

1 AMENDED AND RESTATED AGREEMENT TO PROVIDE SERVICES

2 RELATING TO BIKE SHARE PROGRAM

3 **33804**

4 THIS AMENDED AND RESTATED AGREEMENT TO PROVIDE
5 SERVICES is made and entered, in duplicate, as of February 1, 2015 for reference
6 purposes only, by and between NEXTBIKE, INC. a Delaware corporation, with a
7 business address at 301 NW 36 Street, Miami, Florida 33127 ("nextbike") and the CITY
8 OF LONG BEACH, a municipal corporation ("City").

9 **RECITALS**

10 WHEREAS, on or about March 1, 2013, pursuant to a minute order adopted
11 by the City Council of the City of Long Beach at its meeting held on August 21, 2012,
12 Bike Nation, Inc. entered into Agreement No. 32965 with the City of Long Beach to
13 provide services relating to a bike sharing program; and

14 WHEREAS, on March 13, 2015, Bike Nation, Inc. assigned its interest,
15 rights and responsibilities in Agreement No. 32965 to nextbike, and nextbike assumed
16 said interests, rights and responsibilities, to furnish, operate and maintain a bike share
17 program in certain areas of the City in the public right of way, including advertising and
18 sponsorship opportunities that will generate revenue for the City ("Program"), and
19 pursuant to its administrative procedures, City consented to said assignment and
20 assumption; and

21 WHEREAS, nextbike and City now desire to restate and clarify Agreement
22 No. 32965;

23 NOW, THEREFORE, in consideration of the mutual terms and conditions
24 contained herein, the parties agree as follows:

25 1. SCOPE OF SERVICES.

26 A. nextbike shall provide services for the Program and shall
27 provide the necessary labor, supervision, materials, supplies and equipment for
28 the Program, consisting of bike parking racks, bicycles, monitoring and payment

1 devices, as more fully described herein and in Exhibit "A" attached hereto and
2 incorporated herein by this reference. To the extent this Agreement and Exhibit
3 "A" are inconsistent or ambiguous, this Agreement shall govern.

4 B. nextbike shall install up to two hundred fifty (250) Bike
5 Stations comprising three thousand seven hundred fifty (3,750) bike docks, with
6 two thousand five hundred (2,500) bicycles and accessories, in designated
7 locations in the City, according to the plans and drawings set forth in Exhibit "B-1,"
8 and according to the Installation Schedule set forth in Exhibit "B-2," attached
9 hereto and incorporated herein by this reference. nextbike shall operate and
10 maintain them during the term of this Agreement. Prior to installation at each
11 location, nextbike shall complete and submit applications to and receive approval
12 from City's Department of Public Works. This approval may take the form of one
13 or more permits issued by the City. To the extent that nextbike desires to install
14 Bike Stations in areas requiring additional permits or permission, nextbike shall
15 complete and submit applications to and receive approval from City's Public Works
16 department and any other governmental agency or entity having jurisdiction over
17 the proposed location as promptly as possible.

18 C. nextbike shall furnish and pay for electrification or solar-
19 powered illumination of all Bike Stations and shall indemnify the City for costs
20 associated with same. The City will use its best efforts to assist nextbike in
21 obtaining power for such electrification or illumination. nextbike shall have no
22 obligation to illuminate Bike Station locations.

23 D. The City may require relocation of any Bike Station, if the City
24 Traffic Engineer determines in his or her reasonable discretion, that public safety
25 or public access is negatively impacted. nextbike shall relocate the identified Bike
26 Station and restore the site to its original condition at the sole cost of nextbike.
27 The City may require temporary removal or relocation of any Bike Station for work
28 on adjoining streets or on nearby utility facilities and nextbike shall temporarily

1 remove or relocate that Bike Station at the sole cost of nextbike. nextbike shall
2 remove or relocate any Bike Station within seventy-two (72) hours after notice
3 from the City to do so, if time is of the essence. If nextbike fails to do so within
4 such time, then the parties agree that damages to the City would be difficult or
5 impractical to determine and nextbike shall pay to the City One Hundred Dollars
6 (\$100) per day per Bike Station not relocated, beginning on the seventy-third hour,
7 as liquidated damages.

8 E. The City may permit nextbike to relocate a Bike Station, at the
9 sole cost of nextbike, if (a) nextbike demonstrates to the City's satisfaction that
10 revenue from the Bike Station is insufficient to cover maintenance costs for that
11 Bike Station and/or b) nextbike demonstrates such removal is needed to protect
12 the Bike Station from vandalism or theft. nextbike shall not remove or relocate any
13 Bike Station without the City's prior approval.

14 F. In addition to the up to two hundred fifty (250) Bike Stations
15 described in Subsection 1.B, the parties may also mutually agree to place Bike
16 Stations at additional locations. Upon such agreement, Exhibit "B-1" shall be
17 supplemented with Attachment "1" to Exhibit "B-1" to identify said locations. The
18 terms and conditions of this Agreement shall apply, as far as practicable, to these
19 other locations.

20 2. TERM. This Agreement shall begin at 12:01 a.m. on February 1,
21 2015 and shall end at midnight on February 28, 2023, unless sooner terminated as set
22 forth herein below. This Agreement may be extended by mutual agreement of the parties
23 for one (1) additional ten-year term.

24 3. TERMINATION FOR CAUSE.

25 A. Either party may terminate this Agreement upon written notice
26 to the other party if:

- 27 i. the other party fails to pay any sums due hereunder
28 and does not cure such failure within ten (10) days after notice thereof is

1 given by the non-defaulting party;

2 ii. the other party attempts an assignment or transfer of
3 this Agreement or any of its rights or obligations hereunder, without the
4 City's advance written approval;

5 iii. the other party files a petition in bankruptcy, or files a
6 petition or otherwise seeks relief under or pursuant to any bankruptcy,
7 insolvency, or reorganization statute or proceeding, or a petition in
8 bankruptcy is filed against the other party, or the other party becomes
9 insolvent or makes an assignment for the benefit of its creditors, or a
10 custodian, receiver, or trustee is appointed for all or a substantial portion of
11 its business or assets;

12 iv. the other party breaches any material term of this
13 Agreement (including but not limited to violations relating to advertising,
14 sponsorship, violations of the maintenance, marketing or sustainability
15 policies, failure to maintain or replenish the required deposit amount, failure
16 to comply with the Installation Schedule or failure to comply with a directive
17 from the City Traffic Engineer to relocate a kiosk or Bike Station when the
18 public right of way is negatively impacted) and such breach is not cured
19 within thirty (30) days after notice of the breach is given by the non-
20 breaching party (or, if the default is not susceptible of cure within such
21 thirty-day period, cure is not commenced within such period and thereafter
22 prosecuted diligently to completion).

23 B. In the event the Program fails to generate enough funds to
24 recover capital and operational expenses at the end of any contract year, nextbike
25 may elect to terminate the Agreement upon 120 days' prior written notice
26 accompanied by written documentation.

27 C. Upon termination or expiration of this Agreement, nextbike
28 shall own the Bike Stations installed pursuant to this Agreement, except for those

bicycles and bike stations purchased separately with public funds, which will be inventoried and identified for that purpose by the City. City may require that nextbike remove the Bike Stations and restore the locations to their original condition and configuration within thirty (30) days after termination or expiration of this Agreement. If nextbike fails to restore the locations, then the City shall have the right to undertake the restoration and the City's cost of restoration shall be paid by nextbike on receipt of an invoice for same from the City.

4. MARKETING AND SPONSORSHIP. nextbike shall create and implement a specific public relations and marketing campaign for the Long Beach Program, as more particularly set forth in Exhibit "C," attached hereto and incorporated herein by this reference, in order to increase awareness of the Program with residents of and visitors to Long Beach, and to encourage usage. A more comprehensive time line for launching the system will be mutually developed within forty five (45) days of contract signing.

5. MAINTENANCE. nextbike shall maintain all Bike Stations, bicycles, monitoring and related equipment in a clean, safe and attractive condition for the term of this Agreement, as more particularly set forth in Exhibit "D," attached hereto and incorporated herein by this reference.

6. SUSTAINABILITY. nextbike shall comply with its Sustainability Strategy, set forth as Exhibit "E," attached hereto and incorporated herein by this reference.

7. REVENUE SHARING.

A. nextbike agrees to a revenue share program with the City, which shall be calculated from net revenues derived from this Agreement. "Net Advertising Revenue" means the gross amount invoiced by nextbike to the advertiser whose advertising appears on the shelter, less the advertising agency's commission and direct costs of printing and production.

B. "Net Sponsorship Revenue" means the gross amount invoiced

1 by nextbike to the sponsor whose branding appears on the Bike Stations, less any
2 sponsor agency's commission and direct costs of printing and production.
3 Sponsorship does not authorize the agency, group or individual to plan, organize
4 or conduct the City Program, but may allow recognition advertising.

5 C. At the end of each calendar year, nextbike may reconcile the
6 amounts paid to the City pursuant to provisions B and C above with any
7 uncollected accounts written off as bad debt. nextbike shall submit satisfactory
8 evidence of uncollected accounts no later than sixty (60) days after the last day of
9 the calendar year, and nextbike may deduct any amount due to it from the next
10 quarterly payments due to the City. The amount due to the City shall be
11 calculated monthly, for each Bike Station. nextbike shall pay to the City all
12 amounts due and accrued no later than thirty (30) days after the end of each
13 calendar quarter. Revenue share payments to the City shall only become due
14 once such payments are received by nextbike and funds have cleared. If a new
15 Bike Station is installed between the first and the fifteenth days of a month, then
16 nextbike shall pay the fee relating to the Bike Station for the entire month; if a new
17 Bike Station is installed between the sixteenth day and the end of a month, then
18 nextbike Outdoor shall not owe a fee for that Bike Station for the month during
19 which installation occurred but shall begin paying the fee during the following
20 month. nextbike shall pay a late fee of five percent (5%) of any quarterly payment
21 not paid when due, beginning on the thirty-first day.

22 D. nextbike shall submit with each quarterly payment a statement
23 identifying the location of each Bike Station on which payment is made, the
24 sponsor(s) and advertiser(s) on each Bike Station, and the amount of Net
25 Sponsorship Revenue and Net Advertising Revenue received by nextbike for each
26 Bike Station.

27 E. The revenue share program shall not include fees and
28 charges paid by the end users of the Bike Share Program ("End Users"),

1 membership dues, deposits forfeited by End Users, all cancellation fees, price
2 index adjustments and any other rental adjustments to fees or charges,, the
3 proceeds of business interruption or similar insurance, and the proceeds of
4 casualty insurance not used for the rebuilding of the Project., End Users' security
5 deposits, loan proceeds, capital contributions or similar advances.

6 F. The revenue sharing will begin when nextbike has achieved a
7 full return on its capital expenditures, which is anticipated to be three (3) years
8 from the date of this Agreement. nextbike shall pay to the City five percent (5%) of
9 Sponsorship Revenue and ten percent (10%) of Net Advertising Revenue actually
10 received from operation of the program in a calendar year. The ten percent (10%)
11 Net Advertising Revenue share shall continue through the end of year six (6) of
12 this Agreement.

13 G. At year seven (7) of this Agreement, the Net Advertising
14 Revenue share will increase to twenty percent (20%).

15 H. At any time during the term of this Agreement, either party
16 may request to review and reconsider the revenue sharing so that it results in a
17 distribution that is equitable to both parties. Both parties must agree to any
18 change in revenue sharing.

19 8. INSTALLATION. nextbike shall install Bike Stations and all related
20 equipment as set forth in Exhibit "B-2," attached hereto and incorporated herein by this
21 reference.

22 9. ASSIGNMENT. nextbike shall not assign its rights or delegate its
23 duties hereunder, or any interest herein, or any portion hereof, without the prior approval
24 of the City, except that nextbike may assign any moneys due or to become due to it with
25 the prior approval of the City, which consent shall not be unreasonably withheld, delayed
26 or conditioned. Notwithstanding the foregoing, no consent shall be required for any
27 assignment by nextbike to a controlled subsidiary of nextbike or its corporate parents, or
28 a purchaser of, or party acquiring, all or substantially all of nextbike's assets used in

1 connection with performing this Agreement, provided that nextbike shall guarantee the
2 performance of and cause the assignee to assume in writing all obligations of nextbike
3 under this Agreement. The rights and obligations of this Agreement shall bind and
4 benefit any successors or assigns of the parties. nextbike shall not subcontract any
5 portion of the performance of services hereunder without the prior approval of the City,
6 nor substitute an approved subcontractor without the prior approval of the City. Any
7 attempted assignment, delegation or subcontracting shall be void, and any assignee,
8 delegate or subcontractor shall acquire no right or interest in this Agreement by reason of
9 such attempted assignment, delegation or subcontracting.

10 10. INSURANCE. As a condition precedent to the effectiveness of this
11 Agreement and notwithstanding any commencement date stated herein, nextbike shall
12 procure and maintain at nextbike's expense for the duration of this Agreement from an
13 insurance company that is admitted to write insurance in the State of California or that
14 has a rating of or equivalent to an A:VIII by A.M. Best and Company the following
15 insurance:

16 (a) Commercial general liability insurance or self-insurance
17 equivalent in coverage scope to an ISO CG 00 01 11 85 naming the City
18 of Long Beach, its officials, employees and agents as additional insureds
19 on an endorsement equivalent in coverage scope to an ISO CG 20 26 11
20 85 from and against all liability, including, but not limited to, advertising
21 injury liability, claims, demands, causes of action, proceedings, penalties,
22 expenses, and costs for injury to or death of persons, or damage to or loss
23 of property arising from nextbike's performance under this Agreement in
24 an amount not less than Two Million Dollars (\$2,000,000) per occurrence
25 and not less than Four Million Dollars (\$4,000,000) general aggregate.
26 This policy shall be endorsed to waive rights of subrogation against the
27 City of Long Beach.

28 (b) Workers' compensation coverage as required by the

1 California Labor Code and employer's liability insurance in an amount not
2 less than One Million Dollars (\$1,000,000) per accident or occupational
3 illness. This policy shall be endorsed to waive rights of subrogation
4 against the City of Long Beach.

5 (c) "All Risk" Property insurance, including debris removal,
6 covering the full replacement value of the installation of improvements
7 pursuant to this Agreement. The City of Long Beach shall be named a
8 loss payee and additional insured on this coverage as its interests may
9 appear.

10 (d) Commercial automobile liability insurance equivalent in
11 coverage scope to ISO CA 00 01 06 92 in an amount not less than Five
12 Hundred Thousand Dollars (\$500,000) combined single limit per accident
13 for bodily injury and property damage covering Symbol 1 ("all autos").

14 Any self-insurance program or self-insurance retention must be approved
15 separately in writing by City and shall protect the City, its officials, employees and agents
16 in the same manner and to the same extent as they would have been protected had the
17 policy or policies not contained retention provisions. Each insurance policy shall be
18 endorsed to state that coverage shall not be suspended, voided or canceled by either
19 party except after thirty (30) days prior written notice to City, and shall be primary and not
20 contributing to any other insurance or self-insurance maintained by City.

21 nextbike shall deliver to City certificates of insurance and original
22 endorsements for approval as to sufficiency and form prior to the start of performance
23 hereunder. The certificates and endorsements shall contain the original signature of a
24 person authorized by that insurer to bind coverage on its behalf. "Claims made" policies
25 are not acceptable unless City's Risk Manager determines that "Occurrence" policies are
26 not available in the market for the risk being insured. If a "Claims made" policy is
27 accepted, it must provide for an extended reporting period of not less than one hundred
28 eighty (180) days after the termination of this Agreement. The insurance required herein

1 shall not be deemed to limit nextbike's liability hereunder. City reserves the right to
2 require complete certified copies of all policies at any time. Any modification or waiver of
3 these insurance requirements shall be made only with the approval of the City's Risk
4 Manager. The procuring of insurance shall not be construed as a limitation on liability or
5 as full performance of the indemnification provisions of this Agreement.

6 11. INDEMNITY. nextbike shall indemnify and hold harmless the City,
7 its Boards, Commissions, their officials, employees and agents (collectively in this
8 Section "City") from and against any and all liability, claims, demands, damage, causes of
9 action, proceedings, penalties, loss, costs, and expenses (including attorney's fees, court
10 costs, and expert and witness fees) (collectively "Claims" or individually "Claim"). Claims
11 include allegations and include by way of example but are not limited to: Claims relating
12 to any property damage, personal injury or death to the extent arising from the negligent
13 act or omission of nextbike, its officers, employees, agents, subcontractors, or anyone
14 under nextbike's control (collectively "Indemnitor"); nextbike's breach of this Agreement;
15 misrepresentation; willful misconduct; and Claims by any employee or Indemnitor relating
16 in any way to worker's compensation. Independent of the duty to indemnify and as a
17 free-standing duty on the part of nextbike, nextbike shall defend City and shall continue
18 such defense until the Claim is resolved, whether by settlement, judgment or otherwise.
19 nextbike shall notify the City of any Claim within ten (10) days. City shall assist nextbike,
20 as may be reasonably requested, in such defense.

21 12. NONDISCRIMINATION. Subject to applicable rules and regulations,
22 nextbike shall not discriminate against any employee or applicant for employment on the
23 basis of race, religion, national origin, color, age, sex, sexual orientation, gender identity,
24 AIDS, HIV status, handicap or disability. nextbike shall ensure that applicants are
25 employed and that employees are treated during employment without regard to these
26 bases. Such actions shall include but not be limited to employment, upgrading,
27 demotion, transfer, recruitment, layoff, termination, rates of pay or other forms of
28 compensation, and selection for training, including apprenticeship.

1 It is the policy of the City to encourage the participation of Minority and
2 Women-owned Business Enterprises in the City's procurement process, and the City
3 encourages nextbike to carry out this policy using approved subcontractors.

4 13. EQUAL BENEFITS ORDINANCE. Unless otherwise exempted in
5 accordance with the provisions of the Ordinance, this Agreement is subject to the
6 applicable provisions of the Equal Benefits Ordinance (EBO), section 2.73 et seq. of the
7 Long Beach Municipal Code, as amended from time to time.

8 A. During the performance of this Agreement, the Consultant
9 certifies and represents that the Consultant will comply with the EBO. The
10 Consultant agrees to post the following statement in conspicuous places at its
11 place of business available to employees and applicants for employment:

12 "During the performance of a contract with the City of Long Beach,
13 the Consultant will provide equal benefits to employees with spouses and its
14 employees with domestic partners. Additional information about the City of
15 Long Beach's Equal Benefits Ordinance may be obtained from the City of
16 Long Beach Business Services Division at 562-570-6200."

17 B. The failure of the Consultant to comply with the EBO will be
18 deemed to be a material breach of the Agreement by the City.

19 C. If the Consultant fails to comply with the EBO, the City may
20 cancel, terminate or suspend the Agreement, in whole or in part, and monies due
21 or to become due under the Agreement may be retained by the City. The City
22 may also pursue any and all other remedies at law or in equity for any breach.

23 D. Failure to comply with the EBO may be used as evidence
24 against the Consultant in actions taken pursuant to the provisions of Long Beach
25 Municipal Code 2.93 et seq., Contractor Responsibility.

26 E. If the City determines that the Consultant has set up or used
27 its contracting entity for the purpose of evading the intent of the EBO, the City may
28 terminate the Agreement on behalf of the City. Violation of this provision may be

1 used as evidence against the Consultant in actions taken pursuant to the
2 provisions of Long Beach Municipal Code Section 2.93 et seq., Contractor
3 Responsibility.

4 14. COPYRIGHTS AND PATENT RIGHTS.

5 A. Consultant shall place the following copyright protection on all
6 Data: © City of Long Beach, California _____, inserting the appropriate year.

7 B. Consultant warrants that the Data does not violate or infringe
8 any patent, copyright, trade secret or other proprietary right of any other party.
9 Consultant agrees to and shall protect, defend, indemnify and hold City, its officials
10 and employees harmless from any and all claims, demands, damages, loss,
11 liability, causes of action, costs or expenses (including reasonable attorney's fees)
12 whether or not reduced to judgment, arising from any breach or alleged breach of
13 this warranty.

14 15. TAX REPORTING. As required by federal and state law, City is
15 obligated to and will report the payment of compensation to Consultant on Form 1099-
16 Misc. Consultant shall be solely responsible for payment of all federal and state taxes
17 resulting from payments under this Agreement. Consultant shall submit Consultant's
18 Employer Identification Number (EIN), or Consultant's Social Security Number if
19 Consultant does not have an EIN, in writing to City's Accounts Payable, Department of
20 Financial Management. Consultant acknowledges and agrees that City has no obligation
21 to pay Consultant until Consultant provides one of these numbers.

22 16. FORCE MAJEURE. Notwithstanding anything to the contrary herein,
23 the time for performance by nextbike shall be extended for a number of days equal to any
24 delay caused by the action of any governmental agency or other circumstance beyond
25 the reasonable control of nextbike as long as that circumstance is not created by any act
26 or omission of nextbike.

27 17. ADVERTISING.

28 A. No advertisement or sponsorship text or branding on any

1 panel shall contain any reference to or depiction of the specified anatomical areas
2 defined in Section 21.15.110 (as amended or replaced) of the Long Beach
3 Municipal Code, any obscene act, gesture, or word as defined in any federal,
4 state, county, or municipal law or ordinance or in any case law, any sale or use of
5 alcohol or tobacco products or any sale or use of illegal drugs or drug
6 paraphernalia. If nextbike does install or permit the installation of advertising or
7 sponsorship in violation of this Section, then nextbike shall remove same within
8 twenty-four (24) hours after notice from the City to do so. If nextbike fails to
9 remove such advertising or sponsorship within that time, then the City reserves the
10 right to do so and nextbike shall pay to the City the costs incurred by the City in
11 such removal, immediately on receipt of an invoice of those costs from the City.

12 B. Neither advertising nor sponsorship in or any part of a Bike
13 Station shall contain a rotating, revolving or flashing lighting device; however, a
14 scrolling advertising panel shall be permissible.

15 C. Digital and Static Signage. nextbike will provide the City with
16 space on the digital signage network and on static signage. The City will have the
17 right to ten per cent (10%) of the total of messages for each sign for City's use as
18 messages and/or public service announcements. nextbike will provide the City
19 with suitable format for the message and an annual rotation calendar. The City
20 shall be responsible for producing the content and shall provide nextbike with its
21 media by the 15th of every month for the proceeding month's message or upon
22 another mutually agreeable schedule. To the best of its ability, the City will
23 provide nextbike with its annual campaign or message calendar. Should the City
24 not provide a message for any period (month or otherwise) then nextbike shall
25 have the right to sell the City's rotation as part of the digital signage inventory.
26 Any proceeds collected from City allocated digital signage rotations or from static
27 signage sold by nextbike will be included as part of the revenue share agreement.

28 18. DEPOSIT. Prior to or concurrently with its applications to City's

1 Department of Public Works for installation of Bike Stations, nextbike shall make deposits
2 with the City in an amount determined by the City for each Bike Station as assurance that
3 nextbike will perform the provisions of this Agreement. The deposit may be cash, an
4 irrevocable letter of credit in a form satisfactory to the City, or other cash equivalent
5 approved by the City. The City shall have the right to deduct the amount of any
6 liquidated damages or other costs from such deposit and, if the City does so, nextbike
7 shall immediately deposit an amount equal to the amount deducted by the City. Failure
8 by nextbike to replenish the deposit as required shall be a material breach of this
9 Agreement. On expiration of the Agreement, but not termination for breach, City shall
10 refund the deposit remaining, if any, within thirty (30) days after nextbike has complied
11 with Section 18 hereof.

12 19. NOTICES AND APPROVALS. Any notice or approval hereunder
13 shall be in writing and personally delivered or deposited in the U.S. Postal Service, first
14 class, postage prepaid, registered or certified, return receipt, addressed to nextbike at the
15 address first shown above, and to the City at 333 West Ocean Boulevard, Long Beach,
16 California 90802 Attn: City Manager. Notice of change of address shall be given in the
17 same manner as stated for other notices. Notice shall be deemed given on the date
18 personal delivery is made or on the date shown on the return receipt, whichever first
19 occurs.

20 20. WAIVER. The acceptance of any services or the payment of any
21 money by the City shall not operate as a waiver of any provision of this Agreement, or of
22 any right to damages or indemnity stated herein. The waiver of any breach of this
23 Agreement shall not constitute a waiver of any other or subsequent breach of this
24 Agreement.

25 21. LAW. This Agreement shall be governed by and construed pursuant
26 to the laws of the State of California and no rules pertaining to conflict of laws shall apply.
27 nextbike shall comply with all laws, ordinances, rules and regulations of and obtain such
28 permits, licenses, and certificates required by all federal, state and local governmental

1 authorities having jurisdiction over the subject matter of this Agreement, including but not
2 limited to 23 U.S.C. Sec. 131 and regulations promulgated therewith, California Business
3 and Professions Code, Section 5200 et seq., and the Long Beach Municipal Code,
4 including the requirements for a business license.

5 22. INSPECTION OF RECORDS. City shall have the right at all
6 reasonable times, by identifying City's desire to do so by telephone or facsimile at least
7 seventy-two (72) hours in advance, during the term of this Agreement and for a period of
8 five (5) years after termination or expiration of this Agreement to examine, audit, inspect,
9 review, extract information from, and copy all books, records, accounts, and other
10 documents of nextbike relating to this Agreement.

11 23. SUBORDINATION. Any mortgage, deed of trust, lien or other
12 encumbrance of nextbike shall be subordinate to all rights and ownership of the City to
13 the real property underlying the Bike Stations and to the interests of the City under this
14 Agreement.

15 24. REMOVAL. Within thirty (30) days after the expiration or earlier
16 termination of this Agreement, nextbike shall remove all Bike Stations wherever located
17 and shall return the locations to their original condition, at no cost to the City.

18 25. MISCELLANEOUS.

19 A. This Agreement, including exhibits, shall not be amended, nor
20 any provision or breach hereof waived, except in writing signed by the parties
21 which expressly refers to this Agreement.

22 B. This Agreement, including the exhibits, constitutes the entire
23 understanding between the parties and supersedes all other agreements, oral or
24 written, with respect to the subject matter herein.

25 C. This Agreement is not intended or designed to or entered for
26 the purpose of creating any benefit or right for any person or entity that is not a
27 party to this Agreement.

28 D. This Agreement is created as a joint effort of both parties and

1 shall not be interpreted against either party as the drafter.

2 E. Termination or expiration of this Agreement shall not affect
3 rights or liabilities which accrued or existed prior to termination or expiration of this
4 Agreement, including but not limited to Sections 3E, 20, 7, 22 and 24.

5 F. Time is of the essence in the performance of all of the
6 provisions of this Agreement.

7 G. The invalidity in whole or in part of any provision of this
8 Agreement shall not void or affect the validity of the other provisions of this
9 Agreement.

10 H. If this Agreement creates a possessory interest in nextbike,
11 then nextbike shall pay any tax associated with such interest.

12 I. nextbike shall have and be allocated the sole responsibility to
13 comply with the Americans with Disabilities Act of 1990 ("ADA"), as amended, with
14 respect to performance of services under this Agreement and nextbike shall
15 defend, indemnify and hold the City, its officials and employees harmless from and
16 against any and all claims of and liability for failure to comply with or violation of
17 the ADA.

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OFFICE OF THE CITY ATTORNEY
CHARLES PARKIN, City Attorney
333 West Ocean Boulevard, 11th Floor
Long Beach, CA 90802-4664

1 IN WITNESS WHEREOF, the parties have caused this document to be duly
2 executed with all formalities required by law as of the date first stated above.

3 NEXTBIKE, INC., a Delaware corporation

4 March 17th, 2015

By S. Schiebusch
5 Name SEBASTIAN SCHIEBUSCH
6 Title DIRECTOR

7 March 17th, 2015

By R. Kalopner
8 Name RAFF KALOPNER
9 Title CEO

"nextbike"

10 CITY OF LONG BEACH, a municipal
11 corporation

12 April 1, 2015

By T. Bell Assistant City Manager
13 City Manager

EXECUTED PURSUANT
TO SECTION 301 OF
THE CITY CHARTER.

"City"

14 This Agreement is approved as to form on March 27, 2015.

15 CHARLES PARKIN, City Attorney

16 By C. Parkin
17 Deputy

EXHIBIT A
SERVICE LEVEL AGREEMENT

SERVICE LEVEL AGREEMENT

PURPOSE

The purpose of this Service Level Agreement (SLA) is to define expectations between nextbike's bikeshare operations and the City of Long Beach and the commitment to provide reliable, well-maintained an operational efficiencies for the bikeshare program.

OBJECTIVE OF SLA

The objective of this agreement is clearly defining the services provided, the responsibilities of all parties in delivering the services, and measurable performance standards therein.

OPERATIONAL INTENT

Both nextbike and the City of Long Beach define a commitment to a working relationship founded upon:

- Desire for the bikeshare program to be a success
- Mutual accountability for continuous improvement
- Transparency and open communication
- Understanding and acknowledgement of independent and shared responsibilities
- Management of interfaces between both parties and bikeshare customers
- Commitment to timely issue resolution through a customer contact process

PERFORMANCE STANDARDS

Key performance standards contained herein define the key quality attributes required in terms of accuracy and timelines and are based upon the unique requirements for bikeshare program success and delivery of nextbike's bikeshare program.

ISSUE MANAGEMENT

To assure issues are properly prioritized, monitored and closed within performance standards, an issue escalation matrix will be developed that lists contacts for issue resolutions. This matrix will be finalized within 60 days of contract signing.

Review of progress and status of issues resolution will be addressed via a number of pathways including:

- Regular contact between nextbike, the community and bikeshare customers
- Monthly or quarterly meetings between nextbike and the City of Long Beach

Nextbike's General Manager and/or Operations Manager shall be responsible to develop the matrix with the City.

AGREEMENT PERIOD

This agreement will be effective beginning _____, 2015 and remain in effect thought the life span of the services supported. All parties recognize this SLA will continue to be reviewed and redefined if necessary throughout.

Description of Services Provided

1. Provide Bikeshare Services

- a. Site planning in collaborative effort with city
- b. Maximize facility utilization to best serve residents, visitors, employees and students
- c. Provide reports to monitor usage and maintain optimal subscriber levels
- d. Develop fair and efficient user rates based on other successful bikeshare models
- e. Process membership applications, distribute membership cards and welcome kits, develop marketing communications, and control access by activating and deactivating access rights to non-renewing memberships
- f. Manage bikeshare convenience by offering a wide variety of stations connecting City assets, points of interests, cultural places, hotels, employment and education and other venues.
- g. Offer a variety of programs based on the needs of the diverse customers. The programs include rentals and memberships with tiered pricing; various payment methods accepted; access for walk-up/casual users; special event programs and various validation programs.
- h. Through collaborative efforts with the City and stakeholders, assure that the bikeshare facilities are easy to locate and provide reliable access.
- i. Provide fair pricing while balancing supply, convenience and cost of operations. Report revenue that is subject to revenue share through transparency and communication in regards to financial resources and obligations.
- j. Provide quality service that is responsive to demand and customer centric.
- k. Provide competent Street Teams responsible for monitoring and balancing bikes, review trends and peak usage, manage spaces, monitor equipment, assist in providing a positive user experience and provide valued customer service such as providing instructions, directions and assistance to customers.
- l. Coordinate all outreach and marketing activities with the City, Convention and Visitor's Bureau and other stakeholder groups.

2. Provide Clean and Well Maintained Bike Share Facilities

- a. Manage a comprehensive cleaning program
- b. Manage facilities and equipment through a defined capital maintenance program. The program should include preventative maintenance to enhance bikeshare appeal.
- c. Manage all site installation and any improvements. Provide documentation for all bikeshare stations site plans.

3. Provide Safe and Welcoming Bikeshare Stations

- a. Create a safe and welcoming environment through collaborative effort with stakeholders. Importance is placed on communication of safety and security along with providing reliable systems and good access to bikes that do not negatively disrupt access and egress on public right of way. A working and attended customer service number shall always be present at stations and on the bicycles.
- b. Work with the city's Police Department in patrolling bikeshare stations
- c. Provide excellent customer service through a consistent, friendly and well-informed staff. The customer service members are frontline service providers with direct customer contact.

4. Develop and Promote the Bikeshare Program via Intuitive Website

- a. Create community web portal where individuals can access information about the bikeshare program. The portal shall include and support active communication for:

- Long Beach bikeshare program specific website
- Membership signup and rental information
- Rates/fares
- Membership Dashboard for members to track their overall usage

The website should link to City and other related bike programs, maps and other electronic media used to promote and/or inform the general public on bike facilities.

5. Data Collection

Data collection and evaluation will be gathered to measure effectiveness. Provide the City with regular (no less than quarterly) user statistics to include:

- Number of members and casual users/rentals
- Average estimated trip distance
- Station statistics per day, month, etc.

KEY PERFORMANCE STANDARDS

Meet with the City at least quarterly to discuss ongoing and long-range needs and bikeshare support plans. Maximize utilization, monitor station usage and maintain optimal subscriber and user levels.

Maintain ridership reports and trends to assure optimal efficiency i.e. Average Riders per day, number of trips per day, station rentals, average trip length (time and estimated distance).

Station Monitoring and Uptime

Stations shall be monitored remotely as well as receiving daily visits from the operations team. The goal is to ensure the facility is clean and fully functional. Full functionality includes all communications, transactions and dock operation at least 98% of the time.

Provide Clean and Well Maintained Facilities

A comprehensive cleaning program will be enacted by nextbike. Perform daily cursory inspections at a minimum. All litter is removed at least twice per week. Each station is cleaned and wiped down at least one every 14 days. All graffiti shall be removed within 24 hours of receiving notification.

Bicycle Cleaning and Maintenance

See Exhibit D

Station Relocation

At the request of the City, nextbike will move a station within 72 hours of notification. This may be for special events, street/sidewalk maintenance, utility repair or other cause the city may deem appropriate.

Provide Safe and Welcoming Facilities

Nextbike will work with the City to place stations in areas of high visibility to ensure user safety. The parties will attempt to locate stations in areas that are well lit when possible or plausible. Simple signage will indicate how to access the system and provide a phone number should a customer need assistance.

Police Patrolling Assistance

Collaborate with the Police Department in communicating safety and security initiatives. The PD patrols streets along with trending and reporting crime statistics. Police have agreed to patrol the stations on a regular basis.

Welcoming Facilities

Provide excellent customer service through consistent friendly and well-informed staff. Customer representatives will be trained and demonstrate solid customer service skills with specific accountability measures. These measures will include response time, satisfaction surveys will be conducted. If satisfaction ratings of 90% or better are not achieved, nextbike will work with the City to identify additional programs to increase ratings.

Website Availability

Website will be fully functional at least 98% of the time. This includes but is not limited to process transactions, provide real-time bike availability map, and provide membership account login and account history.

Operational Docks

Docks must be repaired or replaced within 48 hours of discovery or notification of a defect. Should a needed part not be in stock, nextbike shall order such part within 48 hours and install such promptly upon arrival. A defect includes but is not limited to the ability to rent and receive bicycles from all user types and full functionality of communication and transaction systems. Availability will be at least 98% or greater. Nextbike shall not be held liable for any mass communication outages of any 3rd party cellular data providers.

Rebalancing

Bicycles shall be redistributed through the system as necessary to meet demand. Nextbike shall strive to keep stations neither full nor empty during peak hours (Monday to Friday, 7am to 7pm) for more than 30 minutes.

During non-peak hours bicycles shall be redistributed as necessary to meet demand. The parties acknowledge that during non-peak hours rebalancing staff may be limited or off-duty. Nextbike shall not be required to provide a 24 hour rebalancing staff.

Call Center

The call center will operate at a minimum hour range of 6:00 am to 8:00 pm PST with the objective that 98% of calls are answered within 3 minutes.

Delivery of Reports

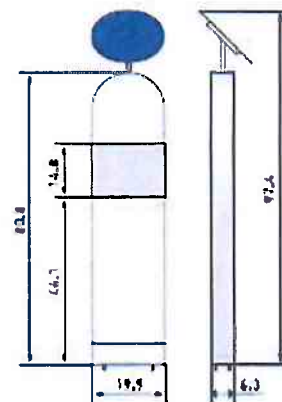
Electronic reports including but not limited to system usage, uptime, estimated miles ridden, average length and duration of trips, user types, will be delivered on a monthly basis with review scheduled at least quarterly.

EXHIBIT B-1

PLANS AND DRAWINGS

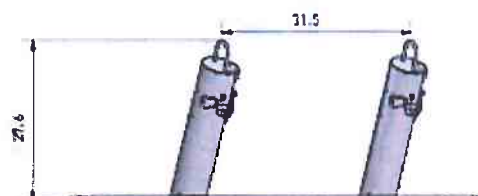
For each station location to be deployed, nextbike will provide or identify a corresponding typical station format drawing. The type of program equipment may vary from site to site. Program hardware consists of a mix of kiosk payment terminals, smart docks, virtual docks/hoop racks, bicycles, ad panels, dock base plates.

Specification of nextbike Stations
Note: All Measurements in Inches



- power supply via 12V buffer battery and 50W solar cells
- embedded computer with data communication via cellular data network
- connection to nextbike server via defined interfaces
- vandalism resistant high contrast 7" touch screen display
- RFID card reader for identification of nextbike customer cards, e-tickets of public transport, RFID cards of car-sharing partners or other enterprises
- POS system comprising of credit card reader, PIN pad, NFC reader
- intuitive user dialogue in English or other languages on request

- registration possible at all terminals
- rental and return of bikes via customer card
- self-sufficient stations, no connection to power and necessary
- bikes can also be returned at occupied stations
- installed city maps with designated rental locations
- real-time data communication between station and headquarters
- modular and flexible installation of stands and base plates possible
- on solid ground no foundation or stands necessary



Station Type A: Typical Smart Station Hub with Touchscreen Terminal and Smart Docks

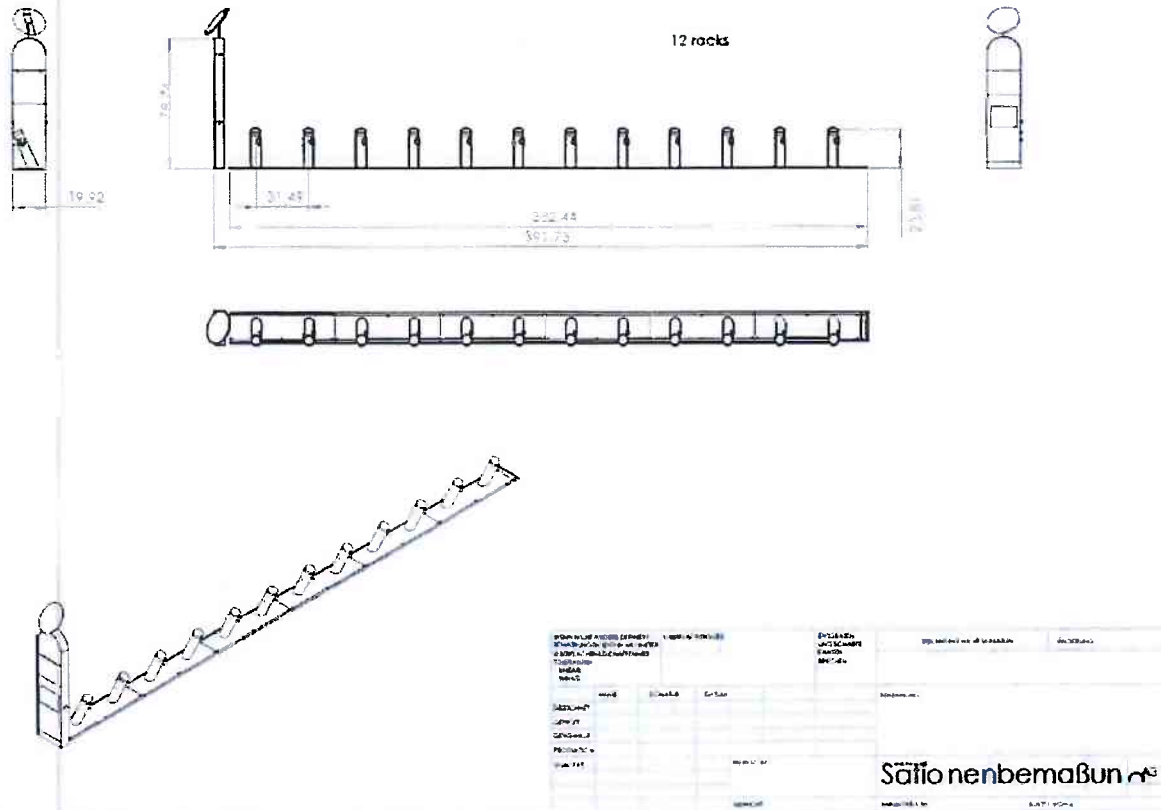


- Variable angle and 90 degree angle installations
- "U" shaped installations to go around planters or other objects
- Curved and Circular installations possible



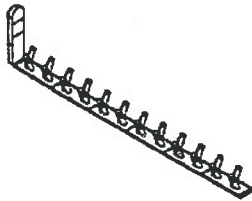
Typical Type A Singled-Sided 12-Dock Format

Number of docks may vary from site to site. Docks are modular and can be easily expanded or contracted.



Typical Type A Double-Sided 24-Dock Format

Number of docks may vary from site to site. Docks are modular and can be easily expanded or contracted.



Station Type B: Typical Virtual Station Hub with Custom or Standard Hoop Racks ("Virtual Docks")

For station locations without smart docks and payment terminals

Standard Hoop Racks sample



Custom Hoop Rack Sample

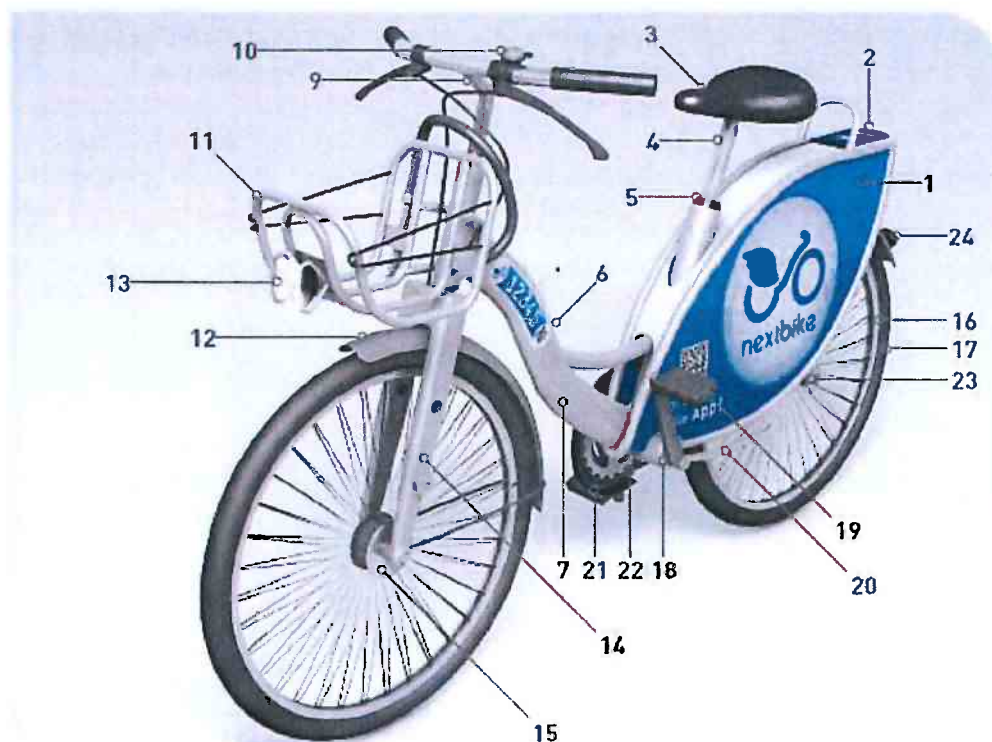
Typical Advertising/Sponsor Panel

Actual specs may vary based on the manufacturer. Shown here is a typical panel with a 4' x 6' digital or static poster display panel. Panels may or may not be backlit or illuminated at nextbike's discretion. Some, none or all station locations may feature a panel at nextbike's discretion. The panel is generally located at the end of the station's docks or elsewhere in the immediate station area.

Logos shown for educational purposes only



TYPICAL NEXTBIKE SMART BIKE FEATURES



- | | |
|--|---|
| 1. nextbike advertising panel & rear fender | 14. steel fork with roller brake |
| 2. onboard computer with aluminium cover & bike number | 15. Shimano hub dynamo |
| 3. saddle with theft protection | 16. 26" light-alloy-profile rims |
| 4. aluminium seat post | 17. 26" puncture resistant tires with reflective strips from Schwalbe |
| 5. seat post with adjustable height quick-release | 18. bottom bracket with aluminium crank |
| 6. nextbike aluminium frame for application of advertising | 19. aluminium pedals |
| 7. frame color: silver-grey, powder-coated
all DB / RAL colors possible | 20. robust aluminium side stand |
| 8. aluminium handlebar stem | 21. stable fully enclosed chain guard |
| 9. aluminium handlebars | 22. Nirosta anti drop chain |
| 10. robust bicycle bell | 23. Shimano 7-speed hub gears |
| 11. front basket (accommodates 20+ lbs) & onboard lock | 24. flashing red backlight with standlight function |
| 12. front wheel mudguard with splash guard | |
| 13. solid white headlight with standlight function | |

Bikes also feature front, side and rear reflectors

Some specs may vary including but not limited to number of gears and lighting configurations.

EXHIBIT B-2
INSTALLATION SCHEDULE

INSTALLATION SCHEDULE

The following outlines the estimated planned installation schedule for the bikeshare program:

INSTALLATION #1

Launch of at least 100 bikes share station locations (smart and/or virtual station hub formats) and 100 bikes during the month of April 2015. Locations to be mutually agreed upon by nextbike and the City of Long Beach. City to provide hoop racks at approximately 7 virtual station locations.

INSTALLATION #2

Estimated at an additional 70 smart docking stations and 700 smart bikes. November 2015 is the estimated launch date of this deployment. The launch of this deployment may be contingent upon the success of the prior deployment at nextbike's discretion, nextbike receiving additional public and/or private capital funding, and/or obtaining a major program sponsor. Total 80 Stations and 800 Bikes.

INSTALLATION #3

Estimated at an additional 80 smart docking stations and 800 smart bikes. April 2016 is the estimated launch date of this deployment. The launch of this deployment may be contingent upon the success of the prior deployment at nextbike's discretion, nextbike receiving additional public and/or private capital funding, and/or obtaining a major program sponsor. Total 160 Stations and 1600 Bikes.

INSTALLATION #4

Estimated at an additional 90 smart docking stations and 900 smart bikes. April 2017 is the estimated launch date of this deployment. The launch of this deployment may be contingent upon the success of the prior deployment at nextbike's discretion, nextbike receiving additional public and/or private capital funding, and/or obtaining a major program sponsor. Total 250 Stations and 2500 bikes.

MISCELLANEOUS

This schedule may be revised from time to time by mutual agreement of the parties. Dates are estimated only and cannot be guaranteed.

EXHIBIT C
MARKETING PLAN

MARKETING PLAN

Marketing and Media Relations

nextbike and our marketing partners, in collaboration with the City of Long Beach, will team up to create and implement a specific public relations and marketing campaign for the Long Beach bike share program. A more comprehensive Public Relations time line for launching the system will be mutually developed within 60 days of contract signing. The main strategy will be to share with residents of and visitors to Long Beach that the bike share program is launching in the City and to encourage usage.

General Objective

The Marketing Plan is to focus on the following central themes.

- What is bikeshare.
- Where will it be initially located and the numbers of kiosks and bicycles.
- How to use the program and how much it will cost.

The following are to be developed in conjunction with the City within 90 days of contract signing.

- Engagement plan for the local media to develop coverage of the system with pre and post launch stories.
- A bikeshare web site for the Long Beach System, as well as, announcement on the nextbike website, and web based social networking efforts would be developed such as Face Book, Twitter, blogs. The website will be launched by April 1, 2015
- Create Long Beach specific printed marketing materials
- nextbike will participate in select community events that help inform community members about the bike share program.
- A communication and outreach strategy to inform local businesses, business associations and stakeholders about the bike share program.
- A launch event and media event to announce the system

The Marketing and Media Relations plan will include elements of the following:

- Media outreach to develop coverage of the program pre and post launch.
- Media Day, media ride, launch event and press conference.
- Program website creation
 - Include a page on the Long Beach Bike Share website about bike safety, and link it to the BikeLongBeach page with more thorough information.
- Launch of community web portal for recommend a site location.
- Announcement on the nextbike website and social media, such as Facebook, Twitter, and blogs.
- nextbike bikeshare booths at key community events
- Outreach to city stakeholders, including the Long Beach Visitors and Convention Bureau, Long Beach Chamber of Commerce and Green Business Council, Business Improvement Districts and other business district groups, neighborhood groups, local and regional bike advocacy groups, etc.
- Branded swag such as T-Shirts, water bottles, and related materials

- Ongoing marketing, PR and media plan to promote the system, drive memberships and push brand awareness
- Public Relations and Communications plan
- Local marketing and involvement and support of local retailers

Community Outreach Efforts will include:

- Facebook posts, Tweets and video vignettes.
- Develop Mobile Web Applications Develop Mobile App(s) prior to program launch that provides:
 - A map bike share locations with real-time bike and empty dock availability.
 - Attempt to identify bike routes, bike shops and bike friendly businesses if possible
 - Basic safety information
- Work with City to create a bike web-based map consolidating all bike assets in the City. The web-based map can be utilized by the City with links to the application on City-controlled web assets.

In coordination with the Convention and Visitor's Bureau, nextbike will develop Visitor-based marketing that will include, but not be limited to:

- Working with Event Planners to promote and market the bike share program to conventioners.
- Develop a promotional code-based discount program for large conventions where convention goers receive discounts on casual/one-time memberships.
- As necessary, provide overflow special event bike share corrals with bikes for large conventions.
- Create Marketing and Special events for select conventions.
- Develop concierge education and hotel marketing plan to encourage visitor usage.

Business Outreach

nextbike will promote commute-to-work programs (and corporate memberships) and ensure the Long Beach bike share is part of the Office of Sustainability's green business checklist/requirements.

- Integrate and promote bike sharing with Bicycle Friendly Business Districts FBDs.
- Work with existing Bike Saturdays program to promote bike, shop and dine program.
- Target key employers in bike share area to promote bike-to-work as well as bike use for short business and personal trips during business hours.

Bike Related Programs

nextbike has committed to expanding existing bike programs currently in place within the City.

Bike Education and Safety: Bicyclist safety is a key element to ensuring a successful bike share program, and we have taken great strides in producing a bicycle with safety in mind. We also realize there are novice riders who will utilize the bikeshare system who may not be up to speed with bicycle laws and general

safe riding practices. nextbike will help educate bicyclists in Long Beach, and some of our initial ideas include:

1. Dedicate a page on the Long Beach bikeshare site about Safety, and include this info on every kiosk and our mobile app and printed map:
 - Basic riding rules (such as riding with traffic and yielding to pedestrians)
 - How riding on business district sidewalks is illegal and dangerous for pedestrians
 - Where to purchase helmets
 - Link to the city's BikeLongBeach safety page
2. Provide helmet information (on the website, kiosks, mobile app, and map):
3. Encourage more bicycling way finding signage
4. Support existing and new community rides through increased promotion and working directly with event organizers

General Community Outreach

Increase Diversity

We firmly believe diversity is a true asset to any bike program and are committed to helping attract a stakeholder base for the LB Bike Share program and the area's bike organizations. nextbike will work with neighborhood groups and seek training and employment that increase diversity of its employee pool. We will also provide training on safe riding, bike safety and basic bike repair to create future employees and leaders for the City's bike community.

Events

The city's events reflect its diversity, nextbike, at its discretion, will participate at as many events as possible and plausible, disseminating bike share information and supplying free event bikes when available. Some of these events may include, but are not limited to: Bike to Work Day and Week; TEDx; Bike Tour of Long Beach and Bike Festival; Beach Babe Bike Classics; GreenLongBeach Festival; Grand Prix of Long Beach; Pride Parade and Festival; Zombie Walk; Taste of Downtown; Taste of Belmont Shore; Latin American Festival; Cambodia Town Festivals in April and November; and Bixby Knolls' First Fridays, Car Show, and Kidical Mass.

Neighborhood & Bicycling Groups

nextbike will reach out and present to neighborhood and community groups, as well as collaborate with city and regional bike groups, like the Los Angeles County Bicycle Coalition and Bikeable Communities.

Business Outreach & Program

Starting within the first 60 days after contract signing we will work closely with the city's business associations (some of whose representatives are on our Advisory Board) to explain bikeshare, solidify their feedback and ideas, and work together cohesively. We will also work closely with the Convention and Visitors Bureau, Chamber of Commerce and its Green Business Council, and other business groups in town.

To encourage increased ridership among business owners and their employees, we will help the city promote commuting-to-work, and we'll offer special corporate memberships to encourage businesses to reward employees who choose to bike to work.

As appropriate, nextbike will help expand the city's Bike-Friendly Business District (BFBD) efforts within the four initial districts and to new districts. (A BFBD is where merchants actively encourage people to bike to area shops and restaurants – and where merchants and employees ride, too. BFBDs integrate bikes into a district's operations, events and promotions.

As appropriate, nextbike will help expand and promote the City's Bike Saturdays discount program. With increased promotion to potential customers, nextbike will assist to expand the program and enlist more participating businesses.

EXHIBIT D
MAINTENANCE PLAN

MAINTENANCE PLAN

An essential aspect of any successful bicycle sharing system is the regular maintenance of the system and its equipment. We feel that a system that is well run, clean and operating in a consistent and healthy manner reflects positively on both nextbike and with the City of Long Beach. It also promotes a positive view of the system from the user perspective that the system is clean, reliable and safe to use. With that said, both scheduled and unscheduled practices are implemented to ensure any user can access properly operating kiosks and bicycles throughout the system.

With the regular service of the nextbike fleet of bicycles we can effectively prolong the useful life of each bicycle as well as create a positive system image through high reliability, safety and attention to detail.

The nextbike bicycle has been engineered to be low maintenance however; this does not mean regular maintenance can be overlooked. Both scheduled and unscheduled maintenance routines are extremely important as they provide the majority of the ongoing and preventative maintenance needed to keep the bicycles from requiring major repairs that must be done at the depot. Bikes that are found to be damaged or vandalized will be pulled from service if not easily repairable at street level.

Monthly. The nextbike maintenance teams are required to perform hands-on maintenance at least on a monthly basis for the following items:

- Inspect each chain for proper tension and function
- Inspect that the wheels spin freely and are not rubbing on frame, fork or fenders
- Inspect brakes are not dragging and actuate correctly, and cables are intact
- Inspect shifter for proper gear changes, and that the gear cable is intact
- Inspect that ALL lighting and dynamo hub for proper function
- Inspect all components for cosmetic damage or signs of vandalism
- Clean each bicycle
- Wipe down and clean the kiosk terminal and Smart Docks
- Perform on-site maintenance of kiosk terminal including calibrating the touch screen and performing the 25 point kiosk terminal inspection plan
- Verify RFID reads for bikes and Membership cards

Daily. The rebalancing staff will also make daily cursory inspections of all bikes at stations they visit. The nextbike system allows riders to self-report maintenance issues to alert the maintenance teams. Bikes identified as having an issue may be locked down remotely by the operations team.

nextbike Bike Management Depot

At the nextbike Bike Management Depot, the on staff mechanic will perform major repairs as well as overhauls. Overhauls are to be performed on each bicycle at least once per year and require the mechanic to:

- Inspect all components for compromised structural integrity, such as cracks or dents
- Assess components are properly functioning and replace what is upon reassembly
- Remove wheels, steering, drivetrain so that the components are assessed for wear and tear and preventative maintenance can be conducted
- True wheels, tension hubs and inspect tires for wear
- Inspect fork/dock interface for defects and or heavy wear
- Thoroughly clean and re-lubricate components to prepare for re assembly
- Upon reassembly reset brakes cables, gear cables and lighting to ensure proper performance

Station Maintenance and Cleaning

Both the Kiosk Station and the docks will additionally have a regular maintenance schedule and unscheduled maintenance program. The stations will be regularly monitored through the back end system for such things as up time, solar power and battery charge, and other system health. If for some reason, there is an issue with one of the kiosk or docks, the system will alert the technician that the units are in need of service.

Keeping the stations clean at all times will be part of the regular maintenance of the system. We will regularly clean the station and docks. Any dirt, stickers or graffiti will be removed upon inspection if possible. nextbike will make every effort to remove the graffiti the same day or within 24 hours of being notified about the problem.

Quality Control Measures

nextbike cares about every detail of the bikes, station thermals and customer satisfaction. It is the embodiment of nextbike's core values to ensure its system and bikes are working at optimal performance. We see the bike share system as part of the community's transportation fabric and believe that one negative experience can perpetuate into criticism and the reason why a user accepts or may no longer use the bike share system.

EXHIBIT E
SUSTAINABILITY STRATEGY

Sustainability Strategy

Goal

As a bikeshare company, nextbike is striving to create a more sustainable mode of transportation to our contracted cities. We believe bike share is an important part of the public transportation sector. We advertise ourselves as a company committed to sustainability, and in order to talk the talk, our company and our employees must walk the walk.

The goal of this Sustainability Strategy is to make nextbike as sustainable and efficient as possible. The first step is educating our employees about sustainability and why it's important. The second step is enacting the contents of this strategy, which features a combination of incentive programs and regulations to encourage green behavior.

Benefits

The benefits of enacting this strategy go far beyond simply "doing the right thing." While there is an upfront investment, the financial benefits of increased efficiency help cut the fat and increase profits in the long term. From an investors/sponsors stand point, an efficiently run business increases their profitability and shows that we are committed to the sustainability mission. From a PR perspective, we can't afford to be accused of "green-washing" and not "walking the walk and talking the talk."

Advertising our sustainability efforts helps the bottom-line by showing potential customers our commitment and getting more people using the service. Employees will feel rewarded for doing the right thing, which has untold effects on moral. The most important advantage is the benefit of being at the cutting edge: we can set an example for the bike share industry and the corporate world as a whole.

Mission Education

Proposal

Current employees and new hires would be briefed on nextbike's mission as part of their training to give a context on the importance of bike share. Give a brief outline of Global Warming science, Peak Oil, and Air Quality issues caused by automobile use. Educate employees about the virtues of using bicycles as urban transportation, and examples of other cities who utilize bicycles (Amsterdam, Copenhagen). By educating employees on the importance of our mission, we can better motivate them to make our bike share systems successful.

Guidelines

- ❖ Climate Change
 - Greenhouse effect background.

- Discussion of extreme weather events and link to Climate Change.
- Effects of changing ecology on our way of life.
- ❖ Auto Centric Urban Planning and Public Health
 - Inactivity from cars highly correlated to increase in diabetes, obesity, and heart disease. Fast food and the Drive Through culture, a logical extension.
 - Reliance on cars creates traffic, especially in Orange County. Idling cars have extremely harmful effects on air quality, increasing asthma rates and similar health problems.
 - Train travel is much better suited to commuting
 - 60% of car trips are under three miles
- ❖ Benefits of Bicycling
 - Exercise – combats public health problems caused by cars.
 - Community Experience – you’re at the pedestrian level rather than at the car level. Bicycling helps support local businesses.
 - Bikes are much less dense, traffic jams and circling for parking are a thing of the past. Quicker means of transport in dense areas.

Transportation Incentives

Proposal

Automobile emissions account for around a third of our global CO2 emissions, and as an alternative transportation company should at the very least encourage commuting by bike or public transport. Transportation incentives should be structured to reduce “Vehicle Miles Traveled” by cars and trucks, replacing those trips with a combination of bicycle use, walking, and public transportation. Carpooling/vanpooling should be encouraged when motor vehicles are necessary.

Examples

- ❖ [Apple](#)
 - “Apple provides a transit subsidy for all U.S. employees, up to \$100 per month, and encourages carpooling between commute locations.”
 - Lesson: Compensate employees for making the effort to take alternative forms of transportation
- ❖ [Google](#)
 - Every time a Google employee bikes to work, they collect a stamp with monetary value which can be donated to a charity of their choice.
 - Lesson: Circular incentives to promote good behavior. Always try to create win-win scenarios with incentive programs.

Guidelines

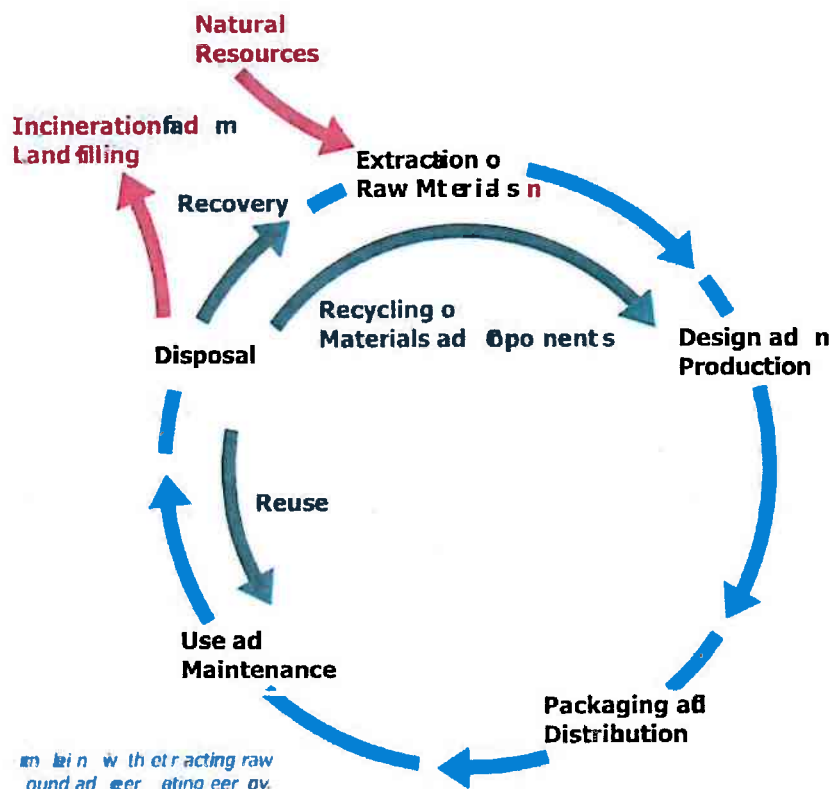
- ❖ Alternative Transportation Subsidy: \$50-100 per month for all employees taking multi-modal transportation to and from the work place
- ❖ Metrolink Corporate Program: Tax benefits for Metrolink ticket purchases
 - Valid for Monthly and Weekly passes, as well as Roundtrip/One Way

- Employees are given a "Corporate Quick Card" which allows users to retrieve a ticket from any Metrolink vending machine.
- The Metrolink pass price is paid for with Pre-Tax dollars, which reduces the employees taxable income.
- 5 Employee minimum.
- ❖ Bike amenities should be provided on site:
 - Showers if possible
 - Locker Facilities
 - Secured Bike Parking
- ❖ Encourage bicycling with group rides.
- ❖ Employees should be provided with nextbike memberships for little or no cost.
- ❖ Vanpool/Carpool program for those who can't travel by bike or public transportation.

Product Life-Cycle Management

Proposal

Life-Cycle Management is a holistic approach to product development which aims to minimize the environmental and socio-economic burdens associated with products throughout their life cycle. This approach takes an opposing view to "planned obsolescence" and seeks to maximize usability and minimize the ill effects of a product.



Guidelines

- ❖ Our kiosk is already designed to be modular and flexible, which minimizes waste. Future generations need to expand on these design principles.
- ❖ Component repair/reuse – always repair broken stations whenever possible.
- ❖ Efficient power consumption and utilizing environmentally friendly batteries.
 - Favor software solutions over hardware solutions.
- ❖ Web/Electronic over paper materials.
- ❖ Design for low-maintenance and durability to extend life of products.
- ❖ Reduce Landfill as much as possible.
 - Extracting components from old kiosks and recycling into raw materials

Sustainability “Best Practices”

Proposal

There are some “little” things that go a long way in educating employees and encouraging good behavior. Discouraging waste and energy inefficiency is a big step, and can be accomplished with little capital investment which will save the company money in the long run.

Guidelines

- ❖ Calculate company’s CO2 emissions and offset.
- ❖ Energy Efficiency
 - Lighting - Fluorescent/LED lighting whenever possible.
 - Switch of lights that aren’t in use. Signs next to light switches.
 - EnergyStar appliances and electronics
 - Vehicles – company vehicles should be fuel efficient and/or electric when plausible,
- ❖ Recycling Bins
 - Recycling bins with signs to indicate what you can/can’t recycle.
- ❖ Utilize recycled goods whenever plausible
 - Utilize recycled paper and ink for internal documents.
 - Promotional materials (brochures, flyers, etc.) should always be printed on recycled paper.
- ❖ Ban disposable cutlery, cups, plates, napkins, towels etc
 - BYOB Program: Bring Your Own Bottle using nextbike aluminum bottles. No disposable cups provided.
 - Have reusable or compostable cutlery, cups, plates, etc available for employee use.
- ❖ Ask that employees use their bikes for their lunch breaks, and perhaps offer an incentive (45 minute lunch instead of 30 minutes).
- ❖ Purchase local and organic whenever possible
 - Coffee, catering for office functions
 - Support local businesses rather than chains
- ❖ Enact a paperless policy
 - Direct Deposit
 - Keep It Digital: do you really need to print out that 30 page PDF?

- ❖ **Locate offices strategically to reduce vehicle miles traveled spent commuting and related environmental impacts.**
- ❖ **Utilize technology like video/telephone conferencing to minimize Vehicle Miles Traveled.**