Interim Operating Agreement

This Agreement is entered into this 2nd day of May, 2014, between the City of Detroit, a Michigan municipal corporation, whose address is 2 Woodward, Suite 500, Detroit, Michigan 48226 (hereinafter referred to as the “City”), and Lyft, Inc., a Delaware corporation, whose address is 2300 Harrison Street, San Francisco, California 94110 (hereinafter referred to as “Lyft”).

Lyft refers to itself as a ride-sharing network that uses a digital platform to connect passengers to ridesharing operators using their personal vehicles for the purpose of transportation. The City of Detroit has referred to this form of transportation service as a vehicle for hire, a transportation network company and/or a ride-sharing network. Regardless of how this form of transportation service is defined now by either of the parties, it is essentially an organization that matches drivers and riders on a prearranged basis, for trips provided by drivers using their personal vehicles, which will need to be resolved for any future ordinance.

Lyft Operator shall mean an individual who uses the individual’s personal vehicle to provide transportation services through the Lyft platform.

Lyft Vehicle shall mean a personal vehicle that is used by an operator through the Lyft platform.

Lyft and the City agree to the principles set forth below with respect to Lyft’s platform. The parties agree that Lyft’s acceptance of these principles acknowledges, solely for the purposes of this Agreement, that the City has the authority to enter into this Agreement. Lyft does not waive its right to contest the applicability of any laws or rules under the Detroit City Code, the General Statutes of the State of Michigan to Lyft, the Lyft platform, or Lyft Operators offering services through the Lyft platform. Lyft does not waive its right to propose or support different principles, terms or conditions, or to raise any defense in any other local, state or federal regulatory or legal proceeding, including municipal-level proceedings. The City does not waive any right or authority to initiate any action under the Detroit City Code or the General Statutes of the State of Michigan.

LYFT AND THE CITY AGREE AS FOLLOWS:

The City is concurrently evaluating an amendment to Chapter 58, of the Detroit City Code, which would address “ridesharing network services.” Pursuant to this Agreement, the City agrees to permit Lyft to operate in the City of Detroit while the City is evaluating an amendment of the City Code, subject to the conditions and restrictions set forth herein, until such time as the City shall adopt rules addressing rideshare network services. This Agreement shall expire upon the effective date of any amendment to the Detroit City Code addressing ridesharing network services, or two (2) years from the date hereof, whichever is first. The City may terminate this agreement upon thirty (30) days notice in its reasonable discretion.

LYFT AGREES TO THE FOLLOWING:
1. Lyft shall maintain a website that provides a customer service telephone number or email address.

2. Lyft shall maintain an agent for service of process in the city of Detroit, Michigan.

3. Lyft shall maintain accurate and up to date records of all operators providing services through the Lyft platform.

4. Upon completion of a trip, Lyft shall transmit an electronic receipt to the passenger's email address or mobile application documenting the origination and destination of the trip and a description of the total amount paid, if any.

5. Lyft and Lyft's operators shall accept only rides booked through Lyft's network's digital platform and shall not solicit or accept street-hails.

6. Lyft may offer service for compensation, no-charge, or suggested compensation. Lyft shall disclose its rates used to determine any compensation or suggested compensation on its app and/or website.

7. The app used by Lyft to connect operators and passengers must display for the passenger a picture of the operator and a picture of the vehicle.

8. Lyft shall establish a driver-training program designed to ensure that each driver safely operates his or her vehicle prior to the driver being able to offer service.

9. Lyft shall implement a zero tolerance policy on the use of drugs or alcohol applicable to any driver on the Lyft platform, provide notice of the zero tolerance policy on its website, as well as the procedures to report a complaint about a driver with whom the passenger was matched and for whom the passenger reasonably suspects was under the influence of drugs or alcohol during the course of the ride, and immediately suspend said driver upon receipt of a passenger complaint alleging a violation of the zero tolerance policy. The suspension shall last the duration of the investigation.

10. Prior to permitting a person to act as a driver on its digital network, and annually thereafter, Lyft shall obtain and review a criminal history research report for such person. The criminal background check will be a national criminal background check including the national sex offender database. Any person who has been convicted, within the past seven years, of driving under the influence of drugs or alcohol, or who has been convicted at any time for fraud, sexual offenses, use of a motor vehicle to commit a felony, a crime involving property damage, and/or theft, acts of violence, or acts of terror shall not be permitted to be a Lyft Operator.

11. Prior to permitting a person to act as a driver on its network, and quarterly thereafter, Lyft shall obtain and review a driving history research report for such person. Any person
with (i) more than three (3) moving violations in the three-year period prior to such check, or (ii) a major violation in the three-year period prior to such check (including, but not limited to, attempting to evade the police, reckless driving, or driving on a suspended or revoked license) shall not be permitted to be a Lyft Operator on the Lyft platform.

12. Lyft Operators shall adhere to the requirements of Michigan No-Fault Insurance. Lyft shall comply with State of Michigan business automobile liability insurance requirements and maintain a business automobile excess liability insurance policy, which covers all vehicles operated by Lyft Operators, with a minimum combined single limit of one million dollars ($1,000,000.00) for each occurrence of bodily injury and property damage for accidents involving a vehicle and Lyft operator in transit to or during a trip. As soon as practicable, Lyft shall provide to the City a certificate of insurance for such policy, naming Lyft as the insured and an endorsement naming the City of Detroit as an additional insured. The policy shall be accompanied by a commitment from the insurer that such policy shall not be canceled, modified, or coverage reduced without at least thirty (30) days prior notice to the City of Detroit.

13. Lyft Operators shall:

(1) Possess a valid driver’s license, proof of registration, maintain current automobile liability insurance, and be at least twenty-one (21) years of age; and
(2) Provide proof of both the operator’s personal insurance and excess liability insurance in the case of an accident; provided, that the operator shall have twenty-four (24) hours to provide proof of excess liability insurance.

14. Lyft Vehicles may be street-legal coupes, sedans, or light-duty vehicles, including without limitation, vans, minivans, sport utility vehicles (SUVs), hatchbacks, convertibles and pickup trucks.

15. All vehicles shall have a safety inspection conducted annually by Lyft or a third party before being used to provide a service, pursuant to a procedure approved by the City. Such procedure shall, at a minimum, include inspection of the following components:

(1) Foot brakes;
(2) Parking brakes;
(3) Steering mechanism;
(4) Windshield;
(5) Rear window and other glass;
(6) Windshield wipers;
(7) Headlights;
(8) Tail lights;
(9) Turn indicator lights;
(10) Stop lights;
(11) Front seat adjustment mechanism;
(12) Doors (open, close, lock);
(13) Horn;
(14) Speedometer;
(15) Bumpers;
(16) Muffler and exhaust system;
(17) Condition of tires, including tread depth;
(18) Interior and exterior rear view mirrors; and
(19) Safety belts for driver and passenger(s).

THE CITY AGREES TO THE FOLLOWING:

1. While the City is determining if Lyft and its operators are subject to City regulation, the City will suspend enforcement of Detroit City Code, Chapter 58 against Lyft and Lyft’s operators during the term of this Agreement, unless such enforcement stems solely and directly from violation of any of the provisions in this Agreement.

2. The City shall have the authority to enforce the requirements of this Agreement, including inspection of relevant records. Failure to adhere to the requirements of this Agreement by Lyft or a Lyft Operator may result in sanctions imposed by the City, or termination of this Agreement, at the City’s discretion.

THE CITY OF DETROIT

By: [Signature]
Name: Melvin B. Hollowell
Its: Corporation Counsel

LYFT, INC.

By: [Signature]
Name: James Black
Its: Executive Vice President, Corporate Affairs