractor or its designated subcontractor, in consultation with LADOT, shall install the necessary signage and pavement/curbside markings and painting in compliance with laws and standards and as set forth in the installation specifications which the City shall provide to the Contractor within ten (10) business days following the Effective Date. Alternately at the election of the Contractor, LADOT may perform these tasks.

SECTION 3.16.4. The Contractor shall ensure that work completed by it or its subcontractors complies in all material respects with City requirements and processes as detailed in this Agreement.

SECTION 3.16.5. The City and the Contractor shall meet as necessary and shall take appropriate actions in accordance with each of their responsibilities under this Agreement to resolve the issues associated with Station construction promptly and cost-effectively.

#### SECTION 3.17. Electricity Costs.

The Contractor shall pay LADWP for the use of electricity at all Stations under this Agreement, pursuant to duly issued invoices therefor. LADWP shall offer all applicable rates available for the type of use. Metering shall be from an LADWP-installed and owned revenue meter.

#### SECTION 3.18. Parking Costs.

SECTION 3.18.1. For a parking space where a parking meter was previously installed and was removed, the Contractor shall pay to the City the estimated annual meter revenue on an annual basis or any reduced cost agreed upon by the Parties or applicable to car sharing, as set forth in Section 3.18.6. There shall be no payment for Stations installed in parking spaces that were not previously metered. Except with respect to parking costs as provided for in this Section 3.18 and the fees specified in Section 3.14.1.3, Contractor shall have no liability under this Agreement for any other permit costs, taxes or fees to the City.

SECTION 3.18.2. The City shall invoice such amount to the Contractor annually in arrears. The City shall apply a credit of two hundred

fifty-two thousand six hundred dollars (\$252,600) to the Contractor's parking account and debit the parking costs from such credit until it is completely depleted, at which time the Contractor shall owe any new invoiced amount and shall pay such invoice within thirty (30) calendar days. Payment for parking costs shall be deposited to the LADOT Special Parking Revenue Fund No. 363.

SECTION 3.18.3. Recognizing that car sharing is a valuable public service, and that shared vehicles reduce the need for privately owned vehicles and therefore result in more equitable use of the public right of way, the City may seek to enact exemptions or ordinances allowing the Service to benefit from free or reduced rates of parking spaces. If such a change is enacted, the Contractor shall receive such reduced rates.

SECTION 3.18.4. If the Parties agree to expand the size of the Service, the City shall endeavor to seek additional or new sources of credit for parking costs to enable a financially viable Service.

SECTION 3.18.5. In the event that, due to City activities at any given Station or Temporary Closure, the Service is interrupted or impaired, the Contractor shall be relieved of the obligation to pay parking costs with respect to the affected Station or portion thereof. If the duration of any such interruption, impairment or Temporary Closure exceeds thirty (30) consecutive days or sixty (60) days in any twelve (12) month period, then upon request of the Contractor, the City shall identify a suitable replacement location for such Station within the vicinity of and as close as reasonably possible to each affected Station, and pay all of Contractor's costs associated with relocation of the Station.

SECTION 3.18.6. The standard parking costs are based on the revenue generated by each individual meter in the preceding twelve (12) operating months. Each parking meter has a meter identification number (meter ID) labeled in yellow. Based on the meter ID, LADOT shall, upon request, confirm the revenue generated from the preceding twelve (12) months of continuous operation and/or the tier the specific parking space falls into. To facilitate the Contractor's site selection, within ten (10) business days following the Effective Date of this Agreement, the City shall provide a list of tier pricing in each target area which shall remain in effect throughout the Term. The typical tier pricing is as follows:

<b>Category</b>	<b>Unsubsidized Annual Parking Cost</b>
Tier 1	\$0 - \$750
Tier 2	\$751 - \$1,250
Tier 3	\$1,251 - \$2,000
Tier 4	\$2,001 - \$2,750
Tier 5	\$2,751 - \$3,600

#### **SECTION 3.19. Street Sweeping.**

The Contractor shall be exempt from moving its Vehicles during the weekly street sweeping schedule. The Contractor shall be responsible for maintaining the locations of the Stations clean and free from debris in compliance with the Clean Water Act. The Contractor shall remove debris and place any collected debris in a receptacle for proper disposal. Should it be determined that any of the Stations are not in compliance with the Clean Water Act, the City shall notify the Contractor and the Contractor shall cooperate with the City to resolve the issue.

#### **SECTION 3.20. Graffiti.**

The Contractor shall be responsible for promptly responding to and removing graffiti, and stickers from Vehicles and Stations in compliance with requirements of Law, bearing in mind the City's desire to ensure that at all times the condition of the Vehicles and the Stations reflect well on the Parties and the Project. The City shall have the right to review, on request, the Contractor's Vehicle maintenance procedures and records and the Contractor shall reasonably consider any recommendations of the City regarding maintenance and upkeep. Prior to the Public Opening, Contractor shall submit a graffiti mitigation plan detailing how Contractor will maintain the Station Fixtures free from graffiti and other defacements (i.e., stickers, posters). Such plan shall require inspection of the Station Fixtures at least four (4) times each year and include information regarding the resources that shall be used in order to mitigate graffiti.

#### **SECTION 3.21. Communications and Connectivity to the Stations.**

The Contractor and/or its designated subcontractor shall be responsible for the installation of the communications connectivity to the Station Fixtures. The City shall cooperate with this process including issuance of any necessary permits.

SECTION 3.22. Towing and Emergency Services.

SECTION 3.22.1. The City and the Contractor shall cooperate to establish, maintain, and undertake the enforcement of the policies and procedures established by the City and the Contractor for the administration and enforcement of parking rules and regulations in the Stations by such means as permitted by Law.

SECTION 3.22.2. The Contractor, or the City if the Contractor so elects, shall install signs approved by the City prohibiting parking at Stations of any vehicle that is not operated by the Contractor or is not an authorized Member of the EV car sharing service. The funding for this shall be as described in Section 2.1.5.

SECTION 3.22.3. The City, or its subcontractor, shall tow vehicles parked at a Station without authorization within three (3) hours after such vehicles are discovered by the City or after receiving notification from the Contractor of such occurrence. The Contractor shall not be charged a fee or penalty associated with such a tow, as such fee or penalty shall be borne by the owner of the unauthorized vehicle or other liable party (not the Contractor) and payable to the City as required by Law.

SECTION 3.22.4. The Contractor shall either have sufficient emergency services and equipment available or have sufficient third party contracts in place so that it can retrieve immobile Vehicles or Vehicles that are not properly returned to a Station by a Member. In the case of an accident involving a Vehicle, the City shall use its best efforts to contact the Contractor prior to towing any Vehicles (and if possible, to permit the Contractor to arrange for the towing of the Vehicle), to ensure safety procedures, identify towing location and/or arrange Vehicle quarantine if deemed necessary by the Contractor. If the City, or its subcontractors, is required to tow a Vehicle for any reason, the Contractor shall not be charged more than any other party as required by Law, and the Parties acknowledge that towing fees may change from time to time. The City or its subcontractors agree to receive safety and procedural training for towing of EV from the Contractor or other qualified provider, including any special qualification for the handling of EVs that may be required by Law.

SECTION 3.22.5. Within thirty (30) calendar days following the Effective Date, the City shall provide the Contractor with designated contact persons at LAPD and LAFD with whom the Contractor Representative can liaise in order to familiarize those City departments with the Service and the EVSE and EV technology and collaborate to discuss emergency and safety procedures, including necessary safety precautions in the case of accident or Vehicle fire.



**SECTION 3.23. Interoperability.**

The City and the Contractor shall explore the ability to allow interoperability of the Service membership cards with other transportation services.

**SECTION 3.24. Membership and Usage Targets.**

**SECTION 3.24.1.** The City and the Contractor shall work collaboratively towards the following membership targets as described in Table C below:

Table C: Low-Income Membership Targets.

<b>Month after Public Opening</b>	<b>1 month</b>	<b>6 months</b>	<b>12 months</b>	<b>18 months</b>	<b>24 months</b>	<b>30 months</b>
Members with household income less than \$25,000/year	175	350	700	1,050	1,575	2,100
Members with household income greater than \$25,000/year and less than \$35,000/year	335	670	1,340	2,010	3,015	4,020

**SECTION 3.24.2.** Additionally, the Parties shall work towards the following utilization goals in order to ensure that the program is meaningful for disadvantaged communities:

- At least thirty-five percent (35%) of total utilization (measured in the number of trips taken) should be from Members with annual household incomes of twenty-five thousand dollars (\$25,000) or less
- At least fifty percent (50%) of total utilization (measured in the number of trips taken) should be from Members with annual household incomes of thirty-five thousand dollars (\$35,000) or less.

**SECTION 3.24.3.** The City shall regularly review performance achievements compared to these targets and in the case of under achievement, shall review the outreach plan and determine actions and additional steps needed to achieve the desired targets.

**SECTION 3.25. Membership, Usage Fees, and Discounts.**

SECTION 3.25.1. The Contractor shall have the right to set the membership and usage fees it shall charge to users of the Service, and shall provide the membership and usage discounts provided for in this Agreement. The City shall have the right to provide guidance and advice in establishing pricing and in the case of disagreement, the Contractor shall provide information to the City supporting its pricing decisions, but the Contractor shall not be required to disclose proprietary trade secrets or information that is subject to legal disclosure restrictions.

#### SECTION 3.25.2. Income-Based Discounts.

The City shall establish income criteria to encourage the use of the Service by low-income residents. The City, directly or through the Steering Committee, shall provide to the Contractor eligibility information as well as proof of eligibility for Members applying for such discount. Upon mutual agreement of the Parties, Street Ambassadors employed by the Contractor may work at mutually agreed locations and review proof of eligibility which must be provided in person by prospective Members. Members shall be given two (2) weeks after enrollment to present proof of eligibility for income-based discounts, and the Contractor shall be entitled to require additional proof of such eligibility on an annual basis. Such proof shall be provided within three (3) business days following Contractor's request in the case of proof provided by the City. In case of a negative response or lack of proof offered by a Member, or a suspicion of a fraudulent application on the part of the Member, Contractor may remove the discount from the Member's account. The Contractor may direct Members to contact the City in case of disagreement regarding Member eligibility for discounts.

##### SECTION 3.25.2.1. Discounted Membership Fees.

The following discount off the standard membership fee shall be applied, see Table D below:

Table D: Percent Discount Applied to Standard Membership Fees

Monthly Cost of Membership	Public Opening	+6 months	+12 months	+18 months	+24 months	+30 months
Discount for members with household income less than \$25,000/year	80%	60%	40%	40%	40%	40%
Discount for Members with household income greater than \$25,000/year and less than \$35,000/year	60%	40%	25%	25%	25%	25%

SECTION 3.25.2.2. Discounted Usage Fees. The following discount off the standard usage fee shall be applied, see Table E below:

Table E: Percent Discount Applied to Standard Usage Fees

Usage Fee	Public Opening	+6 months	+12 months	+18 months	+24 months	+30 months
Discount for members with household income less than \$25,000/year	25%	25%	25%	25%	25%	25%
Discount for Members with household income greater than \$25,000/year and less than \$35,000/year	25%	25%	25%	25%	25%	25%

#### SECTION 3.25.2.3. Capped Trip Fees

During the first nine (9) months after the Public Opening, the Contractor shall cap the usage fee of trips between one (1) and three (3) hours to the price of one (1) hour due to the possibility that many of the earlier installed Stations may not be located near prime destinations. This incentive shall be evaluated at six (6) months after the Public Opening to determine whether it needs to be extended or modified beyond a period of nine (9) months. Such an extension of discounts shall be made at the sole discretion of the Contractor.

#### SECTION 3.26. Outreach Efforts and Steering Committee.

SECTION 3.26.1. The City has convened a group of community based organizations (the “**Steering Committee**”) which have volunteered to support the goals of the City in promoting the EV car sharing service during the Initial Term. The City anticipates signing a Memorandum of Understanding (“**MOU**”) with the participants of the Steering Committee defining the roles and responsibilities of the signatories.

SECTION 3.26.2. The City shall provide funding, included in Section 2.1.4. to be used for a Steering Committee outreach coordinator to coordinate all activities and input of the Steering Committee participants.

SECTION 3.26.3. The City, through the City Representative or her duly authorized Designee, shall invite the Steering Committee to various discussions regarding the Service and, in particular, in designing and

implementing actions and outreach efforts aimed at increasing membership and use of the Service within target populations.

SECTION 3.26.4. The Parties agree to reasonably collaborate with a goal to achieve the Service targets defined in Section 3.24., and permit the Steering Committee to offer its input in the process.

SECTION 3.26.5. The City shall engage the Mayor's Office of Public Engagement in community liaison activities, outreach, and events aimed at growing memberships and use of the Service.

SECTION 3.27. Marketing and Branding.

SECTION 3.27.1. The public name of the Service shall be "BlueLA". The Contractor reserves the right to change the name of the Service with the City's approval, which shall not be unreasonably withheld, conditioned, or delayed.

SECTION 3.27.2. The City shall assist, to the extent possible using its resources and networks of transportation agencies, affordable housing developers, property owners and managers, non-profit organizations, neighborhood associations, merchants and retailers, work source centers, medical clinics, and/or educational institutions, in marketing the Service in targeted disadvantaged communities.

SECTION 3.27.3. The Parties agree that the communications about the service (with such communications to be subject to Contractor's reasonable prior approval) shall emphasize that:

SECTION 3.27.3.1. The Service is operated by Bolloré or its affiliates or co-venturers.

SECTION 3.27.3.2. The Service is made possible by a partnership with the City of Los Angeles Department of Transportation.

SECTION 3.27.3.3. The Service is part of the public transportation strategy and options of the City of Los Angeles.

SECTION 3.27.3.4. The service was supported by CARB.

SECTION 3.27.4. The City agrees to actively and routinely communicate and promote the Service throughout the Term, including mentioning the Service in connection with other transit and sustainability initiatives, mentioning the Service on the City's website and in social media communication, and through local and regional public transportation ads and literature. The City shall expend not less than one hundred thousand dollars (\$100,000) during the Initial Term in third-party

advertising costs, excluding any in-kind work provided by City employees.

SECTION 3.27.5. The provisions of this Section 3.27.5. expressly supersede the City Standard Provisions including PSC-23. During the Term, the City shall have the express consent of the Contractor for the use in marketing and branding of the Service in a manner approved by the Contractor, of the Contractor's trademarks, trade names, service marks, service names, all of which shall remain the sole and exclusive property of the Contractor as the case may be.

SECTION 3.27.6. During the Term, the Contractor shall have the express consent of the City for the use of the City's trademarks, trade names, service marks, service names, or any other intellectual property, all of which shall remain the sole and exclusive property of the City, in any advertisement or communication regarding the Service.

SECTION 3.27.7. The provisions of this Section 3.27.7. expressly supersede the City Standard Provisions including PSC-23. All trademarks, trade names, service marks, service names, and all other intellectual property rights associated with the Service, including without limitation, the name "Bluecar", "BlueCarSharing", "BlueLA" and any derivations thereof, shall be and remain the sole and exclusive property of the Contractor and its Affiliates as the case may be.

#### SECTION 3.28. Revenue Generation.

SECTION 3.28.1. Advertising. The Contractor may sell advertisements on or inside the Vehicles, on its website, and its mobile applications and as otherwise permitted by Law. However, the Contractor may only sell advertisements on the Station Fixtures if and to the extent that advertisement on Station Fixtures is permitted by any existing agreement to which the City is a party, or negotiated by the Contractor with a third party that has an existing street furniture advertising contract with the City. Any advertisements sold by the Contractor must be in compliance with the Law (including LAMC Section 87.54) and the list of permitted and prohibited content in Exhibit 4 to this Agreement which is excerpted from the City Transit Advertising Policy. The City shall notify the Contractor of any such instance.

#### SECTION 3.28.2. Ancillary Wireless Services.

SECTION 3.28.2.1. The Parties agree that with the consent of the City (which may be granted or withheld in the City's sole discretion) the Contractor may (but shall be under no obligation to) install, operate, maintain, and upgrade wireless networking equipment of the Contractor's choosing at any or all of the Stations for the

purpose of providing wireless networking connectivity to its Members (hereinafter referred to as “**Ancillary Services**”). Such wireless networking equipment shall not be considered Station Fixtures and may be removed by the Contractor upon termination or expiration of this Agreement. Contractor acknowledges that among the factors to be considered by the City are: jurisdiction, cost, contracting procedures and other matters.

SECTION 3.28.2.2. Any Ancillary Services shall be installed, operated, maintained, and upgraded in substantial compliance with all Laws.

SECTION 3.28.2.3. If the installation, operation, maintenance, or upgrade of Ancillary Services shall lead to a material change to the size of the area (such as through the addition of another structure, such as a meter box, Charge Point, or Reservation Kiosk) or result in any material protrusion of antennae, the Contractor shall only proceed with such installation, operation, maintenance, or upgrade with the consent of the City Representative, which shall not be unreasonably withheld, conditioned, or delayed.

SECTION 3.28.2.4. At least sixty (60) calendar days prior to the initial operation of the Ancillary Services, the Contractor shall provide detailed plans to the City Representative.

SECTION 3.28.2.5. The City shall not be required to expend any funds whatsoever in support of Ancillary Services except as otherwise required by this Agreement to support the Services which are not Ancillary Services.

SECTION 3.28.2.6. If the Contractor proceeds with the installation of wireless networking equipment as described under this Section 3.28.2., the Contractor shall install, operate, and maintain the wireless networking equipment in a manner that shall not cause interference (including, but not limited to, radio frequency interference, mechanical interference, or any interference with underground utilities) with the equipment of other persons. In the event any such interference occurs the Contractor shall:

- Remedy any interference within thirty-six (36) hours after receipt of notice from the City; or
- Cease operation of its wireless networking equipment until the interference can be eliminated.

SECTION 3.29. Large Scale Site Visit.

To aid in site selection and review a typical day in car sharing operations, the Contractor shall provide the City's project/evaluation team with an on-site visit to review and assess a current EV car sharing operation of no less than one thousand (1,000) electric vehicles and two thousand (2,000) Charge Points, and operating for no less than three (3) years. The Contractor shall reimburse the City for allowable expenses including economy air travel, lodging at a Contractor selected hotel, and meal expenses for up to six (6) City-selected representatives for up to four (4) days.

## **SECTION 4. FURTHER AGREEMENTS OF THE PARTIES**

### **SECTION 4.1. Representations and Warranties of the Contractor.**

**SECTION 4.1.1. Contractor Representations.** The Contractor hereby represents and warrants to the City, and intends that the City rely, as follows:

**SECTION 4.1.1.1. Organization, Authorization, and Validity of this Agreement.** The Contractor is a limited liability company, duly formed and validly existing under the Laws of the State of California. The Contractor has the legal capacity and authority to enter into this Agreement and to carry out its obligations hereunder and to comply with and fulfill the terms and conditions of this Agreement. This Agreement has been duly executed and delivered by the Contractor and constitutes the legal, valid and binding obligation of the Contractor enforceable against the Contractor in accordance with its terms and conditions.

**SECTION 4.1.1.2. No Conflict or Violation.** The execution, delivery, consummation and performance of this Agreement by the Contractor do not and shall not:

**SECTION 4.1.1.2.1. Violate any provision of Law** applicable to the Contractor;

**SECTION 4.1.1.2.2. Violate or result in a breach of, cause acceleration, allow a Party to modify or constitute (with or without due notice or the passage of time or both) a default (or give rise to any right of termination, cancellation, acceleration or modification or right of first refusal, right of first offer or other similar right) under the terms, conditions or provisions of any contract to which the Contractor is a party; or**

**SECTION 4.1.1.2.3. Violate or result in a breach of or constitute (with or without due notice or the passage of time or both) a default under any judicial consent, order**



or decree to which the Contractor is a party or by which it is otherwise bound.

## SECTION 4.2. Representation and Warranties of the City.

### SECTION 4.2.1. City Representations.

The City hereby represents and warrants to the Contractor, and intends that the Contractor rely, as follows:

SECTION 4.2.1.1. Authorization and Validity of this Agreement. The City has the legal capacity and authority to enter into this Agreement and to carry out its obligations hereunder and to comply with and fulfill the terms and conditions of this Agreement. This Agreement has been duly executed and delivered by the City and constitutes the legal, valid, and binding obligation of the City enforceable against the City in accordance with its terms and conditions.

SECTION 4.2.1.2. No Conflict or Violation. The execution, delivery, consummation and performance of this Agreement by the City do not and shall not:

SECTION 4.2.1.2.1. Violate any provision of Law applicable to the City;

SECTION 4.2.1.2.2. Violate or result in a breach of, cause acceleration, allow a Party to modify or constitute (with or without due notice or the passage of time or both) a default (or give rise to any right of termination, cancellation, acceleration or modification or right of first refusal, right of first offer or other similar right) under the terms, conditions or provisions of any contract to which the City is a party; or

SECTION 4.2.1.2.3. Violate or result in a breach of or constitute (with or without due notice or the passage of time or both) a default under any judicial consent, order or decree to which the City is a party or by which it is otherwise bound.

SECTION 4.2.1.3. Consents and Approvals. The execution, delivery and performance of this Agreement by the City:

SECTION 4.2.1.3.1. Does not require either Party to obtain the consent or approval of, or to make any filing with, any Governmental Entity which has not already been obtained; and

SECTION 4.2.1.3.2. Does not require the City to obtain the consent or approval of, or to make any filing with any other person or entity.

SECTION 4.2.1.4. Title.

SECTION 4.2.1.4.1. The City has good and sufficient title or control of the Stations on City-owned property and City-controlled public right of way necessary for the Contractor to perform the Services pursuant to this Agreement.

SECTION 4.2.1.4.2. There is no recorded or unrecorded contract, option, commitment, right, privilege or other right of another binding upon, or which at any time in the future may become binding upon, the City to sell, transfer, convey, subject to lien, charge, grant a security interest in, or in any other way dispose of or materially encumber the Locations.

SECTION 4.2.1.4.3. The recorded or unrecorded restrictions, exceptions, easements, rights of way, reservations, limitations, interests and other matters that affect title to or the City's control of the Stations (or any portion thereof) do not adversely affect the Contractor's ability to perform the Services in accordance with the terms hereof.

SECTION 4.2.1.5. Work of City Departments. The City shall cause LADWP and other relevant City departments to perform the City's Work as described in this Agreement.

SECTION 4.3. Dispute Resolution.

SECTION 4.3.1. Scope.

Any dispute arising out of, relating to, or in connection with this Agreement shall be resolved as set forth in this Section 4.3. The City shall be responsible for the City's Work including as a result of the City or its subcontractors' negligence, recklessness, or willful misconduct; breach of any of the representations or warranties of the City contained herein, failure of the City to perform any of its covenants or obligations contained in this Agreement, liabilities in connection with the obligations of the City under this Agreement, and shall be responsible to reimburse the Contractor for Losses arising out of the foregoing. Conversely, the Contractor shall be responsible for the work conducted by or on behalf of the Contractor by its subcontractors, including as a result of negligence, recklessness, or willful misconduct; breach of any of the representations or warranties of the Contractor contained herein, failure of the Contractor to perform any of its

covenants or obligations contained in this Agreement, liabilities in connection with the obligations of the Contractor under this Agreement, and shall be responsible to reimburse the City for Losses arising out of the foregoing. Any amounts payable hereunder shall be paid within thirty (30) calendar days after such amount is finally determined either by mutual agreement of the Parties or pursuant to the dispute resolution process set forth in Section 4.3. or, in the case of litigated matter, the date on which both such amount and the obligation to pay such amount have been determined by a final, non-appealable judgment of the court or administrative body having jurisdiction over such proceeding. Notwithstanding anything to the contrary contained in this Agreement, in no event shall either Party have liability to the other Party for contractual damages for an amount in excess of Six Million Dollars (\$6,000,000). Notwithstanding the preceding sentence, this Section shall not limit: (a) liability for breach of any confidentiality obligation, (b) liability for infringement of the other Party's intellectual property rights, (c) Contractor's liability for personal injury or death or for damage to real property or tangible personal property caused by the negligence or willful misconduct of Contractor or its employees; or (d) liability for payment of interest added by a court of law or an arbitration panel to a judgment entered in any action or proceeding under this Agreement.

#### SECTION 4.3.2. Informal Dispute Resolution.

The Parties shall attempt in good faith to resolve any dispute arising out of, relating to, or in connection with this Agreement within fourteen (14) calendar days following receipt by one Party of notice of such dispute from the other Party. Statements made by representatives of the Parties during the dispute resolution procedures set forth in this Section 4.3.2. and in Section 4.3.3. and documents specifically prepared for such dispute resolution procedures shall be considered part of settlement negotiations and shall not be admissible as evidence in any other litigation proceeding between the Parties without the mutual consent of the Parties.

#### SECTION 4.3.3. Mediation.

SECTION 4.3.3.1. Mediation of a dispute under this Agreement may not be commenced until the earlier of:

SECTION 4.3.3.1.1. Such time as both Parties, after following the procedures set forth in Section 4.3.2., conclude in good faith that amicable resolution through continued negotiation of the matter does not appear likely; or

SECTION 4.3.3.1.2. Fourteen (14) calendar days after the notice of the dispute is received pursuant to Section 4.3.2.

If, after such time period, the dispute remains unresolved, the Parties shall attempt to resolve the dispute through mediation.

SECTION 4.3.3.2. The mediator for such dispute shall be an attorney in good standing with the California Supreme Court (the "**Mediator**"). The Parties shall attempt in good faith to agree on a Mediator.

SECTION 4.3.3.3. If the Parties cannot so agree within fourteen (14) calendar days after it is determined that the Parties cannot resolve the dispute, the Parties jointly shall engage JAMS and request JAMS to provide a list of five (5) qualified mediators from which the Parties shall strike. The claiming Party shall strike first. After striking is complete, the remaining individual shall serve as Mediator. In the event the Mediator selected by striking is unable or unwilling to serve or is otherwise disqualified, the previously stricken mediators shall be designated in inverse order until a mediator is selected.

SECTION 4.3.3.4. Mediation shall be regarded as settlement negotiations and treated as inadmissible as provided in California Evidence Code Sections 1115-1128.

SECTION 4.3.3.5. Unless the Parties otherwise agree, if mediation as set forth in this Section 4.3.3. does not resolve the dispute, the Parties are free to pursue claims and litigation as they deem necessary. The period for submitting claims to the City shall be tolled during the pendency of any mediation under this Agreement.

#### SECTION 4.3.4. Provisional Remedies.

No Party shall be precluded from initiating a proceeding in a court of competent jurisdiction for the purpose of obtaining any emergency or provisional remedy to protect its rights that may be necessary and that is not otherwise available under this Agreement, including temporary and preliminary injunctive relief and restraining orders.

#### SECTION 4.4. Non-Disclosure.

SECTION 4.4.1. Each Party wishes to ascertain that its rights for confidentiality shall be preserved by the other Party. Either Party to this Agreement is hereinafter referred to as the "**Disclosing Party**" when disclosing its own Confidential Information, and as the "**Receiving Party**" when receiving Confidential Information from the other Party. Contractor and City hereby recognize respectively and agree that Confidential Information, as defined hereafter, disclosed by

each Party to the other Party, is and shall remain the Disclosing Party's property, and is confidential.

**"Confidential Information"** shall mean any and all financial, legal, technical, marketing and commercial information to be disclosed by the Disclosing Party to the Receiving Party within the context of the Project. Confidential Information may be disclosed by the Disclosing Party or by any of its Affiliates. The Project itself is Confidential Information of the Bolloré Group. Confidential Information may be disclosed either in writing, by delivery of items, by initiation of access to Confidential Information, such as may be in a data base, or by oral or visual presentation. All information shall be marked as "Confidential" or "Proprietary" to be considered confidential for purposes of this Agreement. If information is disclosed orally, the Disclosing Party must reduce such information to writing within thirty (30) days of disclosure. This paragraph is not applicable to the information referred to in § 1.2 above.

SECTION 4.4.2. Consequently, the Receiving Party hereby agrees that the Confidential Information disclosed by the Disclosing Party shall, to the extent permitted by law:

SECTION 4.4.2.1.1. be maintained in strict confidence by the Receiving Party

SECTION 4.4.2.1.2. not be published, divulged or disclosed in whatever form or manner to any third Party to this Agreement without prior permission in writing being granted by the Disclosing Party

SECTION 4.4.2.1.3. not be used by the Receiving Party for any purpose other than for carrying out the Project with the Disclosing Party

SECTION 4.4.2.1.4. be held in safe custody by the Receiving Party

SECTION 4.4.3. The dissemination of the Confidential Information within the Receiving Party to such of its statutory officers, employees, or Directors (hereinafter referred to as "**Employees**"), or to either Party's Affiliates and their own employees, can be made by the Receiving Party under its entire responsibility, on a "need to know" basis only and provided that prior to the dissemination of such information the Receiving Party has ensured that such Employees/Affiliates are aware of and bound by the content of this Agreement. Each Party shall be fully responsible for any breach of this Agreement by its Employees/Affiliates.

SECTION 4.4.4. This Agreement shall not prevent the Receiving Party from disclosing or using information which:

SECTION 4.4.4.1.1. is or becomes publicly known other than as a result of a disclosure by the Receiving Party in violation hereof, or

SECTION 4.4.4.1.2. becomes available to the Receiving Party from a source other than the Disclosing Party, which is not bound by confidentiality obligations to the Disclosing Party, or

SECTION 4.4.4.1.3. is already known to the Receiving Party, or

SECTION 4.4.4.1.4. is approved for release by written authorisation of the Disclosing Party

SECTION 4.4.4.1.5. is required to be disclosed pursuant to any judicial or administrative proceeding, providing that the Receiving Party immediately after receiving notice of such action notifies the Disclosing Party of such action to give the Disclosing Party the opportunity to seek any other legal remedies to maintain such information in confidence.

SECTION 4.4.5. This Agreement does not create upon the parties any obligations other than expressly defined in this Agreement. In particular but not limited to, this Agreement does not constitute an offer, a commitment or a binding obligation on the part of Contractor and of City to consummate a transaction for the Project. Either Party shall bear its own costs in connection with the exploration of the Project.

SECTION 4.4.6. Unless otherwise agreed in writing between the parties, the Disclosing Party makes no representations or warranties, express or implied, regarding the completeness, quality or accuracy of the Confidential Information. Either Party hereby represents and warrants that it has the due authority to disclose the Confidential Information and that such disclosure to the Receiving Party, within the frame of the Project or under any potential agreement between Contractor and City does not and will not violate, breach or result in a contravention of any former document which is binding upon it with any third Party.

SECTION 4.4.7. City acknowledges i) that it may have access, within the frame of the Project, to particular sensitive Confidential Information of the Bolloré Group, related to its car sharing system, and/or to its solutions for intelligent management of energy, and ii) that the

disclosure of any part or whole of such Confidential Information could seriously affect the competitive position of the Bolloré Group on this market and to cause considerable damage, in particular commercial and financial damage to the Bolloré Group and iii) that the breach of this Agreement shall be deemed as a breach of the Bolloré Group's trade secrets, allowing any entity of the Bolloré Group to claim compensation for all damage caused to it. Accordingly the City agrees to protect Confidential Information from disclosure via public records act requests, and to provide Contractor with notice of any requests or demands for disclosure of Confidential Information.

SECTION 4.4.8. All Confidential Information shall remain the property of the Disclosing Party. Upon written request by Disclosing Party, which can be made at any time, the Receiving Party shall immediately return all such information to the Disclosing Party, as well as all notes, copies, memoranda, documents, drawings, sketches and other tangible or electronic items containing, consisting of or relating to the Confidential Information, or certify in writing the destruction of such information and documents.

SECTION 4.4.9. No failure or delay by each Party in exercising any of its rights thereunder shall operate as a waiver of such rights. No single or partial exercise shall preclude any further exercise of such rights.

SECTION 4.4.10. This Agreement shall come into force on the date of its signature by all the parties hereto and shall have a term of two (2) years. Either Party shall have the right to terminate this Agreement with a 90 days prior written notice sent by registered mail return receipt requested. Notwithstanding termination of this Agreement, the confidentiality provisions set forth in this Agreement shall remain in effect for the duration of five (5) years in respect of all Confidential Information received prior to termination.

SECTION 4.4.11. The City agrees to immediately notify and consult with Contractor in regard to any California Public Records Act request received requesting information subject to this Section 4.4. When and in the event the City has occasion to examine and audit Contractor's records related to this Agreement, the City agrees to treat as confidential those documents identified by Contractor as proprietary, and will not share or disclose such records to the extent permitted by California Law. Contractor agrees to defend, indemnify and hold harmless the City from and against all suits, claims and causes of action brought against the City for the City's refusal to disclose Contractor's trade secrets or proprietary documents to any person making a request pursuant to the State of California Public Records Act (California Government Code Section 6250, et seq.) Contractor's obligations herein include, but are not limited to, all reasonable



attorney's fees (both in-house and outside counsel), reasonable costs of litigation incurred by the City or its attorneys (including all actual costs incurred by the City, not merely those costs recoverable by a prevailing party, and specifically including costs of experts and consultants), as well as all damages or liability of any nature whatsoever arising out of any such suits, claims and causes of action brought against the City, through and including any appellate proceedings. Contractor obligations to the City under this indemnification provision shall be due and payable on a monthly, ongoing basis within thirty (30) days after each submission to Contractor of the City's invoices for all fees and costs incurred by the City, as well as all damages or liability of any nature.

#### SECTION 4.5. Entire Agreement; Binding Effect.

This Agreement (including all exhibits and any other attachments) constitutes the entire understanding between the Parties regarding the subject matter of this Agreement, supersedes any and all previous communications and understandings between the regarding the subject matter of this Agreement, and binds and inures to the benefit of the Parties, their successors and permitted assigns. Neither Party has entered into this Agreement in reliance upon any oral or written representation or information provided by the other Party other than the representations and information expressly set forth in this Agreement. This Agreement shall be interpreted in accordance with the Laws in effect as of the Effective Date.

#### SECTION 4.6. No Third Party Beneficiaries.

Nothing expressed or mentioned in this Agreement is intended or shall be construed to give any other person any legal or equitable right, remedy or claim under or in respect of this Agreement, or any provisions herein contained, this Agreement and all conditions and provisions hereof being intended to be and being for the sole and exclusive benefit of the City and the Contractor and for the benefit of no other person.

#### SECTION 4.7. Counterparts.

This Agreement may be executed in two or more counterparts, each of which when so executed and delivered shall be an original, but all of which together shall constitute one and the same instrument.

#### SECTION 4.8. Amendments.

Neither this Agreement nor any term hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the Party against whom enforcement of the change, waiver, discharge or termination is sought.

#### SECTION 4.9. Headings.

The headings in this Agreement are for purposes of reference only and shall not limit or otherwise affect the meaning hereof.

#### SECTION 4.10. Further Assurances.

The City and the Contractor each agree to execute and deliver such instruments and take such actions as the other may, from time to time, reasonably request in order to effectuate the purpose and to carry out the terms of this Agreement.

#### SECTION 4.11. Contractor's Operations.

Notwithstanding anything to the contrary contained in this Agreement, nothing in this Agreement shall prevent the Contractor from operating its EV car sharing service on a private or other basis in communities other than those that will have Stations pursuant to this Agreement or at stations not covered by this Agreement.

REMAINDER OF PAGE INTENTIONALLY LEFT BLANK

SIGNATURE PAGE FOLLOWS

IN WITNESS WHEREOF, the City of Los Angeles and the Contractor have caused this agreement to be executed by their duly authorized representatives.

Executed for:

Executed for:

The City of Los Angeles

BlueCalifornia, LLC

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

Seleta J. Reynolds  
General Manager  
Department of Transportation

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

Hervé Muller  
President  
BlueCalifornia, LLC

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

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

Approved as to Form and Legality:

Michael N. Feuer, City Attorney

ATTEST:

Holly Wolcott, City Clerk

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

Michael Nagle  
Deputy City Attorney

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

City Clerk  
City of Los Angeles

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

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

Said Agreement Number: \_\_\_\_\_

## DEFINITIONS AND TERMS

Capitalized terms used but not otherwise defined throughout this Agreement shall have the meanings indicated below:

1. "Affiliate" shall mean, with respect to any person, any other person that directly or indirectly controls, is controlled by or is under common control with such person, and in the case of Contractor includes Bolloré S.A. and its affiliates and co-venturers.
2. "Agreement" shall have the meaning ascribed to such term in the introductory paragraph.
3. "Ambassadors" shall have the meaning ascribed to such term in Section 2.1.4.
4. "Ancillary Services" shall have the meaning ascribed to such term in Section 3.28.2.1.
5. "BCA" shall have the meaning ascribed to such term in Section 1.1.3.
6. "BEV" shall have the meaning ascribed to such term in Section 3.2.1.
7. "BlueCalifornia" shall have the meaning ascribed to such term in the introductory paragraph.
8. "BOE" shall have the meaning ascribed to such term in Section 1.1.3.
9. "Business" shall mean the provision of the Services by the Contractor.
10. "CARB" shall mean the California Air Resources Board.
11. "CARB Grant" shall have the meaning ascribed to such term in Section 1.1.6.
12. "Charge Points" shall mean the specific EVSEs deployed by BlueCalifornia for the Service and including specific technology for remote monitoring and reservations.
13. "City" shall have the meaning ascribed to such term in the introductory paragraph.
14. "City Representative" shall have the meaning ascribed to such term in Section 1.1.1.
15. "City Standard Provisions" shall mean all provisions provided for in Exhibit 2, which is appended to the Agreement for reference.
16. "City's Work" shall have the meaning ascribed to such term in Section 3.14.1.

17. "Confidential Information" shall have the meaning ascribed to such term in Section 4.4.1.
18. "Contract" shall mean any contract, agreement, indenture, note, bond, loan, instrument, lease, conditional sale contract, mortgage, license, franchise, insurance policy, commitment or other arrangement or agreement, whether written or oral.
19. "Contractor" shall have the meaning ascribed to such term in the introductory paragraph.
20. "Contractor Representative" shall have the meaning ascribed to such term in Section 1.1.4.
21. "Customer Call Center" shall have the meaning ascribed to such term in Section 3.6.
22. "Disclosing Party" shall have the meaning ascribed to such term in Section 4.4.1.
23. "Effective Date" shall have the meaning ascribed to such term in the introductory paragraph.
24. "Employee" shall have the meaning ascribed to such term in Section 4.4.3.
25. "EV" shall mean an electric vehicle.
26. "EVSE" shall mean electric vehicle supply equipment, sometimes also called charging stations, a generic industry term for appliances used to charge EVs. The specific EVSEs deployed by the Contractor are referred to as Charge Points.
27. "Final Approval" shall have the meaning ascribed to such term in Section 3.15.5.
28. "Good Reason" shall have the meaning ascribed to such term in Section 3.12.1.
29. "Governmental Entity" shall mean any court, government agency, department, commission, board, bureau or instrumentality of the United States, any local, county, state, federal or political subdivision thereof, or any foreign governmental entity of any kind.
30. "Initial Term" shall have the meaning ascribed to such term in Section 2.2.1.
31. "Installation Requirements" shall mean the work planned to install Station Fixtures and their connection to electrical and telecommunications network,

including parts of the City's Work, all of which work shall comply with all Laws.

32. "JAMS Rules" shall have the meaning ascribed to such term in Section 4.3.3.3.
33. "Kiosk" shall mean a typical self-service kiosk facility placed at the various Stations and provided and used by the Contractor for its exclusive use to service its Members, and shall include kiosks used for reservations and enrollment.
34. "LADBS" shall have the meaning ascribed to such term in Section 1.1.3.
35. "LADOT" shall have the meaning ascribed to such term in the introductory paragraph.
36. "LADWP" shall have the meaning ascribed to such term in Section 1.1.3.
37. "LAFD" shall have the meaning ascribed to such term in Section 1.1.3.
38. "LAPD" shall have the meaning ascribed to such term in Section 1.1.3.
39. "Law" shall mean any applicable local, county, state, or federal, statute, regulation, ordinance, rule, order, decree, judgment, consent decree, settlement agreement, export control restriction or governmental requirement enacted, promulgated, entered into, agreed or imposed by any Governmental Entity having jurisdiction.
40. "Losses" means readily quantifiable, non-speculative damages, losses, obligations, claims, encumbrances, penalties, costs and expenses, including costs of investigation and defense and reasonable attorney's fees and costs where expressly permitted by this Agreement, but excluding any incidental, consequential, punitive or exemplary damages, special damages, indirect damages, unrealized expectation, lost profits or other similar items, and under no circumstances shall any damages be calculated using a "multiplier" or any similar method having a similar effect.
41. "Mediator" shall have the meaning ascribed to such term in Section 4.3.3.2.
42. "Member" means an individual who has completed Contractor's enrollment process for the use of the Service.
43. "MOU" shall have the meaning ascribed to such term in Section 3.26.1.
44. "Notice to Proceed" shall have the meaning ascribed to such term in Section 3.11.1.

45. "Party" or "Parties" shall have the meaning ascribed to such term in the introductory paragraph.
46. "Project" shall have the meaning ascribed to such term in the Recitals of this Agreement.
47. "Public Opening" shall have the meaning ascribed to such term in Section 3.9.1.2.
48. "Receiving Party" shall have the meaning ascribed to such term in Section 4.4.1.
49. "Renewal Term" shall have the meaning ascribed to such term in Section 2.2.2.
50. "RFQ" shall have the meaning ascribed to such term in the Recitals of this Agreement.
51. "Service(s)" shall have the meaning ascribed to such term in the Recitals of this Agreement.
52. "Start-up Costs" shall have the meaning ascribed to such term in Section II.A.1.
53. "Station(s)" shall mean any and all space(s) in Los Angeles, California of which the Contractor is granted exclusive use and common use under this Agreement and any other location as may be agreed to between the Parties.
54. "Station Fixtures" shall mean the Reservation Kiosk, Charge Points, Meter Pedestal, Enrollment Kiosk if any, cabling, and any other removable structure at the Stations owned by the Contractor.
55. "Station Infrastructure" shall mean any conduit whether underground or above ground installed by Contractor at a Station, and any concrete pad, stand, or other permanent structure built to support any Station Fixtures and enable the Service, all of which shall be and remain the property of Contractor except as expressly otherwise provided in this Agreement and provided, further, that that the conduit installed from the electrical service point to the meter pedestal at each Station shall become the property of LADWP.
56. "Steering Committee" shall have the meaning ascribed to such term in Section 3.26.1.
57. "SUMC" shall have the meaning ascribed to such term in Section 3.1.1.7.



58. "Tax" shall mean any income, gross receipts, license, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, environmental, customs duties, permit fees, capital stock, franchise, profits, withholding, social security, unemployment, disability, real property, personal property, parking, sales, use, transfer, registration, value added, alternative or add-on minimum, estimated or other tax, levy, impost, stamp tax, duty, fee, withholding or similar imposition of any kind payable, levied, collected, withheld or assessed at any time, including any interest, penalty or addition thereto, whether disputed or not.
59. "Temporary Closure" shall mean any interruption to or any suspension of the Services by the City due to inaccessibility or non-usability of a Station by the Contractor for any reason including, but not limited to parking bans, weather-related street closures, sidewalk closures related to building construction, activities of third parties, sidewalk construction or repair, street construction or repair, utility work, and similar activities.
60. "Term" shall have the meaning ascribed to such term in Section 2.2.2.
61. "User Agreement" shall have the meaning ascribed to such term in Section 3.3.2.
62. "Vehicle" shall have the meaning ascribed to such term in Section 3.2.2.
63. "Vehicles" shall mean the Contractor's fleet of vehicles designed primarily for the carriage of passengers that the Contractor owns, leases, rents, and are properly available or will become available for use as provided herein.

## EXHIBIT 1

## EXHIBIT 2

### **EXHIBIT 3**

## EXHIBIT 4 – EXCERPT FROM CITY TRANSIT ADVERTISING POLICY

### II. A Permitted Advertising Content

The following classes of advertising are authorized on transit facilities and transit vehicles if the advertising does not include any material that qualifies as Prohibited Advertising under this Advertising Policy:

1. Commercial and Promotional Advertising. Commercial and Promotional Advertising promotes or solicits the sale, rental, distribution or availability of goods, services, food, entertainment, events, programs, transactions, donations, products or property (real or personal) for commercial or noncommercial purposes or more generally promotes an entity that engages in such activities.
2. Governmental Advertising. Governmental entities, meaning public entities specifically created by government action, may purchase advertising space for messages that advance specific government purposes.
3. Public Service Announcements. LAD OT recognizes that its advertising program and its overall public transportation mission are furthered by allowing for public service announcements. Such announcements engender goodwill with the public because the transit system is seen as a caring and active participant in the community. A Public Service Announcement must satisfy the following criteria:
  - a. The sponsor of a Public Service Announcement must be a government entity, or a civic or charitable organization, or a nonprofit corporation that is exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.
  - b. The Public Service Announcement must be directed to the general public or a significant segment of the public and relate to:
    - Prevention or treatment of illnesses;
    - Promotion of safety or personal well-being;
    - Education or training;
    - Provision of children and family services;
    - Provision of services and programs that provide support to low income citizens, senior citizens, and people with illnesses or disabilities;
    - Solicitation by broad-based contribution campaigns which provide funds to multiple charitable organizations engaged in any of the activities that are described in this section (3b) above; or
    - Solicitation of funds or promotion of an event benefiting a nonprofit corporation that is exempt

from taxation under Section 501(c) (3) of the Internal Revenue Code, and which is engaged in any of the activities that are described in this section (3b) above.

## II.B Prohibited Advertising Content.

Advertising is prohibited on transit facilities and transit vehicles if it includes any of the following content:

4. Political. Advertisements promoting or opposing a political party, or promoting or opposing the election of any candidate or group of candidates for federal, state, judicial or local government offices are prohibited. In addition, advertisements which are political in nature or contain political messages, including advertisements involving political or judicial figures and/or advertisements involving an issue that is political in nature in that it directly or indirectly implicates the action, inaction, prospective action or policies of a governmental entity are prohibited.
5. Public Issue. Advertisements expressing or advocating an opinion, position or viewpoint on matters of public debate about economic, political, religious or social issues are prohibited.
6. Prohibited Products, Services or Activities. Any advertising that promotes or depicts the sale, rental, or use of, or participation in, the following products, services or activities; or that uses brand names, trademarks, slogans or other material that are identifiable with such products, services or activities:
  - a. Alcohol: Beer, wine, distilled spirits or any alcoholic beverage licensed and regulated under California law, however, this prohibition shall not prohibit advertising that includes the name of a restaurant that is open to minors. Also prohibited are advertisements by alcoholic beverage companies.
  - b. Tobacco: Tobacco products, tobacco-related products, and products that simulate smoking or are modeled on the tobacco products, including but not limited to cigarettes, cigars, and smokeless (e.g., chewing) tobacco, and electronic cigarettes;
  - c. Adult/Mature Rated Films, Television or Video Games: Adult films rated "X" or "NC-17", television rated "MA" or video games rated "A" or "M";
  - d. Adult Entertainment Facilities: Adult book stores, adult video stores, nude dance clubs and other adult entertainment establishments;

- e. Other Adult Services: Adult telephone services, adult internet sites and escort services;
- f. Obscene or Sexually Explicit Matter: Advertising containing obscene matter as defined in the Los Angeles County Code, Chapter 13.17, Section 13.17.010, or sexually explicit material as defined in the Los Angeles County Code, Chapter 8.28, Section 8.28.010D.
- g. False or Misleading: Any material that is or that the sponsor reasonably should have known is false, fraudulent, misleading, deceptive or would constitute a tort of defamation or invasion of privacy;
- h. Copyright, Trademark or Otherwise Unlawful: Advertising that contains any material that is an infringement of copyright, trademark or service mark, or is otherwise unlawful or illegal;
- i. Illegal Activity: Advertising that promotes any activity or product that is illegal under federal, state or local law;
- j. Profanity and Violence: Advertising that contains any profane language, or portrays images or descriptions of graphic violence, including dead, mutilated or disfigured human beings or animals, the act of killing, mutilating or disfiguring human beings or animals, or intentional infliction of pain or violent action towards or upon a person or animal, or that depicts weapons or devices that appear to be aimed or pointed at the viewer or observer in a menacing manner;
- k. Firearms: Advertising that promotes or solicits the sale, rental, distribution or availability of firearms or firearms-related products;
- l. Disparaging: Advertising that reasonably could be interpreted as being disparaging or disrespectful to persons or groups based on race, color, religion, national origin, gender identity, sexual orientation, and disability, including advertising that portrays individuals as inferior, evil or contemptible;
- m. Adverse to LADOT: Advertising, or any material contained in it, that is directly adverse to the commercial or administrative interests of LADOT, or that tends to disparage the quality of service provided by LADOT, or that tends to disparage public transportation generally;
- n. LADOT Graphics and References: Advertising that contains LADOT or City of Los Angeles graphics,



logos, representations without the express written consent of LADOT;

- o. Insulting, Degrading or Offensive: Any material directed at a person or group that is so insulting, degrading or offensive as to be reasonably foreseeable that it will incite or produce lawless action in the form of retaliation, vandalism or other breach of public safety, peace and order;
- p. Harmful or Disruptive to Transit System: Any material that is so objectionable under contemporary community standards as to be reasonably foreseeable that it will result in harm to, disruption of or interference with the transportation system; and
- q. Unsafe Transit Behavior: Any advertisement that encourages or depicts unsafe behavior with respect to transit-related activities, such as non-use of normal safety precautions in awaiting, boarding, riding upon or debarking from transit vehicles.