



## SOFTWARE LICENSE AND SERVICE AGREEMENT

This Software License and Service Agreement (“**Agreement**”) is entered into, as of the Effective Date first written below, between HotSpot Parking Inc. (“**HotSpot**”) and The City of Sheboygan (the “**Providers**”). This Agreement includes and incorporates the terms and conditions of this document, including the Standard Terms and Conditions of Exhibit A, the HotSpot System Overview of Exhibit B, and the Training Responsibilities of Exhibit C.

The following terms, including the terms and conditions found in the exhibits, represent the full understanding of HotSpot and the Provider (the “**parties**” and each individually a “**Party**”). In exchange for the mutual covenants herein and other good and valuable consideration, the Parties agree and intend to be bound as follows:

|  |  |
|--|--|
| <b>Provider Legal Name:</b> City of Sheboygan  | <b>Contact:</b> Derek Muench   |
| <b>Email:</b> derek.muench@shorelinemetro.com  | <b>Phone:</b> (920) 459-3140   |
| <b>Provider Contact Address:</b> 828 Center Ave,<br>Sheboygan, WI 53081, United States   | <b>Provider Billing Address:</b> 828 Center Ave, Sheboygan,<br>WI 53081, United States |
| <b>Effective Date:</b> February 1, 2022  |  |
| <b>Description of Services:</b> HotSpot will provide services described in Hotspot System Overview and elsewhere in this Agreement (the “ <b>Services</b> ”) and license all software, including all web and mobile applications and related documentation (the “ <b>Software</b> ”) necessary for Provider to operate:<br><br>A transient payment for parking (“ <b>TPP</b> ”) as described in Exhibit B which allows all parking customers to pay for parking in any and all approved parking facilities owned or managed by Provider within The City of Sheboygan (the “ <b>Premises</b> ”) through a web based service.<br><br>A transit fare management service available through smartphones for: Fare Purchasing as described in Exhibit B which allows all HotSpot users and smartphone users to use the HotSpot application as a proof of fare payment in any and all transit services owned or managed by Provider within The City of Sheboygan (the “ <b>Premises</b> ”) through a web-based service. |  |
| <b>Governing State Law:</b>  | Wisconsin  |
| <b>Merchant of Record:</b>   | HotSpot Parking  |
| <b>Credit Card Processing Fee:</b>   | 2.99% for Parking<br>3.5% for Transit<br>No additional gateway fees apply              |

**Cost:****HotSpot Price Breakdown**

|                                   |  |   |
|-----------------------------------|--|---|
| <b>Mobile Parking Application</b> | <b>Cost to the City:</b> \$ 0.00<br><br><b>Convenience Fee, Paid by the Parker</b><br>\$ 0.20 per parking session<br><u>OR</u><br><b>Membership fee, Paid by the Parker</b><br>\$ 2.00/month <u>OR</u> \$ 20.00/year | <b>Note:</b> 2.99% credit card processing fee to digitally remit parking revenue (hard cost). |
|-----------------------------------|--|---|

|                                   |  |  |
|-----------------------------------|--|--|
| <b>Mobile Transit Application</b> | <b>Option 1: Cost to City:</b> \$0.00<br><br><b>Cost to User: (Convenience Fee)</b><br>Single Ride: \$0.25 per pass<br>10 Ride Pass: \$1.00 per pass<br>Monthly Pass: \$2.00<br><br><b>Option 2: Cost to City</b><br>10% of all digital payments sent through HotSpot Payment system including transaction fees.<br><br><b>Cost to User:</b><br>\$0.00 | <b>Note:</b> 3.5% credit card processing fee to digitally remit parking revenue (hard cost).<br><br><b>Note:</b> 3.5% credit card processing fee is included in 10%. |
|-----------------------------------|--|--|

|                             |   |
|-----------------------------|---|
| <b>Mobile Hand-Held LPR</b> | <b>Annual License Fee:</b><br>\$ 0 (Included with Mobile and Digital Package) |
|-----------------------------|---|

|                                 |   |
|---------------------------------|---|
| <b>Administration Dashboard</b> | <b>Annual License Fee:</b><br>\$ 0 (Included with Mobile and Digital Package) |
|---------------------------------|---|

|                         |  |   |
|-------------------------|--|---|
| <b>Fast Tap Signage</b> | <b>Cost to the City:</b><br>\$250.00 per sign<br>(Up to Five (5) signs provided at no cost to City)<br><br><b>Convenience Fee (paid by the user):</b><br>\$ 0.35 per transaction | <b>Note:</b> 2.99% credit card processing fee to digitally remit parking revenue (hard cost). |
|-------------------------|--|---|

**Notes:**

- Governing Provincial Law taxes are not included, and do apply.
- Statement of Work and Quote on Services will be provided for sign-off prior to commencement of work, following the initial kick-off call, document review and understanding.

**Term:**

This Agreement will continue for a period of three (3) years from the Effective Date above (the “**Term**”), but may be terminated by Provider with or without cause upon thirty (30) days prior written notice to HotSpot at any time. Should Hotspot fail to remit any payments to the Providers by the intervals

identified in this agreement, the agreement shall terminate within 30 days of effect unless the providers agree in writing to accept such late payment.

**Training Services:** HotSpot will provide the training services described in Exhibit C for the fees set forth therein and subject always to the Provider's approval and consent to any such training activities and unless specifically agreed in writing, at Hotspot's sole expense.

**Installation:** HotSpot shall be responsible for providing all standard size decals required to provide the Services for the Premises at the outset of this Agreement and the initial launch of the Services. Unless otherwise explicitly stated and agreed upon in the Statement of Work, the installation of decals, replacement of decals, any signage (including the provision, installation and/or replacement thereof), and any decals or signage required by a subsequent expansion of the Premises, shall be the responsibility of and at the sole expense of the Provider. Notwithstanding the above, HotSpot may agree to provide or assist in providing such additional services to the Provider at an additional fee to the Provider, which fee is to be reasonably determined by HotSpot. HotSpot provides its proprietary LPR Officer App for Enforcement of paid and permit parking sessions, available for download on Android systems (iOS version will be available late 2022). Hand-helds are available for purchase, data plans are not included due to HotSpot's high level security compliance and certifications.

**HOTSPOT PARKING INC.**

Name: Nathan Armstrong

Signature: \_\_\_\_\_

Title: COO

Date:

**CITY OF SHEBOYGAN**

Name:

Signature: \_\_\_\_\_

Title:

Date:

**EXHIBIT A**  
**STANDARD TERMS AND CONDITIONS ATTACHMENT**

**Software Integrations**

HotSpot will be responsible for ensuring that the Software integrates correctly with the Provider's existing enforcement system and the revenue collection system to reconcile payments, support all parking customer interactions and payment transactions from mobile devices, the Software will transmit and process data using the API including permit type and license plate information for occupied parking permits.

**Service Levels**

HotSpot will provide the Services and hosting for the Software using commercially reasonable care and skill and in accordance with all local laws and regulations and in accordance with any specifications described herein. HotSpot's shall be responsible in the event of an error or interruption of the Software is to use HotSpot's best efforts to restore or repair the Software as quickly as practicable and shall be responsible for promptly advising the Provider and required HotSpot end users of the interruption in Hotspot service. HotSpot agrees that the Provider shall not be required to address any inquiries from end users regarding any Hotspot issues and users shall be instructed to contact HotSpot directly on all such matters. HotSpot agrees to promptly rectify any issues which cause the Provider to receive user inquiries regarding the Software or other HotSpot user issues and HotSpot agrees that in no case will any such matters interfere with the Provider's day to day activities.

**System Uptime**

HotSpot will provide the Software with uptime of at least ninety-nine percent (99.9%) calculated over a rolling six-month period, meaning that in any six month period during the term of this Agreement the Software be operational for at least 99.9% based on the number of days in that particular six month period.

**Data Ownership**

HotSpot hereby acquires an unlimited license, irrevocable by the Provider and/or any end users, to store, display, transmit, and use all data provided by parking customers and all data stored, created, or transmitted by HotSpot as a result of any end user's use of any component of the Software, which license shall be strictly and solely for the limited purpose of delivering the Services to the Provider in accordance with HotSpot's Privacy Policies.

**Intellectual Property**

(a) Provider hereby acquires a revocable, non-exclusive, non-assignable, non-transferrable, and



non-subleaseable right and license to use and access the Software for its internal business purposes. All intellectual property rights associated with the HotSpot's brand and the Software including, without limitation, trade names, source code, trademarks, copyrights, patents, and trade secrets, not explicitly granted to Providers in this Agreement are reserved to HotSpot. All intellectual property rights associated with Provider's brand and any Provider data submitted to HotSpot or Provider owned or licensed software or other intellectual property are reserved to Provider or its licensors as the case may be (collectively "Provider IP") unless otherwise defined as public provider owned documents. (b) Neither party will directly, indirectly, alone, or with another party, as it relates to the other party's Software or Provider IP, as the case may be, (i) copy, disassemble, reverse engineer, or decompile the Software, or the Provider IP or any subpart thereof; (ii) modify, create derivative works based upon, or translate the Software or the Provider IP or source code; (iii) transfer or otherwise grant any rights in the Software or the Provider IP or source code in any form to any other party; and (iv) attempt to do any of the foregoing or cause or permit any third party to do or attempt to do any of the foregoing, except as expressly permitted hereunder.

### **Technical Support**

HotSpot will promptly field all technical support questions from the Provider related to the TPP to promptly resolve any concerns or address any questions of the Provider.

### **Wallet Services**

HotSpot will provide parking customers with a transit payment and parking payment service. Such customers will be required to pay for permits upfront. HotSpot will provide the Provider a detailed accounting of all amounts due and owing for permits and parking hours paid using HotSpot and which are payable to the Provider for such permit amounts. The report of all such permits shall be on such intervals and in such format as the Provider may reasonably require. HotSpot will charge the Provider a transaction fee as specified above to the Provider ["Transaction Fee"]. Hotspot shall be solely responsible for reimbursing the Provider for any permits and parking hours which have been charged to an end user using Hotspot and which have not been remitted to the Provider. Hotspot shall hold all funds in trust for the Provider until remitted and subject only to the Transaction Fee (with no other right to set off any other amount) prior to remitting the same to the Provider.

### **Public Relations Cooperation**

The Parties hereby agree that each Party will have the right to discuss and display qualitative information regarding the Parties' relationship. The Parties further agree that prior to any disclosure of any quantitative or any other information regarding the Parties' relationship, the utilization of the Software, or any other element of the Parties' relationship, the disclosing Party must obtain the written permission of the non-disclosing Party, which may be withheld by the Provider in its sole discretion.

## Invoicing

HotSpot will remit all Provider parking revenue to Provider associated with their use of the parking payment services for parking each month on a 30-day delay by direct deposit to The City of Sheboygan

Once a threshold is reached, of digital revenues passing through the HotSpot system, HotSpot automatically updates to a more frequent remittance schedule. Once that event occurs, HotSpot Accountants will contact the Provider to update the remittance schedule accordingly. Once the threshold is reached and remittance schedule changed, the schedule will remain at the updated schedule regardless if a subsequent payment is less than the threshold.

| Digital Revenues Passing through HotSpot System | Remittance Schedule |
|---|---------------------|
| Less than \$10,000                              | Monthly             |
| \$10,000 - \$39,999                             | Bi-weekly           |
| \$40,000 - \$59,999                             | Weekly              |
| \$60,000 or More                                | Daily               |

HotSpot will retain all documentation related to the TPP transactions and any data collected pursuant to this Agreement for a period of seven (7) years after the date of expiration or termination of this Agreement but may not otherwise use any such data except in accordance with the terms hereof.

## Currency

All dollar amounts referred to in this Agreement are in USD currency, unless otherwise specifically indicated.

## Audit

Hotspot will: maintain true, correct and complete sets of all records specifically relating to all Fares collected and paid by Provider (the "**Financial Records**"); retain and maintain the Financial Records in such medium and for such period as required by the Provider and all applicable laws but, in any event, not less than one (1) year after such payment has been made; promptly upon demand, using commercially reasonable efforts, make the Financial Records available to audit and inspection by Provider, its auditors and authorities acting on their behalf, wherever such Financial Records are situated; and permit Provider, its auditors and authorities to make copies of the Financial Records and to take extracts therefrom and furnish them with any information which they may reasonably require from

time to time in connection with the Financial Records and subject to the confidentiality obligations described herein at the sole expense of the Provider.

### **Scheduled Maintenance**

If HotSpot plans to perform any scheduled maintenance during business hours, HotSpot will provide notice to Provider and all end users at least forty-eight (48) hours in advance of the commencement of such scheduled maintenance. For the purpose of this section, “**business hours**” means Monday through Friday between 6 AM Atlantic Time and 11:59 PM Atlantic Time. HotSpot will not perform maintenance during business hours except in the event of an emergency.

### **Product Updates**

Any system-wide improvements or modifications made by HotSpot to the Software platform will be promptly provided to Provider and will automatically be subject to the terms of this Agreement. The Provider may request new features or functionality to be built into the system, and, to the extent that HotSpot plans to incorporate such requested new features or functionality into the Software, HotSpot will develop such features and functionality at no cost to the Provider. If the Provider desires to expedite such development, HotSpot may, at its sole discretion, charge Provider an expedite fee of two hundred dollars (\$200.00) per development hour necessary to develop the requested features or functionality. If the Provider’s requested features or functionality are created for the Provider’s use and not incorporated into the Software, HotSpot may, at its sole discretion, charge Provider custom development fee of two hundred and fifty dollars (\$250.00) per hour for the development of such features or functionality and a monthly maintenance fee that will be mutually agreed between the Parties and reduced to a written addendum to this Agreement that the Parties must execute. Such addendum shall address, without limitation, intellectual property rights in and to the development of such features or functionality.

### **Capacity**

Each party represents and warrants that the signer of this document has the authority to bind such party to the terms herein.

### **Confidentiality**

Provider and HotSpot agree to treat all information furnished, or to be furnished, by or on behalf of the other party (including any end user data) and information analyses, summaries and other work product derived from such information (collectively, the “**Information**”) in accordance with the provisions of this section and to take, or abstain from taking, all actions set forth herein. The Information will be used solely in connection with the consummation of this Agreement between HotSpot and Provider and Provider’s use and operation of the Software, and will be kept confidential by the Provider and HotSpot and each party’s officers, directors, employees, representatives, agents and advisors; provided, however, that

- (a) any of such Information may be disclosed to officers, directors, employees, representatives, agents and advisors who need to know such information to execute this Agreement and/or effectively use the Software (so long as such persons only use or disclose such Information in the manner permitted in this section and agrees to be bound by the terms of this section), and
- (b) such information may be disclosed to the extent required by law, including any open records law, open meetings law, or any other local public disclosure law applicable to Provider, and
- (c) Upon the request of the Provider or HotSpot, the other party will destroy or return all material containing or reflecting the Information, to the extent permitted by law.

### **Force Majeure**

Neither HotSpot nor Provider will be held liable for any delay or omission in performance of their duties under this Agreement caused by causes beyond their reasonable control, including without limitation, acts of God, acts of the public enemy, fires, pandemics, natural disasters, wars, or riots.

### **Disclaimer**

HotSpot represents that the Software will perform in accordance with the specifications and as otherwise described herein. Other than as specifically set forth herein, neither of the Parties makes any representations, warranties, or guarantees, express or implied, directly or indirectly, including, without limitation, any warranty of condition, merchantability, or fitness for a particular purpose or use, with respect to, arising out of, or in connection with the Software and related services to be performed pursuant to this Agreement

### **Severability**

Whenever possible, each provision of this Agreement will be interpreted and construed to be valid under applicable law, but if any provision of the Agreement is found to violate applicable law, the violating provision will be ineffective only to the extent that it violates the law, without invalidating the remainder of the section containing the violating provision or any other provisions or sections of this Agreement.

### **Assignment**

This Agreement and all of its provisions will be binding upon and enure to the benefit of the Parties and their respective successors and assignees. Neither HotSpot nor Provider may assign any rights, interests, or obligations hereunder without prior written consent of the other Party

## **Amendments**

The Parties may not amend or modify this Agreement except by a written instrument executed by the Parties (an “**Amendment**”).

## **Cooperate**

If either Provider or HotSpot has a claim, dispute, or other matter in question for breach of duty, obligations, services rendered or any warranty that arises under this Agreement, the Parties Agree to cooperate to achieve a mutually beneficial resolution of such matter. If after thirty (30) days the dispute remains unresolved, the Parties may pursue other remedies.

## **Independent Contractor**

HotSpot is an independent contractor and not an agent or employee of Provider. No agency, partnership, franchise, joint venture, or employment relationship exists between HotSpot and Provider. HotSpot’s employees and agents will not be employees or agents of the Provider. HotSpot shall be fully and solely responsible for the supervision, control, performance, compensation, benefits (including, without limitation, all forms of insurance) withholdings, health and safety of all of its employees and agents. Providers will not be responsible or liable for any withholding taxes or contributions to Provincial and/or state worker’s compensation, unemployment or other funds or programs.

## **No Consequential Damages**

Except for damages with respect to Information Security, IP Indemnification and breach of Confidentiality obligations, to the maximum extent permitted by applicable law, neither party (and/or their officers, directors, partners, employees, agents, sub-contractors and their respective successors, heirs and assigns) will, under any circumstances, be liable to the other party for consequential, incidental, special or exemplary damages arising out of or related to the Software, Services or this Agreement, including but not limited to lost profits or loss of business.

## **Limitation of Liability**

Except for liability with respect to Information Security, IP Indemnification and Breach of Confidential Obligations, which all shall have no limit, under no circumstances shall either party’s total liability (and/or the liability of their officers, directors, partners, employees, agents, sub-contractors and their respective successors, heirs and assigns), of any kind, arising out of or related to the Software, Services or this Agreement, regardless of the forum and regardless of whether any action or claim is based on contract, tort or otherwise, exceed the total amount paid or payable by the Provider under this Agreement.

## **Indemnification Process**

In all cases in which an indemnified party seeks indemnification hereunder, the indemnified party will (a) provide the indemnifying party with prompt notice of any such Claim (provided that the failure to provide prompt notice will only relieve the indemnifying party of its obligation to the extent it is materially prejudiced by such failure and can demonstrate such prejudice), (b) permit the indemnifying party to assume and control the defense of such action upon the indemnifying party's written notice to the indemnified party of the indemnifying party's intention to indemnify (provided that the indemnified party (at its cost) may participate in the defense and settlement of such action with counsel of its own choosing), and (c) upon the indemnifying party's written request, and at no expense to the indemnified party or its affiliates, provide to the indemnifying party all available information and assistance reasonably necessary for the indemnifying party to defend such Claim. The indemnifying party will not enter into any settlement or compromise of any such Claim, which settlement or compromise would result in any liability to or otherwise adversely affect the indemnified party (including any settlement that requires the indemnified party to admit fault or attributes fault to the indemnified party), without the indemnified party's prior written consent, which will not unreasonably be withheld or delayed.

### **Information Security**

- (a) Hotspot represents it has (and the Provider is relying on Hotspot having) an information security policy that complies with all of the Provider's obligations and policies that the Provider has provided to Hotspot for review at the time of this Agreement.
- (b) HotSpot shall maintain a program to identify and resolve any vulnerabilities identified by its security assessor or other relevant person and to notify and disclose any information the Provider may require to secure its own systems with respect to the same.
- (c) HotSpot shall implement and maintain a program to protect against any reasonably anticipated threats or hazards to the security or integrity of customer data or unauthorized access to or use of customer data; and ensure the proper disposal of customer data, as applicable. Notwithstanding anything to the contrary herein Hotspot shall indemnify and save Provider harmless from any and all liabilities of whatever kind relating to any unauthorized disclosure or other breach of confidentiality or privacy with respect to any customer, end user data or any Provider IP.

### **Governing Law and Jurisdiction**

- (a) The laws of the State of Wisconsin shall apply as to all matters with respect to this Agreement without regard to conflict of laws principles, and the Parties consent to the exclusive jurisdiction of the courts of such jurisdiction, and waive all objection to venue or jurisdiction therein, or in the federal court in such jurisdiction if there is a basis for federal jurisdiction over the dispute.
- (b) The laws of the State of Wisconsin shall govern, and the parties hereto consent to the exclusive jurisdiction of the Wisconsin courts, or the federal court of the US, if there is a basis for federal jurisdiction over the dispute.

## **General Indemnity**

Each Party shall indemnify, defend and hold harmless the other Party, its agents, employees, affiliates, successors and assigns from any claims, demands, debts, suits, losses, damages, fines, penalties, liabilities, costs and expenses, including attorney's fees, expenses, court costs, or causes of action whatsoever of every name and nature, both in law and in equity, to any person or property (i) arising from or claimed to have arisen from the omission, fault, willful act, negligence, or other misconduct of the indemnifying party's subcontractors, licensees, invitees, agents, servants or employees, or (ii) resulting from the violation by the indemnifying Party of the terms of this Agreement, Each Party agrees that the obligations assumed herein shall survive the expiration of this Agreement.

## **IP Indemnification**

Each Party will defend, indemnify and hold harmless, at the indemnifying Party's sole expense, any claims, demands, suits or actions made or brought against the indemnified Party for infringement of any patent, copyright, trademark, trade secret or other intellectual property rights arising from or related in any way to the software (or any component thereof), and will pay all damages, costs and expenses finally awarded to third parties against the indemnified Party in such action. If the indemnifying Party believes or becomes aware that the software (or any component thereof), including, is likely to become the subject of any infringement related claim, then the indemnifying Party will, at its sole expense and at its option, either (i) promptly procure for the indemnified Party the right to continue to use the software or (ii) terminate this Agreement.

## **Notices**

All notices, consents, and communications required hereunder shall be given in writing and delivered via electronic mail or mail, shall be deemed to be given upon receipt thereof, and shall be sent to the following addresses. The address of HotSpot is 515 Beaverbrook Court, Fredericton NB E3B 1X6, email: phillip@hotspotparking.ca. The address of the Provider is 828 Center Ave, Sheboygan, WI 53081, United States.

## **Compliance with Laws, etc.**

HotSpot shall comply with all applicable federal, provincial and/or state regulations, ordinances, rules or codes relating to employment or conditions of employment of its employees, including, without limitation, laws or regulations concerning workers' compensation, social security, unemployment insurance, classification of employees, hours of labor, wages, working conditions, safety regulations and work practices. HotSpot confirms that its employees are licensed and qualified under all applicable federal, provincial and/or state and local requirements.

## **Insurance Requirements**

HotSpot shall maintain a policy of commercial general liability insurance in the amount of two million US Dollars (\$2,000,000.00). HotSpot shall furnish to the Provider a certificate of insurance noting the Provider as an additional insured.

**Entire Agreement**

This Agreement represents the full and complete understanding of the Parties and supersedes any and all prior agreements. There shall be no force or effect to any different terms of any related purchase order or similar form even if signed by the parties after the date hereof, accepting an Amendment as described in this Agreement.



**EXHIBIT B**  
**HOTSPOT SYSTEM OVERVIEW**

## Parking System Overview

HotSpot Parking is an application that operates a license plate based system that allows users the option to pay for parking directly from their phone. Users upload a balance to a virtual wallet, which was introduced to cut down on processing fees from credit cards through a single transaction. The user then draws down on this balance and makes digital payments to the city in exchange for parking services provided.



Once an officer finds a vehicle suspected of infraction; using the enforcement hand-held they simply key in or scan the license plate-and it returns “PAID” alerting them the driver has paid through HotSpot. HotSpot can integrate with existing handheld providers or provide a device for a nominal fee.

As a convenience fee for the service, HotSpot charges the driver a simple \$2.00 monthly fee, \$20.00 yearly (\$18 for CAA members) or the option to pay \$0.20 per parking session<sup>1</sup>. The membership structure encourages the most active users (those who park daily) to opt into a flat fee rather than a fee on each use. The pay per transaction model becomes expensive to frequent parkers but still provides a convenient, touch-free option to those that park less.

- **HotSpot is the only company that provides a membership option in addition to a pay per use model to reduce costs to the user.**
- **HotSpot notifies users when they are about to spend more than \$2.00 a month on fees and encourages the user to opt into the flat fee structure.**

HotSpot provides a single application that allows the user to pay for parking, offering an additional contactless method of purchase accessible on all parking infrastructure supplied by the city, including gates and zoned pay stations. All funds collected from the parking system are remitted to the city, minus a flat 2.99% credit card transaction fee.

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<sup>1</sup> State taxes are not included, and do apply.

## Advantages

- **Touch-Free Solutions:** Contactless and convenient option to purchase parking for safer, easier payments. No need to touch pay stations or kiosks!
- **Remote Top-Ups:** Top-up your parking session while on the go, directly from your mobile phone. Data shows these quick, easy mobile top-ups can increase user compliance.
- **Increased Revenues:** Providing more ways to pay means more revenue through customer convenience.
- **Cost Savings:** HotSpot's digitized, automated solution translates to less paper usage and less coin collecting, reducing operational costs for the city.

## Features

We are continuously innovating, growing, and improving our feature set, which include:



**In-App Ticket Payments:** We have all been guilty of it: getting parking tickets and pushing them aside until the very last minute, which may result in increased fines or a trip to the courthouse. Now, using HotSpot you can simply snap a photo, enter the ticket payment amount and we will take care of the rest.



**Real-time Parking Availability:** The ability to see in advance of arrival where parking is available is a huge advantage and provides peace of mind for anyone looking to park and be on their way. This has been an extremely well received feature for all stakeholders.



**Parking Extender:** Parking extender is activated when you may be multitasking (in a meeting, enjoying lunch, etc.) and forget to top up your HotSpot Parking. HotSpot will automatically do so to avoid getting a parking ticket.



**Refund Parking:** HotSpot allows users to refund their parking if they do not use it all. This was introduced with the cities' consensus and allows users to move from one spot to the next without getting a ticket. This increases compliance without negatively affecting revenue generation.



**Ticket Resolution:** Most problems in life come down to an error in communication. If a driver feels they were issued a parking ticket when they should not have been, the HotSpot team will investigate the issue and aim to resolve it as quickly as possible. Snap a photo of the ticket, and we will work one on one with the user to either educate or resolve.



**Merchant Validation:** In our opinion, local businesses trump box stores with their ability to offer a personalized, authentic experience to their valued customer. Using our merchant validation, retail outlets can validate customers' parking.



**Community-Wide Use:** Working with the city and private partners HotSpot provides a single application that can be used at universities, hospitals, private operators and airports within cities at no cost.



**Find-Your-Car:** For those long days where seemingly simple reminders are the most important, the HotSpot app will locate your vehicle on a map and get you back on track and on the road.



**Corporate Accounts:** For companies that have multiple vehicles on the road we provide corporate accounts to centralize billing for the customer, track staff usage and streamline payments, while providing increased compliance for the city.



**Snow Alerts:** North American cities typically have the need for overnight parking bans throughout the year, especially in winter. HotSpot can automatically alert all app users of parking bans in real time through push or text notification.



**Permit Program:** HotSpot provides a complete digital permit solution to allow users to register vehicles for any permitted areas to increase convenience for enforcement and customers. These virtual parking permits can be purchased through the application or dashboard.



**Gated and Private Lot Operators:** HotSpot also works with private lot operators to provide a single solution for transient and permit parkers, using innovative NFC tap technology compatible with any gated system.



**Bilingual:** All of HotSpot's technology is fully French and English to the standard dictated by the region and dynamically adjusts to the user's phone settings.



**Emailed Receipts:** HotSpot emails receipts to users in real time to keep track of payments and declined transactions.



**Fast Tap Signs:** HotSpot has one of the world's first virtual parking meters, no app required. Simply tap your Android or iPhone on the built-in NFC chip, or take a photo of the QR code on a customized Fast Tap sign and start a parking session without use of the app.



**Multiple Payment Options:** HotSpot provides multiple payment options through most major credit cards, debit visa, Amex, Apple Pay, and Google Pay. Through our payment process there is no need to update your card. When it expires, our system will automatically make the adjustment!



**United Way Partnership:** HotSpot's charity of choice is the United Way. HotSpot provides two options to donate through direct donation or donating your refunded amount to the local United Way. Partner municipalities can choose alternate local or regional charities to give back to.



**24/7 Bilingual Customer Support:** 365 days a year, our dedicated customer support team is ready to answer your questions. Whether you need assistance with your account, parking session or transaction history we are here and happy to help.

## Businesses

HotSpot has been built around the concept of "People do not go downtown to park; they go downtown to do business". That is why from day one HotSpot has had a tool to help businesses serve their customers better.



**Parking Validation:** Through our NFC Tap system businesses can validate someone's parking by simply tapping their phone.



**Parking Extender:** If a customer is validated while in-store they will automatically have parking added vs. getting a ticket and can stay past the meter maximum by up to 1 hour. (city approval required)



**Realtime Parking:** Helping patrons get downtown is the name of the game. HotSpot provides integration for local businesses to show nearby parking spots to help patrons arrive quickly and efficiently.

## Municipality

Over the last eight years, we have worked with the municipalities in our network on a one-on-one basis to build out features that help work for the Municipality to better collect revenue and service their residents:



**Revenue Reporting:** HotSpot reports in real-time the parking that user's use on a weekly, monthly, and yearly basis.



**Enforcement Monitoring:** HotSpot also provides real-time information on the officers and parking checks being performed. This allows the Municipality to monitor the activities of their agents.



**Spot Updating:** If you change your rates or meter numbers you can update it to our database directly. (Don't worry, we double check it for typos.)



**Ticket Resolution:** HotSpot provides a completely secure way for users to submit tickets for re-examination. Once a decision is made by HotSpot and the Municipality reviews, the Municipality can email the parker directly without disclosing any personal information. It's a smooth system.



**Citizen Alerts:** Do overnight parking bans or street closures happen within your community? -HotSpot can automatically alert all app users of parking in real time through push or text notification.



**Real-time Parking Availability:** The ability to see in advance of arrival where parking is available is a huge advantage and provides peace of mind for anyone looking to park and be on their way. This has been an extremely well received feature for all stakeholders.



**Dedicated Account Management:** Communication is key. HotSpot keeps in constant contact with our clients to find improvements through monthly check-ins reviewing progress.



**Citation Management:** Keep track of offences and the vehicle tied to them, through our user-friendly administrator dashboard, in real-time.



**Online Citation Payment:** HotSpot offers a dedicated, secure web based payment portal that is directly linked to your dashboard offering an additional method of ticket resolution and increased compliance.



**Real-time Reporting Dashboard:** Make good business and planning decisions based on real community data, from your own neighborhood. Process reports in real-time to analyze changes, follow trends and coordinate administration.



**User Roles:** HotSpot's dashboard allows a master administrator (or your dedicated account manager) to assign user roles, ensuring that no authorized person will have access to sensitive information including finance, reports or allowable changes.



**Internal Auditing:** Identified user roles provide an additional security measure by tracking and logging user activity, allowing the ability to monitor void reasons, changes in fine amounts and reconciliation.



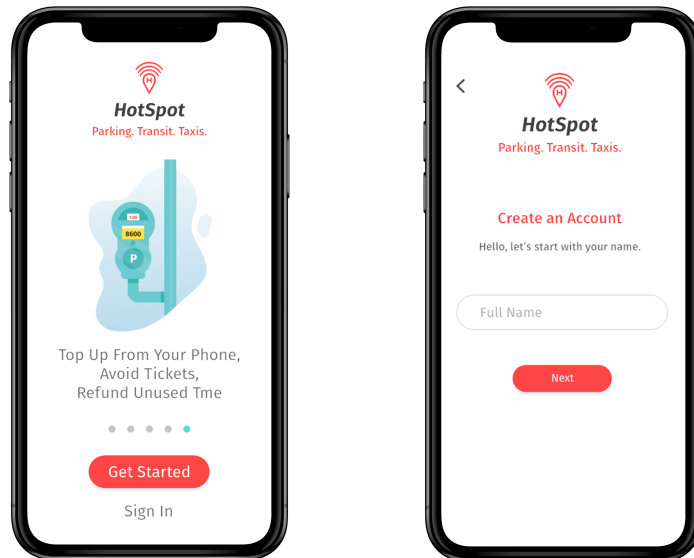
**Digital Chalking:** HotSpot's LPR technology uses digital chalking to make the enforcement process easier and faster. By entering in or scanning a license plate, the system mirrors how an officer would manually chalk a vehicle's tire in order to see how long they've been parked.

## How It Works

### Signup

Users can sign up for our application on iOS, Android, and Blackberry devices, which will require the following:

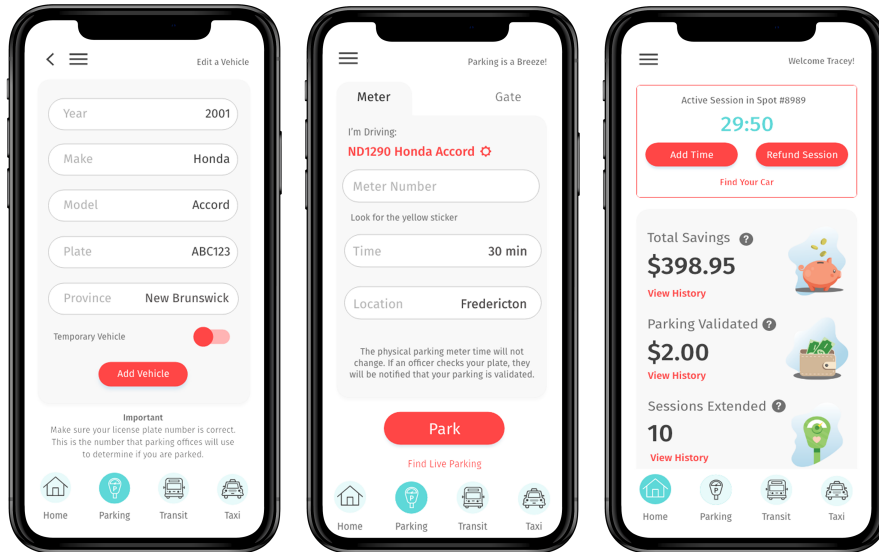
- User name
- Unique phone number
- Unique Email
- Password



### First Session

Upon sign-up , Users can expect to be asked to:

1. Enter their license plate for enforcement;
2. Enter their “Meter number”;



## Payment Method

We prompt them to enter a payment method (any major credit cards, visa debit, mastercard debit, visa giftcards, Apple Pay/Google Pay, and AMEX). From here they can add a virtual balance to their wallet which allows the users to draw down from that fund. Typically, funds of \$5.00 or \$10.00 increments are used to avoid multiple credit card transaction fees.

## Time Extensions

The user can then simply add time from their mobile phone without the need to go back and use the pay station. This increases compliance with the existing system, and cuts down on enforcement needs; which provides a better overall experience for the users.

## IVR System

HotSpot currently has an IVR system that is operational by phoning the number on the meter. Please note, you must have an account and be calling from the registered number. This system works as follows:

- Call the number
- Select option:
  - Speak to customer support
  - Speak to the city's Parking Dept.
  - Use the IVR system.



### IVR System

1. Recognizing the number, you're calling from.
2. Asking for your meter number – user inserts.
3. Confirming parked vehicle.
4. Provide one hour of parking.
5. The service then sends text reminders to add time.

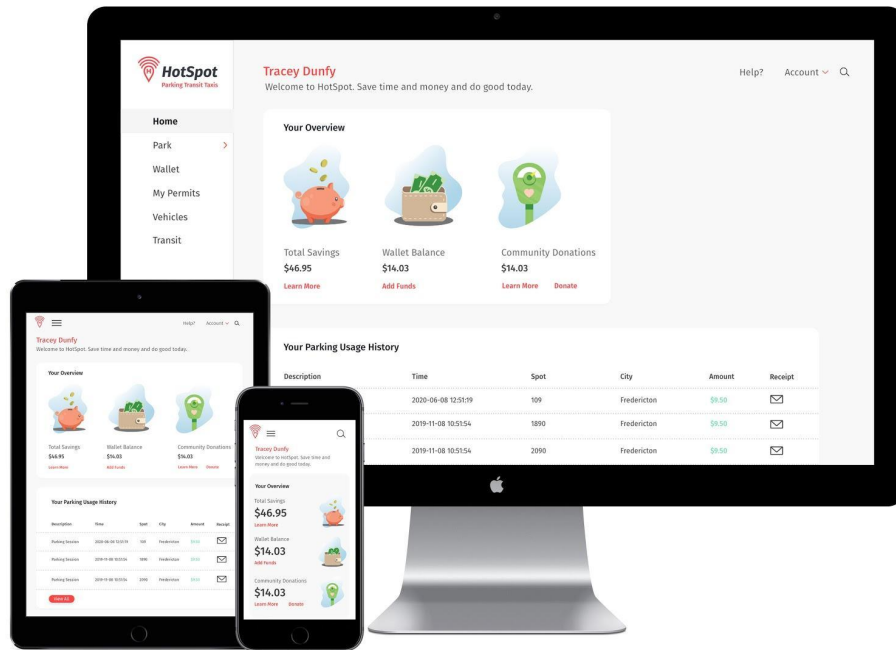
### Text System

1. Text HotSpot your meter number.
2. Recognizing the number.
3. System asks to confirm parked vehicle.
4. Provide one hour of parking.
5. Provides text notifications to top up.

The text system is preferred by our user-base and the IVR system is turned off in select cities with calls going direct to the customer support desk.

## Web Based Parking

HotSpot also provides a web based version of our application accessible to users through mobile or desktop web browsers. The user can sign in to a web based version of our solution as well as a more desktop friendly account management tool.

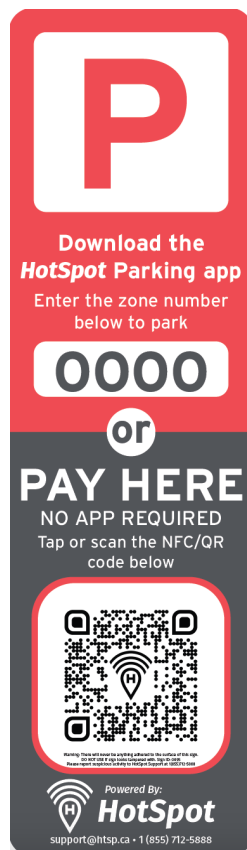




## Fast Tap Signs

HotSpot's Fast Tap Signs act just like a pay station to accept digital payments, but without the expensive hardware and operational costs! These signs allow users to pay for parking quickly and efficiently by scanning the QR code - no application download required. Simply approach a fast tap sign and:

- Scan the QR code and a web page will be detected
- Open the webpage and enter:
  - Length of stay
  - License plate
  - Payment choice (Apple Pay, Google Pay, Credit card, Debit Visa)
  - Email for receipts (optional)
- HotSpot will automatically detect the parker's location and process payment (Apple Pay/ Android Pay or credit card) without the need to download another application.



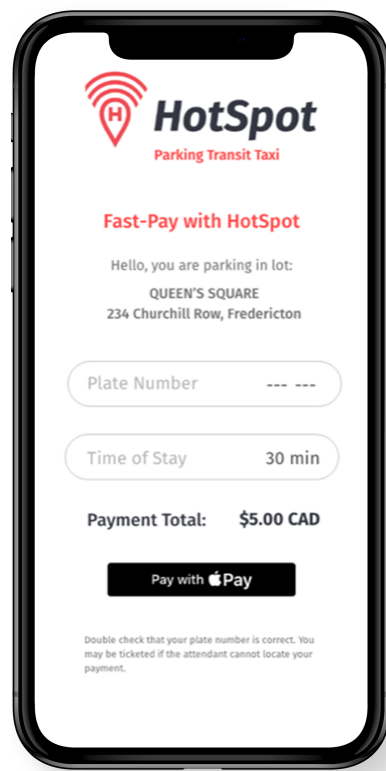
## Considerations

The fast tap signs can:

1. Handle special rates and flexibility.
2. Receive email receipts.
3. Integrated with Enforcement License Plate Recognition (LPR)
4. Withstand extreme weather conditions

## Benefits

|                             |  |
|-----------------------------|--|
| <b>Reduce Costs</b>         | <ul style="list-style-type: none"><li>• 90% reduction in operational costs and parking infrastructure</li><li>• No machines to maintain or replace</li><li>• No need for paper supplies, power, or data charges</li></ul>  |
| <b>Implement Quickly</b>    | <ul style="list-style-type: none"><li>• Easy to get up and running in your lot</li><li>• QR-enabled signs can be placed anywhere in your lot. No power required!</li><li>• Integrates seamlessly with HotSpot's payment system and all current enforcement technology</li></ul>                                  |
| <b>Make Customers Happy</b> | <ul style="list-style-type: none"><li>• No app to download or account to set up</li><li>• Easier and faster transaction times than meter parking</li><li>• Better customer experience and more ways to pay</li><li>• HotSpot members can still pay through mobile app</li><li>• Scan a QR code and go!</li></ul> |



## Merchant Validation Overview

HotSpot's Merchant Validation lets users simply tap their phone on an NFC sensor to receive parking validation. This system allows the merchant to load a digital "business" wallet, choose an increment of time to award customers, and is typically performed after the sale of goods.

HotSpot's world class merchant validation system is unique in the flexibility of the solution and the variety of businesses it serves, which includes:

- Restaurants
- Retail
- Offices
- Professional Service / Gyms

HotSpot has been built around the concept of "People do not go downtown to park; they go downtown to do business". That is why from day one HotSpot has had a tool to help businesses serve their customers better.

## Advantages

- The Business Owner can set limits on how much parking can be validated per visit or per user.
- The Business Owner can easily manage and track validation usage and set spending limits.
- Increased loyalty to Business Owners.

## Features



**Parking Validation:** Through our NFC Tap system businesses can validate someone's parking by simply tapping their phone.



**Parking Extender:** If a customer is validated while in-store they will automatically have parking added vs. getting a ticket and can stay past the meter maximum by up to 1 hour. (city approval required)



**Realtime Parking:** Helping patrons get downtown is the name of the game. HotSpot provides integration for local businesses to show nearby parking spots to help patrons arrive quickly and efficiently.

## How it Works

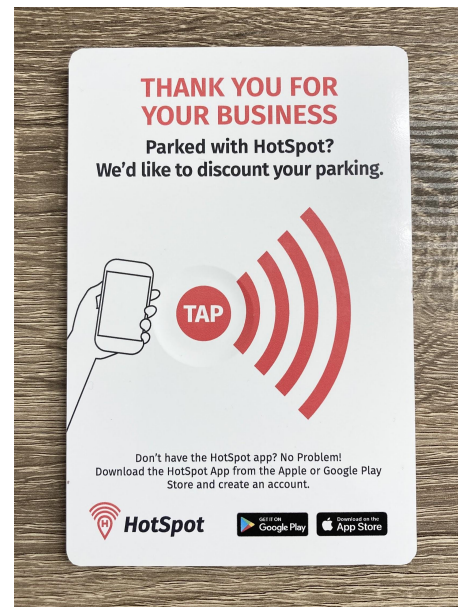
In the proposed solution the user would:

- Start a parking session through their parking app
- Visits HotSpot enabled business
- Taps phone on NFC Sensor
- Instantly receives parking validation

Merchants validate parking with specific criteria:

- The user has parked with HotSpot and has an active session.
- Business Owner wants to validate a customer's parking.

Watch this video for a closer look: : <https://vimeo.com/169290562>



## Pricing<sup>2</sup>

HotSpot provides the merchant validation solution as follows:

- \$50 yearly for the first merchant validation stand
- \$20 yearly for each additional stand required
- A dashboard to add parking credits to give to users at cost
- Signup is done online and the stands are shipped through the mail.

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<sup>2</sup> State taxes are not included, and do apply.

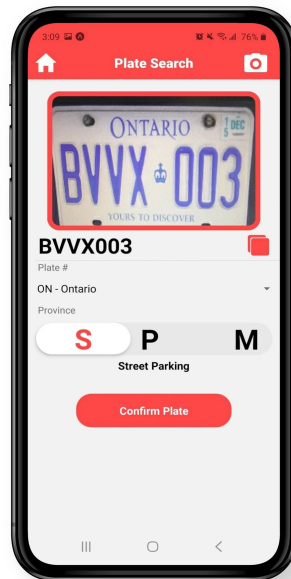
## Enforcement Overview

Enforcement of the HotSpot system is 100% license plate-based. This is done through License Plate Recognition technology (LPR) which searches apparently unpaid license plates and relays an audible “Ping” when the user has paid using a red (unpaid) / green (paid) methodology.

Instead of an officer manually entering a license plate into the system, HotSpot built LPR software to allow officers to scan a parker’s license plate. Tracking of searches performed by officers can be viewed on HotSpot’s Admin dashboard and has been used to monitor officer performance..



HotSpot will also install the “officer app” on the existing handhelds, or provide a device (fees may apply for the provision of a device). This allows officers to dynamically update rates and times if any lots or meters are altered. These changes are to be confirmed by the admin staff through their portal.



## Advantages

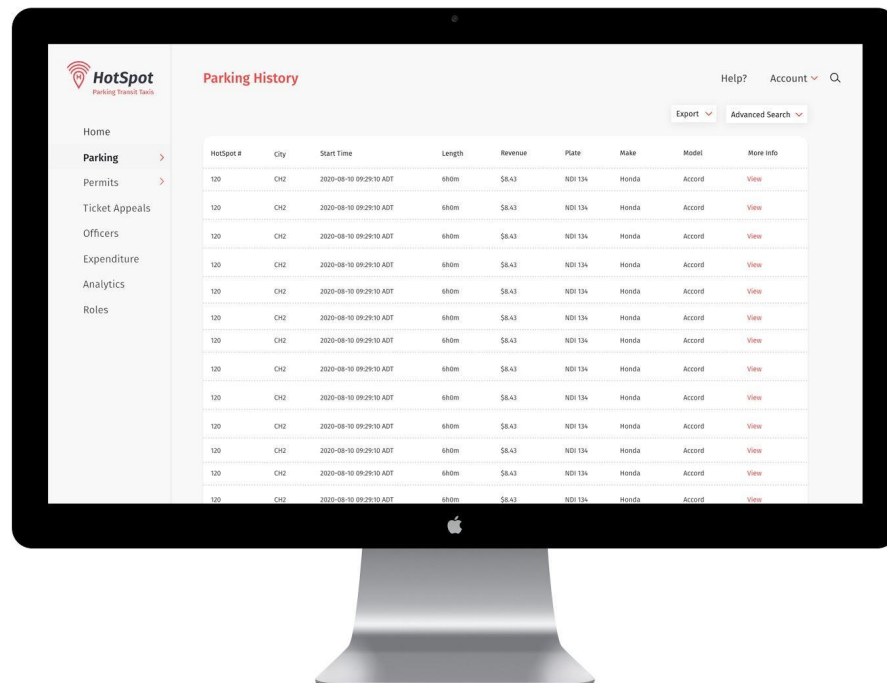
- **Increased Efficiency:** LPR software cuts down on time by as much as 40% efficiency for enforcement with a 95% accuracy on scans in the field.
- **Real-time Tracking:** Immediate uploads of officer inputs to a central database with historical data for review and tracking.
- **Single Solution:** One single solution enforcement platform used for all HotSpot transient, permit, and gated parking.
- **Continual Improvement:** Save administration time spent manually writing tickets, data entry for ticket management, and following up on citation escalation.

# Administrative Access Overview

Every action in Hotspot's system is shown in a transparent fashion through our administrative dashboard. This allows the Administration to track key events such as:

- Every parking session made by a user is recorded in detail for auditing purposes.
- Every ticket resolution request is tracked through this dashboard to provide a detailed line of communication back to the user.
- Rates and time limits can be updated here for parking locations in real time.
- Revenue reporting can be broken down by area
- Every payment made by a user is recorded in detail for auditing purposes.
- Every officer license plate entered is recorded which has been used to track officer performance.
- Analytics for systematic review of intricate data and trends.

HotSpot understands the city may have unique needs that are not obvious and we will work to provide the best solution possible through this dashboard.



| HotSpot # | City | Start Time              | Length | Revenue | Plate   | Make  | Model  | More Info            |
|-----------|------|-------------------------|--------|---------|---------|-------|--------|----------------------|
| 120       | CH2  | 2020-08-10 09:29:10 ADT | 6h0m   | \$8.43  | NDI 134 | Honda | Accord | <a href="#">View</a> |
| 120       | CH2  | 2020-08-10 09:29:10 ADT | 6h0m   | \$8.43  | NDI 134 | Honda | Accord | <a href="#">View</a> |
| 120       | CH2  | 2020-08-10 09:29:10 ADT | 6h0m   | \$8.43  | NDI 134 | Honda | Accord | <a href="#">View</a> |
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| 120       | CH2  | 2020-08-10 09:29:10 ADT | 6h0m   | \$8.43  | NDI 134 | Honda | Accord | <a href="#">View</a> |
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| 120       | CH2  | 2020-08-10 09:29:10 ADT | 6h0m   | \$8.43  | NDI 134 | Honda | Accord | <a href="#">View</a> |
| 120       | CH2  | 2020-08-10 09:29:10 ADT | 6h0m   | \$8.43  | NDI 134 | Honda | Accord | <a href="#">View</a> |
| 120       | CH2  | 2020-08-10 09:29:10 ADT | 6h0m   | \$8.43  | NDI 134 | Honda | Accord | <a href="#">View</a> |
| 120       | CH2  | 2020-08-10 09:29:10 ADT | 6h0m   | \$8.43  | NDI 134 | Honda | Accord | <a href="#">View</a> |

*HotSpot provides complete transparency to all parking transactions in real time.*

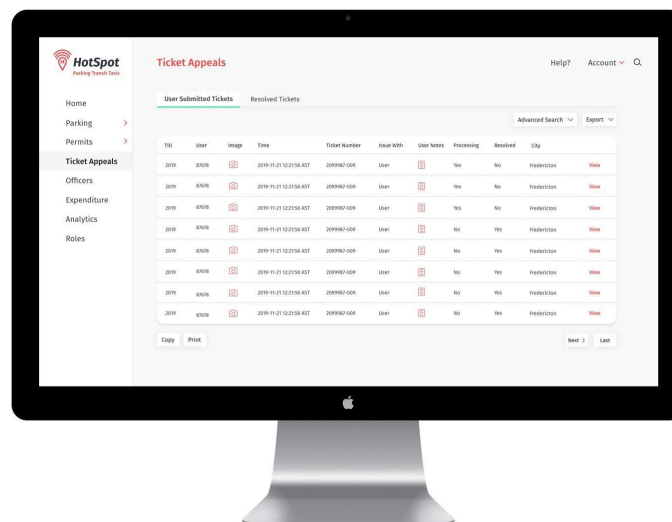
## Ticket Resolution and Payments

90 percent of the world's problems come down to a communication issue; this is especially true for parking disputes. HotSpot has a 3 / 1000 metric where every 3 sessions out of 1000 requires a HotSpot Account Executive to reach out and work with the user to resolve an issue. **HotSpot is the only company that provides Ticket Resolution to ensure the best possible customer support.**

The typical process for this is:

1. User receives a ticket they feel is unjust.
2. They submit the ticket through HotSpot's "Resolve ticket" option.
3. HotSpot's staff investigate the ticket and respond to the user.
4. If the ticket is believed to be invalid HotSpot sends a message to the city's Parking Authority explaining the situation.
5. On the HotSpot dashboard the city can choose to void or enforce the ticket.
6. If the ticket is voided the user is notified.
7. If the ticket is enforced the user is notified and has the option to pay directly through HotSpot's app.

All ticket payments go directly to the city remitted monthly.



## Payment Remittance

HotSpot has a standard remittance schedule of 30 days after the end of the month. HotSpot's typical 30-day period allows for any disputed charges or potential tickets that need to be enforced will be accounted for. **HotSpot provides direct deposit for all services.**

## Signage

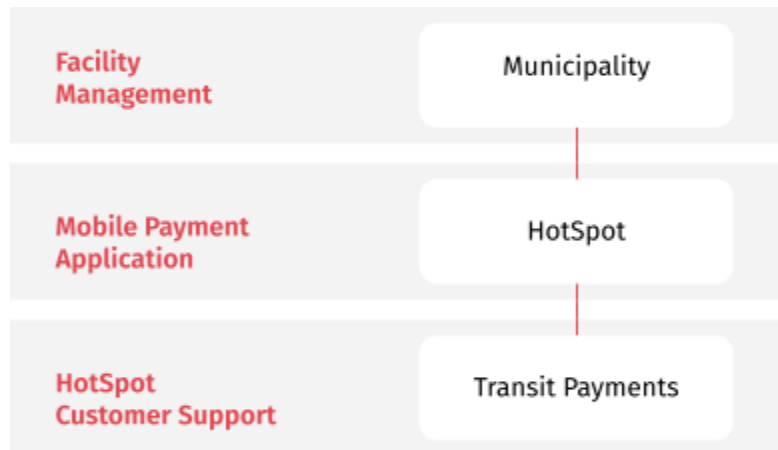
HotSpot provides Meter and Kiosk Decal signage which are required for both on street and off-street parking. The current signage is available in both English and French as our app is fully bilingual. For zone signage, there may be a charge associated with supply and installation.





## Transit Overview

HotSpot has an innovative and reliable method to launch transit for a city. We have thousands of existing users that use our application to move around their town. We're regarded as an easy to adopt solution that has shown success in our pilot Canadian cities, all of whom continue for a long-term solution.



## Advantages

- **Touch-Free Solutions:** Contactless and convenient option to purchase transit passes for safer, easier payments.
- **Increased Efficiency:** HotSpot's digital passes speed up onboarding passengers with no delay of coin or ticket punching.
- **Remote Purchases:** HotSpot's transit solution has the ability to buy passes remotely and transfer the storage to your digital account to prevent loss.
- **Reporting:** Data collection on popular bus routes, passenger heat maps serve as long term analytics for route mapping.
- **Effective:** Colour coded digital passes with built-in security features decreases fare evasion.

## Features



**Route Mapping:** HotSpot provides detailed route planning synced up to the existing Google maps provided by the municipality. This updates as Google maps updates!



**Bus Tracking:** HotSpot provides the ability to see when buses are arriving via onboard GPS systems - all from within the application.



**Pass Purchase:** Easily purchase any type of transit pass from any location!



**Punch Pass tracking:** HotSpot tracks the user of every pass as users board the bus. This allows exact usage to be managed programmatically and not by the operator.



**Age Verification/ ID Verification:** HotSpot verifies age and student passes through picture id when required by the municipality.



**Corporate Passes:** Workers and businesses looking to encourage other modes of transportation can skip dealing with paper passes with HotSpot's digital solution. Simply register your business and send emails to your employees to give them easy access to a discounted pass.



**Reminders/ Notifications:** HotSpot sends reminders to its users when their pass is about to expire to let them automatically re-purchase a pass.



**Student Passes:** HotSpot partners with the community such as Universities when they launch free bus passes for their students during orientation month.



**Tap Signs:** HotSpot has created the first tap to ride signs that allow Android and iPhone users to simply tap a sign to purchase a pass **no app required!**



**Fare Exemptions:** In instances where certain individuals are exempt from fare payments, they access their digital ticket/pass by selecting the Promotion option and entering a promo code. This can be turned off and on as required.



**Reporting:** HotSpot reports on each bus based on total expenditure monthly and daily, bus by bus revenue breakdown over time, and Individual level transaction records.



**Purchases and Offline Use:** Purchases, such as a 10-ride tickets or monthly pass, are stored in the customer's account and can be accessed at any time. Tickets and passes will be accessible even without the use of Wi-Fi/Internet.



**24/7 Bilingual Customer Support:** 365 days a year, our dedicated customer support team is ready to answer your questions. Whether you need assistance with your account, transit session or transaction history we are here and happy to help, in English or French!

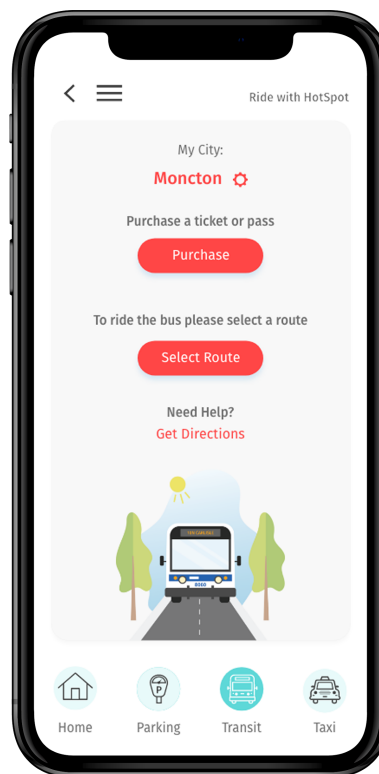
## How It Works

### Route Information

Signing up allows you to see in real time where you are relative to bus stops. However, rather than enter a bus stop we ask for your destination to feed into HotSpot's back end analytical system to be used by the city for bus routing improvement in the future.

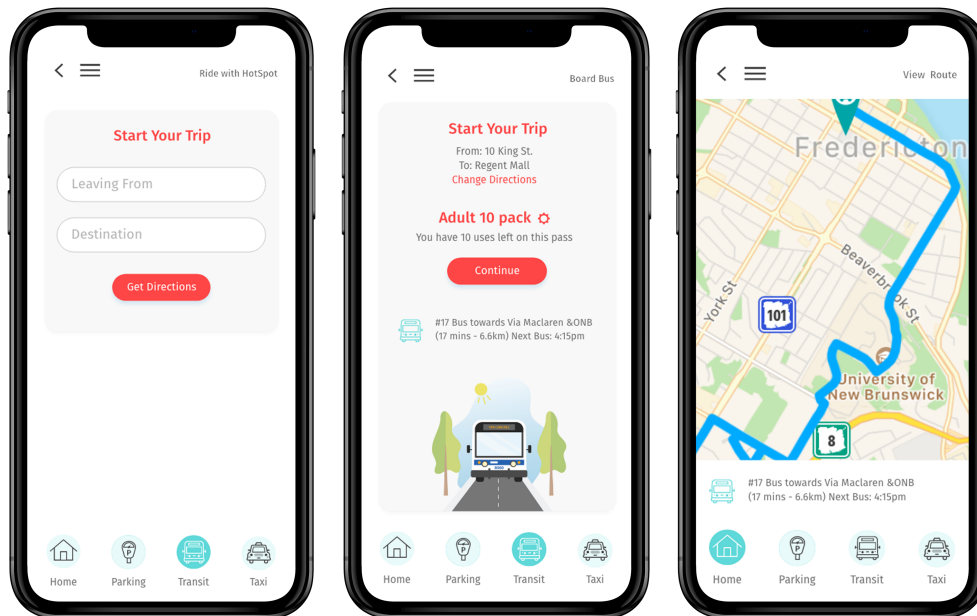
### Route Planning

To plan a route, simply enter your current location (Either by GPS or typing) and select a destination. This will be synced with the bus routes through Google Maps to allow us to maintain an up-to-date mapping system with directions, estimated time and required walking distances. A live demonstration of the application accompanies this implementation plan and is available by downloading the application.



## Route Confirmation

Once you've chosen a start and end location the application returns a travel plan showing the best route to your location. Additionally, the app provides an estimated walking time from your location to the nearest bus stop then the estimated length of the ride and the walking distance to your end location. This allows HotSpot to understand the customer's end state to serve long term analytics for transit mapping.

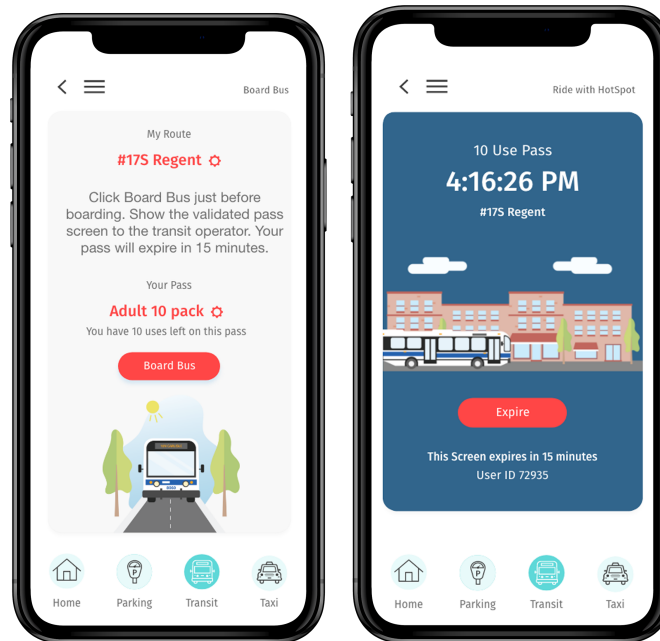


## Payment

If this route is acceptable, the user can initiate the trip through HotSpot's payment system. This is the phase in which the application would initiate the membership or pay per use model to access both transit and parking. Routing and planning information is freely provided to Transit patrons, while pass purchases are available once payment is made to HotSpot. HotSpot can integrate GPS bus tracking if available.

## Boarding the Bus

After payment, and as the bus approaches for pick up, the user presses the red Board Bus button that initiates a timer screen. **The timer continues to be active for 15 minutes and must be shown to the operator within that time.** After expiry, the application provides the passenger a survey to confirm the bus is on time and service levels are acceptable for individual feedback on each route that will be freely available to city Transit.



Here's a video of how our Transit works in Fredericton, NB : [click here](#)

## Transit Administrative Access

Every action in Hotspot's system is shown in a transparent fashion through our administrative dashboard. This allows the Administration to track key events such as:

- Every ticket resolution request is tracked through this dashboard to provide a detailed line of communication back to the user.
- Services used by transit riders and the routes taken.
- Types of passes used by transit riders.
- Reporting can be broken down by area.
- Alerts to Transit patrons about breakdowns/ route changes.

## Customer Support

HotSpot provides a 24/7 bi-lingual customer support team that acts as the front-line for all technical and support related issues. We address all challenges through the following channels:

- **Email:** HotSpot allows all users to email us directly within the application. We also typically answer information requests from the public about how the parking facilities work and direct them to the proper channels for more in-depth needs.
- **Phone:** HotSpot provides a toll-free number on infrastructure the people can call if they are experiencing an issue.
- **Twitter + Facebook:** HotSpot also manages a Twitter and Facebook account people typically use to reach out and ask questions.

HotSpot's goal is under no circumstance should a client need to answer technical questions regarding users accounts. All assistance can be directed to HotSpot for resolution.

## Exhibit C

# Training Responsibilities

## Training Program

|                                 |  |
|---------------------------------|--|
| <b>Executive</b>                | HotSpot is responsible for all executive training on the use of the system as needed and requested by city staff.  |
| <b>Officers</b>                 | HotSpot is responsible for all officer training required of the system.  |
| <b>Administrative Personnel</b> | HotSpot is responsible for all administrative training required for: reconciling accounts; investigating tickets; and exporting data to the dashboard during the onboarding process.                             |
| <b>Customer Training</b>        | HotSpot is responsible for all customer training required and customer support associated with the use of the system to alert customers they can now pay for parking or transit through the HotSpot application. |