

**Terms and Conditions
LM Industries Group Inc.
Olli Fleet Challenge
Request for Proposals
Terms and Conditions**

IMPORTANT – PLEASE READ

This agreement contains a mandatory arbitration clause requiring you and LM Industries Group, Inc. to resolve any dispute with one another through final and binding arbitration. By submitting a Proposal, you expressly acknowledge and agree that you have read and understand all terms and conditions in this agreement, and have had the opportunity to consult with your own independent legal counsel at your own expense.

The Olli Fleet Challenge (“Challenge”) is a request for proposals of locations and backers for a suitable real-world demonstration of the Olli shuttle sponsored by LM Industries Group, Inc. The Challenge and all participants (hereafter, “you”, “your”, or “Entrant”), entries and submissions (“Proposals”) are subject to and governed by LM’s Privacy Policy (located at <https://localmotors.com/privacy-policy/>) and these terms and conditions (“Terms”). By applying to and/or participating in the Challenge, you agree to these Terms. Please read them carefully.

A. Legally Binding. You agree that submission of a Proposal in the Challenge constitutes agreement to these Terms, as well as LM’s Privacy Policy. These Terms, together with the Privacy Policy, form a binding legal agreement between you and Sponsor with respect to the Challenge. Judges will review submitted proposals to determine which proposals, if any, may be suitable to award with a contract, but at all times Sponsor is the sole and final determinant of the sufficiency of any proposal received, and/or of granting any award, contract or taking any other action involving the Challenge.

B. Definitions.

- “Sponsor” or “we” is LM Industries Group, Inc., a Delaware corporation, with an address at 1576 S. Nelson Rd., Chandler, Arizona, U.S.A. 85226.
- “Geographic Area” is the Southern California counties of Imperial, Los Angeles, Orange, Riverside, San Bernardino, San Diego, Santa Barbara, and Ventura.
- “Number of Olli Vehicles” is two (2) to five (5), depending on the Proposal.
- “Start Date/Time” is May 1, 2019 9:00am (PDT).
- “End Date/Time” is June 26, 2019 5:00pm (PDT).
- “Trial Period” is three (3) months (+ 1 month onsite set-up).

· “Minimum Fee” is \$88,000 USD to support the cost of deploying a Number of Olli Vehicles, insurance and stewards.

C. Entrant Requirements. This Challenge is open to companies or government entities (including without limitation, universities, academic institutions, not-for-profit entities and private sector organizations) submitting a Proposal in the Geographic Area which meet the following criteria:

1. Entrants must be a company or other entity duly and legally organized in their jurisdiction, and capable of entering into a Binding Contract (defined below) with the Sponsor.
2. Entrants may not be companies or organizations in or connected to any country embargoed by the United States and/or subject to U.S. export controls or sanctions (including without limitation Iran, Cuba, Sudan, Syria and North Korea), or any other jurisdiction where the Challenge is otherwise prohibited, licensed, restricted or taxed by applicable federal, state, territorial, provincial or local laws, rules or regulations and any other country designated by the United States Treasury's Office of Foreign Assets Control. It is your responsibility to ensure that you are legally eligible to enter the Challenge and be awarded a Bind Contract under any laws applicable to you in your jurisdiction of residence or otherwise.

D. Challenge Period. The Challenge will accept Proposals as follows:

1. Proposals will be accepted starting on the Start Date/Time until the End Date/Time. The intervening time between these is the “Challenge Period.”
2. All dates and times are subject to change at Sponsor’s sole determination. Changes to the Challenge Period may be announced on the Sponsor’s website.
3. Proposals received following the Challenge Period may be rejected at Sponsor’s sole determination.

E. Proposal Requirements.

1. All Proposals must comply with the Proposal Requirements set forth below.
2. Format. English language, PDF or DOC formatted proposals only, providing sufficient and complete details in all areas, including:
 - **Executive summary:** A brief description of the proposed concept including your objectives and vision for this deployment, your goals and the key metrics you will measure to know you’ve achieved your goals, and the value that your organization sees Olli vehicles bringing to your community and the future of transportation.
 - **Description of your organization:** Tell us about your organization, including its role in the community and your organization’s overall priorities beyond this deployment.
 - **Objective:** What are your objectives for this deployment, and how will Olli vehicles support the goals you wish to achieve?
 - **People:** Clear definition of who will interact with the Olli vehicles (including rider demographics), for what use case, and the anticipated volume of riders. Outline key performance metrics your organization is hoping to achieve in your deployment

- **Place:** Information on your proposed micro-transit corridor and how Olli vehicles will be leveraged within this space. Detailed explanation of the route, waypoints, schedule, pick-up and drop-off locations, and other critical points that would impact the execution of the route.
 - **Policy:** Clearly state how your deployment plan meets current policy regulations.
 - **Partnership:** What resources will your organization provide to ensure the success of the Olli deployment, and what additional resources are needed? Describe any other organizations or partners you envision participating in your deployment.
 - **Fulfillment of requirements:** Describe how your concept fulfills the technical, environmental, and regulatory requirements listed above. This will include a description of the current state of the proposed route (e.g., traffic conditions) and what exceptions or changes will need to be made to ensure that the route can be completed effectively by Olli vehicles.
 - **Timeline:** If preparatory work of other preparations are required prior to the trial period, please give details, including firm deadlines. Entrants will be solely responsible for any time lost to preparation that is not clearly detailed in the proposal.
 - **Cost of Deployment:** Sponsor has determined a minimum fee to support the deployment of Olli vehicles, insurance and the services of stewards. Describe how your organization and partners will contribute to any variable costs, such as but not limited to: mapping, scoping, testing, and the onboard Olli steward based on your proposed deployment.
 - **Letter of Support/Endorsement:** Endorsement from the key individuals and organizations required to ensure the success of your deployment. No more than five (5) letters of recommendation.
 - **Contact:** Please include all corporate details, address, contact information for responsible persons to include phone numbers and email addresses.
3. Proposals must be for the specified geographic area.
 4. You will ensure that all operations in your proposal are in compliance with all applicable laws and regulations for the geographic area. If you are unsure of compliance requirements for your proposed jurisdiction, you must consult with sponsor prior to submitting your proposal.
 5. The registered entrant which submits the proposal shall be deemed the “entrant” for purposes of this challenge. Collaboration on a proposal is permitted within cooperating groups, but sponsor will not manage the collaboration. The proposal is made by, and is the sole responsibility of the entrant. Sponsor will correspond only with the entrant.
 6. By participating in the challenge and by submitting your proposal, you acknowledge and agree that you (i) comply with all applicable laws; (ii) shall be responsible for compliance with all of the terms and conditions of these terms; (iii) remain solely liable for any and all of your acts or omissions; and (iv) shall be solely responsible for obtaining any and all consents, releases and any and all permissions necessary, through any and all levels required and will indemnify, defend and hold sponsor harmless from and against any and all claims and actions.
 7. Proposals that violate these terms will not be accepted. Sponsor may disqualify an entrant or proposal if it reasonably believes that the entrant or proposal has breached these rules or for any other reason.
 8. Technical Requirements:
 - Operational area should have sufficient and reliable coverage of 4G LTE Data cellular communication to allow Olli and its systems to properly communicate

- Olli is limited to 25 mph maximum speed, thus roadways should be selected that best match this speed constraint for operation in traffic, if any traffic is present.
- Roadways should be on average less than 5% grade, although Olli can operate on routes up to a 16% grade for brief periods of time.
- Olli is currently geared for on-road operation only. Roadways must be comprised of pavement or other hard surface roadways. No loose gravel, dirt, or non-improved pathways.
- Olli requires access to sufficient 3-phase AC power to charge.
 - o Voltage must be regulated between 360 - 440 VAC
 - o Vehicle will draw a maximum of 32 Amps on charge line
- For GPS tracking, Olli should be operated in areas that have a clear, unobstructed view of the sky, with minimal tree canopy coverage and limited high-rise building obstructions.
- Although Olli can operate at night, day operations are preferred due to increased visual clarity for the on-board safety steward and camera logging system.

9. Environmental Requirements / Limits: Olli can operate in various weather conditions, but only when human visibility is not degraded to less than 300 ft. The following conditions outline the operational limits for Olli:

- Light to medium rainfall (defined as: maximum of .10 inches per hour to a minimum of 0.025 inches per hour)
- Light snowfall (less than 0.5 inches of total accumulation)
- Light blowing dust
- Minimal fog
- No sleet
- No freezing rain
- No sustained wind/gust conditions over 50 mph
- Generally, roadways should be free and clear of packed snow and standing water greater than 1 inch deep.
- Operational Temperature Range: -20 to 115°F

10. Proposals that violate the spirit of the Challenge will be rejected.

11. Proposals that may harm the Sponsor, place the Olli shuttle in danger or otherwise create an unfair advantage over other entrants will be rejected.

12. Proposals cannot be in violation of any law, regulation or third-party rights.

13. Proposals must not include information or content that is false, fraudulent, deceptive, misleading, defamatory, threatening, trade libelous, slanderous, libelous, disparaging, unlawfully harassing, profane, obscene, pornographic, hateful, indecent, inappropriate or injurious to any individual, Sponsor, or any third party.

15. All Proposal materials must be in English or, if not in English, the Entrant must provide a complete and accurate English translation of the Proposal as well as all other materials submitted.

16. Entrant must make the Proposal location available for review, visitation, testing, evaluation and use by the Sponsor and judges during the Challenge Period. Sponsor reserves the right, at its sole discretion, to require the Entrant to provide physical access to the location of the Proposal.

1. All information provided to register for the Challenge must be true and correct. You are responsible for keeping such information up-to-date.

F. Judging Criteria and Award Selection. Proposals that fail to meet the Entrant Requirements or the Proposal Requirements will be deemed incomplete and, at the discretion of Sponsor, may be disqualified. Judging the eligible Proposals will proceed as described below:

1. All Proposals shall be evaluated according to objective judging criteria, available on Local Motors' website for this challenge ("**Judging Criteria**").
3. Sponsor will have complete and sole discretion over interpretation of these Terms, administration of the Challenge, and selection of a Proposal to continue negotiations. Decisions of Sponsor are final and binding in all respects and no correspondence or discussion will be entered into. Sponsor reserves the right to disqualify any Proposal if we believe that a Proposal was submitted in bad faith or if the Proposal is contrary to the spirit or intention of the Challenge or for any other reason.
4. Entrant understands and acknowledges that Sponsor may, in Sponsor's absolute and sole discretion, reject any Proposal for any reason at any time, or for no reason at all, and that nothing in either the Challenge or these Terms requires or obligates the Sponsor to select any of the Proposals submitted or proceed with any relationship or further transaction of any kind with the Entrant. Sponsor may change these Terms at any time, for any reason, without notice.

G. Award. Subject to Section F(3), above, the Sponsor may award one or more Proposals with the opportunity to enter into negotiations with Sponsor for a Number of Olli Vehicles to operate along the lines of your Proposal for the Trial Period, subject to change by Sponsor at its sole discretion, such operation to cost the Entrant at least a Minimum Fee, which may be substantially less than the actual cost of operating the Olli vehicles.

You agree that as part of your participation in the Challenge, you are willing and able to enter into discussions with the Sponsor to prepare a binding contract ("**Binding Contract**") to govern the use of a Number of Olli Vehicles on one or more routes in the manner specified in your Proposal for a Trial Period. Sponsor will retain ownership of all Olli shuttles. Sponsor will operate the Olli shuttles and have sole authority for determining the operation of the Olli shuttles. Sponsor may provide insurance and on-board operators ("stewards") for the Olli shuttles. The awarded Entrant will be expected to remit to Sponsor the Minimum Fee prior to the start of any operation of the Olli vehicles. In the event that Sponsor and Winner are unable to agree on a Binding Contract within two calendar weeks, Sponsor may cancel the award and award a Proposal from a different Entrant.

H. Use of Proposals: Upon receipt, the Proposals and any and all related materials submitted become the property of the Sponsors and will not be returned to the Entrant unless arrangements for doing so have been agreed upon in writing by the Sponsor in advance of its receiving any such Proposal and/or related materials. Subject to Section E(6), Entrant hereby expressly grants (and represents and warrants that you have a right to grant), regardless of whether or not Entrant is awarded any further relationship, transaction or the parties enter into any Binding Contract, to Sponsor a royalty-free, sub-licensable, transferable, perpetual, irrevocable, non-exclusive, worldwide license to use, reproduce, modify, publish, list information regarding, edit, translate, distribute, syndicate, publicly perform, publicly display,

commercialize and make derivative works of all such Proposals and any results, representations, likenesses, inventions, copyrights or other intellectual property derived during the Challenge or the Trial Period, in whole or in part, and in any form, media or technology, whether now known or hereafter developed, for use in connection with Sponsor's (and its successors' and affiliates') business.

I. General Conditions. All national, federal, state, provincial, territorial and local laws and regulations apply, and the Challenge is void where prohibited by law. Sponsor reserves the right to disqualify any Entrant from the Challenge if, in Sponsor's sole discretion, it reasonably believes that Entrant has attempted to undermine the legitimate operation of the Challenge by cheating, deception, or other unfair playing practices or annoys, abuses, threatens or harasses any other entrants or Sponsor. Sponsor reserves the right, in its sole discretion and without prior notice, to suspend or cancel any portion of the Challenge or alter the Terms for any reason, including but not limited to malicious software attacks, unauthorized human intervention, systems malfunctions, failures, difficulties or other causes and unforeseeable events beyond the control of the Sponsor or that affect the administration, security, fairness or proper play or conduct of the Challenge or for no reason. Nothing contained herein shall constitute this Challenge to be an arrangement for employment, a joint venture, a partnership, or otherwise as participants in a joint or common undertaking.

J. Taxes. All federal, provincial, territorial, state and local taxes and any other costs and expenses associated with the acceptance and/or use of this Challenge not specifically provided for in these Terms are solely the Entrant's responsibility. Entrant is solely responsible for reporting and paying any and all applicable taxes. Please contact your own tax advisor for any questions concerning taxes.

K. Privacy. Entrants agree that personal data submitted with a Proposal, including without limitation name, mailing address, phone number, and email address of the corresponding parties may be collected, processed, stored and otherwise used by Sponsor and its affiliates for the purposes of conducting and administering the Challenge. Sponsor may also use your personal information to send you updates and promotional materials from time to time. The information collected is subject to Sponsor's privacy policy located at <https://localmotors.com/privacy-policy>. By participating in the Challenge, you agree to Sponsor's privacy policy, as it may apply to the collection and use of your personal information and acknowledge that you have read and accepted Sponsor's privacy policy.

If you are located in the European Union or other regions with laws governing data collection and use that may differ from U.S. law, please note that we may transfer information, including personal information, to a country and jurisdiction that does not have the same data protection laws as your jurisdiction, and you consent to the transfer of information to the U.S. or any other country in which Sponsor, its parent, subsidiaries, affiliates, or service providers maintain facilities and the use and disclosure of information about you as described in Sponsor's Privacy Policy.

L. Publicity. Entrant hereby grants Sponsor a non-exclusive, fully paid up, perpetual, worldwide, transferrable, sublicensable right to reproduce and use Entrant's name(s), trademark(s) and images, as well as the names and likenesses of Entrant's representatives

and other associates, for the Challenge and other marketing purposes. Should Sponsor award Entrant with a Binding Contract, Entrant will obtain, and has full power and ability to obtain, and grant to Sponsor a non-exclusive, fully paid up, perpetual, worldwide, transferrable, sublicensable license to all necessary rights, consents, and any and all other permissions required for images, likenesses, and other necessary releases of riders and others involved during the Trial Period, for use by Sponsor to market Olli shuttles in any medium (including, without limitation, in print, via television, via the Internet, via email or in any other media now known or hereafter devised) for advertising and promotional and other business purposes worldwide in perpetuity without restriction, compensation or notification, or permission from any other person, except as prohibited by law.

M. Disclaimer and Limitation of Liability. Sponsor shall not be responsible (to the extent it can limit or exclude its liability under applicable law) for any circumstances beyond its control, including any act or default by a third party supplier (such as the actions or inactions of any Entrant or cancellations, delays, diversions or substitution or any other acts or omissions whatsoever by the air carriers, hotels, venue operators, transportation companies, or any other persons providing any related services), any postponement or cancellation of the Challenge, or failure by any Entrant to enter into a Binding Contract due to any reason.

THE RULES, PRIVACY POLICY AND ANY OTHER COMMUNICATIONS DIRECTLY OR INDIRECTLY FROM SPONSOR ("CHALLENGE MATERIALS") ARE PROVIDED TO YOU ON AN "AS IS" AND "AS AVAILABLE" BASIS. THIS MEANS THAT THE SPONSOR IS UNABLE TO PROMISE THAT YOUR USE OF THE CHALLENGE MATERIALS WILL BE UNINTERRUPTED, WITHOUT DELAYS, ERROR-FREE OR MEET YOUR EXPECTATIONS AND THE SPONSOR DOES NOT GIVE ANY COMMITMENT RELATING TO THE PERFORMANCE OR AVAILABILITY OF THE CHALLENGE MATERIALS AND, TO THE EXTENT THE SPONSOR IS ABLE TO DO SO, THE SPONSOR EXCLUDES ANY COMMITMENTS THAT MAY BE IMPLIED BY LAW, INCLUDING BUT NOT LIMITED TO THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT OR THAT SPONSOR WILL CORRECT ANY SUCH DEFICIENCIES OR PREVENT THIRD PARTY DISRUPTIONS OR UNAUTHORIZED THIRD PARTY ACCESS. TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, IN THE EVENT OF A CLAIM ARISING OUT OF YOUR PARTICIPATION IN THE CHALLENGE OR THIS AGREEMENT, OR RELATED THERETO, SPONSOR'S SOLE AND EXCLUSIVE OBLIGATION OR RESPONSIBILITY TO YOU WILL NEVER BE MORE THAN \$10. IN EVERY CASE SPONSOR WILL NEVER BE RESPONSIBLE FOR ANY LOSS OR DAMAGE THAT IS NOT REASONABLY FORESEEABLE.

EACH PROVISION OF THESE CHALLENGE MATERIALS THAT PROVIDES FOR A LIMITATION OF LIABILITY, DISCLAIMER OF WARRANTIES, OR EXCLUSION OF DAMAGES IS TO ALLOCATE THE RISKS OF THIS AGREEMENT BETWEEN THE PARTIES. THIS ALLOCATION IS REFLECTED IN THE TERMS OFFERED BY SPONSOR TO YOU AND IS AN ESSENTIAL ELEMENT OF THE BASIS OF THE BARGAIN BETWEEN THE PARTIES. EACH OF THESE PROVISIONS IS SEVERABLE AND INDEPENDENT OF ALL OTHER PROVISIONS OF THIS AGREEMENT. THE LIMITATIONS IN THIS AGREEMENT AND THE CHALLENGE RULES WILL APPLY NOTWITHSTANDING THE

FAILURE OF ESSENTIAL PURPOSE OF ANY LIMITED REMEDY IN THESE CHALLENGE MATERIALS.

Nothing in these Terms excludes or limits the Sponsor's liability to you for matters that it would be unlawful for the Sponsor to exclude or limit its liability, which may include death or personal injury caused by the Sponsor's negligence, or loss caused by a false statement where the statement is made fraudulently.

N. Warranty and Indemnity. You warrant that you have the right to submit the Proposal in the Challenge and grant the Sponsor all the rights described in these Terms. To the maximum extent permitted by law, you will be responsible for (and you agree to defend, indemnify and hold harmless Sponsor, its affiliates and the Challenge Entities from and against) any and all claims, actions, suits or proceedings, as well as any and all losses, liabilities, damages, costs and expenses (including reasonable attorneys' fees) arising out of or accruing from: (i) any Proposal or other material uploaded or otherwise provided by you that defames any person or infringes another person's rights, including any copyright, trademark, trade secret, trade dress, patent or other intellectual property right, or any rights of publicity or privacy; (ii) any misrepresentation made by you in connection with the Challenge; (iii) any non-compliance and breach by you of these Terms and the representations and warranties set forth herein; (iv) claims brought by persons or entities other than the parties to these Terms arising from or related to your involvement with the Challenge; (v) your acceptance, possession, misuse or use of any award or participation in any Challenge-related activity or participation in the Challenge, including but not limited to statutory and common law claims for misappropriation or right of publicity; (vi) any error caused by you in the collection, processing, or retention of any Proposal or voting information in relation to the Proposal and your participation in the Challenge.

O. Arbitration. Please read the following section carefully because it requires you to arbitrate certain disputes and claims with Sponsor and limits the manner in which you can seek relief from Sponsor. Except for (i) small claims disputes in which you or Sponsor seek to bring an individual action in small claims court located in the county of your billing address, (ii) disputes in which you or Sponsor seeks injunctive or other equitable relief for the alleged unlawful use of confidential information or intellectual property, or (iii) where, under the law of the country you are resident in, we are unable to limit or exclude your right to seek relief from the Sponsor in the courts of that country, you and Sponsor waive your rights to a jury trial and to have any dispute arising out of or related to this Agreement or the Challenge resolved in court. Instead, all disputes arising out of or relating to this Agreement or the Challenge will be resolved through confidential final and binding arbitration held in Phoenix, Arizona in accordance with the Streamlined Arbitration Rules and Procedures ("Rules") of the Judicial Arbitration and Mediation Services ("JAMS"), which are available on the JAMS website and hereby incorporated by reference. You acknowledge and agree that you have read and understand the rules of JAMS or waive your opportunity to read the rules of JAMS and any claim that the rules of JAMS are unfair or should not apply for any reason.

You and Sponsor agree that any dispute arising out of or related to this Agreement or the Challenge is personal to you and Sponsor and that any dispute will be resolved solely through

individual arbitration and will not be brought as a class arbitration, class action or any other type of representative proceeding.

You and Sponsor agree that this Agreement affects interstate commerce and that the enforceability of this section will be substantively and procedurally governed by the Federal Arbitration Act, 9 U.S.C. § 1, et seq. (the "**FAA**"), to the maximum extent permitted by applicable law. As limited by the FAA, this Agreement and the JAMS Rules, the arbitrator will have exclusive authority to make all procedural and substantive decisions regarding any dispute and to grant any remedy that would otherwise be available in court; *provided, however*, that the arbitrator does not have the authority to conduct a class arbitration or a representative action, which is prohibited by this Agreement. The arbitrator may only conduct an individual arbitration and may not consolidate more than one individual's claims, preside over any type of class or representative proceeding or preside over any proceeding involving more than one individual. You and Sponsor agree that for any arbitration you initiate, you will pay the filing fee and Sponsor will pay the remaining JAMS fees and costs. For any arbitration initiated by Sponsor, Sponsor will pay all JAMS fees and costs. You and Sponsor agree that the state or federal courts of the State of Arizona and the United States sitting in Phoenix, Arizona have exclusive jurisdiction over any appeals and the enforcement of an arbitration award.

ANY CLAIM ARISING OUT OF OR RELATED TO THESE TERMS OR THE CHALLENGE MUST BE FILED WITHIN ONE YEAR AFTER SUCH CLAIM AROSE; OTHERWISE, THE CLAIM IS PERMANENTLY BARRED, WHICH MEANS THAT YOU AND SPONSOR WILL NOT HAVE THE RIGHT TO ASSERT THE CLAIM, EXCEPT WHERE APPLICABLE LAW DOES NOT ALLOW YOU AND SPONSOR TO LIMIT THE TIME FOR FILING CLAIMS IN THIS WAY.

P. Governing Law. Subject to Section O (Arbitration), these Terms shall be governed by, subject to, and construed in accordance with the laws of the State of Arizona, United States of America, excluding all conflict of law rules. If any provision(s) of these Terms are held to be invalid or unenforceable, all remaining provisions hereof will remain in full force and effect. Any dispute between the parties that is not subject to arbitration or cannot be heard in small claims court will be resolved in the state or federal courts of Arizona and the United States, respectively, sitting in Phoenix, Arizona, except to the extent prohibited by applicable local law. This does not affect any rights you may have under the law of the country in which you are resident, including your right to have a dispute in relation to the Challenge or these Terms heard in the courts of that country solely to the extent required under such applicable local laws.

Q. Termination. These Terms will govern the relationship between Sponsor and you during and after the Challenge, until terminated or modified by Sponsor, which Sponsor may do without notice. In the event that you are awarded and enter into a Binding Agreement, these Terms will continue to govern your relationship with Sponsor unless specifically in conflict with elements of the Binding Agreement, which will have priority over these Terms.