

Bill No. 185
2016

By-law No. A.- _____

A by-law to authorize and approve a Honk Mobile Master Subscriber Agreement between Honk Mobile Inc. (HonkMobile) and The Corporation of the City of London for the non-exclusive licensed use of a parking application and to authorize the execution of the Agreement.

WHEREAS subsection 5(3) of the *Municipal Act, 2001*, S.O. 2001, c. 25, as amended, provides that a municipal power shall be exercised by by-law;

AND WHEREAS section 9 of the *Municipal Act, 2001* provides that a municipality has the capacity, rights, powers and privileges of a natural person for the purpose of exercising its authority under this or any other Act;

AND WHEREAS section 10 of the *Municipal Act, 2001* provides that the City may provide any service or thing that the City considers necessary or desirable for the public, and may pass by-laws respecting same, and respecting economic, social and environmental well-being of the City, and the health, safety and well-being of persons;

NOW THEREFORE the Municipal Council of The Corporation of the City of London enacts as follows:

1. The HonkMobile Master Subscriber Agreement attached as Schedule “1” between HonkMobile Inc. and The Corporation of the City of London for the non-exclusive licensed use of an application which allows parking customers to pay for parking using mobile applications and subscribers to manage parking inventory, collect payments and enforce non-compliance is hereby authorized and approved.
2. The Mayor and the City Clerk are hereby authorized to execute the Agreement authorized and approved under section 1, above.
3. This by-law shall come into force and effect on the day it is passed.

PASSED in Open Council on May 17, 2016.

Matt Brown
Mayor

Catharine Saunders
City Clerk

First Reading – May 17, 2016
Second Reading – May 17, 2016
Third Reading – May 17, 2016

**HONK MOBILE MASTER SUBSCRIBER
AGREEMENT**

HONK MOBILE INC.
("HonkMobile")

-and-

THE CORPORATION OF THE CITY OF LONDON
("Subscriber")

- I. HonkMobile owns proprietary software that allows (i) parking customers ("Customers") to pay for parking using mobile applications (the "Applications"); and (ii) Subscribers to manage parking inventory, collect payments and enforce non-compliance (the "Management Tools").
- II. Subscriber wishes to operate with a mobile payment capability for selected parking facilities (collectively, the "Inventory").
- III. HonkMobile and the Subscriber (collectively, the "Parties") agree as follows.

1. Scope of Services

HonkMobile will license the Applications and Management Tools to Subscriber on a non-exclusive basis and will provide all documentation and support necessary to operate a mobile payment program for the parking Inventory (collectively, the "Program"). The Program will offer Customers pay-to-park services for the Inventory and provide Subscriber a web portal for the management of Inventory and enforcement of non-compliance.

2. Initial Term & Renewal

The Program will begin on a date mutually agreeable to the Parties, but no later than **30** days after the Launch Date, and will conclude six months after the initial Launch Date (the "Initial Term"). Upon completion of the Initial Term, the Agreement will automatically renew on a month-to-month basis.

3. Implementation Schedule

The schedule for the implementation and Launch (the "Launch Date") will be determined once the City has received set fines from the Province.

4. Continuation of Service

The Subscriber, at its sole discretion, may extend its use of the Program for 5 additional one-year terms (each, an "Extended Term").

5. Equipment

HonkMobile will provide the initial requisite signs and decals in order to commence the Program at no cost to Subscriber. Subscriber will be responsible for installing all signs, sign posts (if necessary), and maintaining all signs and decals as required to operate the Program effectively. Additional signage for new lots as well as replacement signage and/or decals shall be invoiced based on the fee structure set out in Schedule I to this Agreement.

6. Fees

Pricing for the Program shall be calculated per transaction processed by the Applications and other operation fees (the "Operation Fees") as set out in Schedule I to this Agreement.

7. Payment Processing

The Application includes pay-on-demand payment processing by way of Visa, MasterCard, American Express and PayPal.

- a. Subscriber will receive the Net Receipts of each transaction, defined for the purposes of this Agreement as all sums collected by way of the Program for the parking and storage of motor vehicles, whether on an hourly, daily, weekly, or monthly basis, less (i) payment processing fees as set out in Schedule I to this Agreement; (ii) convenience fees; and; (ii) all refunds, discounts chargebacks or allowances made by Subscriber.
- b. HonkMobile will deposit the Net Receipts less the Operation Fees to a bank account designated by Subscriber on a monthly basis, one month in arrears. Subscriber shall provide HonkMobile with EFT banking details.

8. Customer Support

HonkMobile will field all technical customer calls related to the Program in English. Customer support is available 7 days per week from 8 am to 6 pm Eastern Standard Time from HonkMobile's offices in Toronto, Ontario.

9. Scheduled Maintenance

If HonkMobile plans to perform any scheduled maintenance during business hours, HonkMobile will provide notice to Subscriber in writing at least 24 hours in advance of the commencement of such scheduled maintenance. For the purpose of this section 9, "business hours" means Monday through Friday between 8:00am Eastern Standard Time and 5:00pm Eastern Standard Time.

10. Service Levels

HonkMobile will provide hosting for the Applications. HonkMobile's sole and exclusive obligation in the event of an error or interruption of the Program is to use its best efforts to restore or repair the Program as quickly as practicable.

11. Data Ownership

HonkMobile will own all data collected during the operation of the Program (the "Data"). For the purposes of this Agreement:

- a. Data includes any information, documents, records or electronic files provided to HonkMobile by a Customer in the course of their use of any component of the Program and any information or electronic files generated by Customers' use of the Program; and
- b. records means any record of information however recorded, whether in printed form, on film, by electronic means or otherwise, and includes:
 - i. correspondence, a memorandum, a book, a plan, a map, a drawing, a diagram, a pictorial or graphic work, a photograph, a film, a microfilm, a sound recording, a videotape, a machine readable record, any other documentary material, regardless of physical form or characteristics, and any copy thereof; and
 - ii. subject to the regulations, any record that is capable of being produced from a machine readable record under the control of an institution by means of computer hardware and software or any other information storage equipment and technical expertise normally used by the institution;

HonkMobile shall store and keep confidential all Data collected during the operation of the Program, except where such storage violates any agreement with any third party data, authentication, or software provider.

Notwithstanding the provisions of this s.11, any information or Data supplied to HonkMobile by Subscriber for the operation of the Program remains the property of Subscriber and will be returned to Subscriber upon termination of this Agreement.

12. Intellectual Property

HonkMobile represents and warrants that for the life of this Agreement, the Program shall be compliant with standards established by the PCI Security Standards Council (<https://www.pcisecuritystandards.org/index.shtml>).

13. Intellectual Property

- a. Subscriber will acquire a revocable, non-exclusive, non--assignable and non-transferable right and licence to use and access the Program for its internal business purposes. All intellectual property rights including, without limitation, trade names, source code, trademarks, copyrights, patents and trade secrets not explicitly granted to Subscriber in this Agreement are reserved to HonkMobile.

- b. Subscriber will not directly, indirectly, alone or with another party (i) copy, disassemble, reverse engineer or decompile the Program software or any subpart thereof; (ii) modify, create derivative works based upon or translate the Program software or source code; (iii) transfer or otherwise grant any rights in the Program software or source code in any form to any other party; or (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.

14. Insurance

- a. HonkMobile will procure and maintain liability insurance for the following for the duration of the Agreement against claims for any injuries to persons or damages to property, which may arise from or in connection with the performance of the work by HonkMobile, its agents, representatives, employees or subcontractors:
 - i. Commercial General Liability Insurance: Coverage in an amount not less than \$2,000,000.00 per occurrence, and \$2,000,000.00 aggregate combined single limit for bodily injury, personal injury, and property damage.

15. Product Updates

Any improvements or modifications made by HonkMobile to the Applications will be promptly provided to Subscriber at no cost to Subscriber and will automatically be subject to the terms of this Agreement. Subscriber may request that HonkMobile create new features or functionality, and may pay to expedite the development of such features and functionality. Subscriber will gain no intellectual property rights in any requested or expedited features or functionality or any subpart thereof, other than as granted in section 12 of this Agreement.

16. Capacity

Subscriber represents and warrants that it has obtained or will obtain all licences and permits necessary for the purchase of the Program and operation of the Inventory as parking facilities (excepting such licenses, police permits and other applicable governmental approvals required for HonkMobile to perform the services required of it under this Agreement). Subscriber further represents and warrants that it has the authority to enter into this Agreement.

17. Confidentiality

Subscriber and HonkMobile acknowledge and agree that the Data will be used only for the purposes contemplated in this Agreement, will be disclosed only to those employees with a need to know the Data in order to carry out activities necessary to operate the Program and carry out the terms of this Agreement, and may be disclosed to the extent required by law

18. Governing Law

The Agreement will be governed and interpreted based on the laws of the Province of Ontario.

19. Termination

Subscriber may terminate the Agreement at any time upon any of the following grounds:

- a. by mutual agreement of the Parties;
- b. unauthorized Data disclosure.
- c. by providing 90 days written notice

20. Force Majeure

Neither HonkMobile nor Subscriber 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, strikes, lockouts, natural disasters, wars, or riots (each a “Force Majeure Event”).

21. Survivability

Sections 11, 17, 18, 22 and 23 of this Agreement and this section 20 will survive the termination of this Agreement.

22. Indemnification

HonkMobile agrees to indemnify, defend, hold harmless and reimburse Subscriber, its officials, employees and agents and its successors and assigns from and against any and all losses, liabilities, expenses, and all claims for damages of any nature whatsoever relating to or arising out of any action or failure to act by HonkMobile, its subcontractors, officers, agents and employees of any of the obligations under this Agreement. Losses, liabilities, expenses and claims for damages shall include, but will not be limited to, civil and criminal fines and penalties, loss of use or services, bodily injury, death, personal injury, or injury to real or personal property, defense costs, legal fees and costs, and legal fees. HonkMobile agrees to promptly notify Subscriber of any civil or criminal actions filed against HonkMobile or of any notice of violation from any federal or provincial agency, or of any claim as soon as practical as relates to the services provided. Subscriber, upon receipt of such notice, shall have the right at its election to defend any and all actions or suits or to join in defense.

23. Limitation of Liability

In no event will HonkMobile be liable to Subscriber for any lost profits, lost savings, or incidental, indirect, special, or consequential damages arising out of Subscriber use or inability to use the product or the breach of this Agreement, even if HonkMobile has been advised of the possibility of such damages.

In the event of an unauthorized Data disclosure, HonkMobile shall promptly notify Subscriber of such disclosure and work collaboratively with Subscriber to mitigate and investigate the disclosure.

24. 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.

25. Disclaimer

The Program is provided to Subscriber by HonkMobile “as is”. Subscriber acknowledges and agrees that HonkMobile bears no liability for any error, omission, defect, deficiency, or nonconformity within the Program. 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 Program and related services to be performed pursuant to this Agreement.

26. 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 HonkMobile nor Subscriber may assign any rights, interests, or obligations hereunder without prior written consent of the other party; provided, however, that either party may assign this Agreement without such consent in connection with a merger.

27. Contractual Silence

If this Agreement fails to address a condition, obligation, benefit, or other term necessary to sufficiently define the relationship between the Parties or resolve a disagreement or conflict regarding the interpretation or construction of this Agreement, the Parties agree to reasonably cooperate to draft a mutually agreeable amendment that clarifies the duties, rights, and obligations of the parties under this Agreement.

28. Informal Dispute Resolution & Notice Provisions

If either Subscriber or HonkMobile 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 must first attempt to resolve the matter through this dispute resolution process. The disputing party must notify the other party in writing as soon as practicable after discovering the claim, dispute, or breach. The notice must state the nature of the dispute and list the party's specific reasons for such dispute. Within 10 business days of receipt of the notice, the Parties must commence the resolution process and make a good faith effort, either through email, mail, phone conference, in person meetings, or other reasonable means to resolve any claim, dispute, breach or other matter in question that may arise out of, or in connection with this Agreement. If after 30 days the dispute remains unresolved, the Parties may pursue other forms of dispute resolution including mediation or judicial or non-judicial form of dispute resolution.

Any notice, demand or other communication (in this section, a "notice") required or permitted to be given or made pursuant to this Agreement shall be in writing and shall be sufficiently given or made if delivered in person during normal business hours on a business day and left with a receptionist or other responsible employee of the relevant party at the applicable address set forth below or by prepaid registered mail or first class mail and which notice shall be delivered or sent at the addresses set forth below. Each notice sent in accordance with this section shall be deemed to have been received if delivered during the recipient's normal business hours, at the time on the day it was delivered, or at the start of business on the first business day thereafter if the day on which it was delivered was not a business day. Any party may change its address for notice by giving notice to the other party as provided in this section.

a. If to HonkMobile:

Attention: Jordan Shnier
Address: 90 Eglinton Ave. East
Suite 600
Toronto, ON
M4P 2Y3
jordan@honkmobile.com

b. If to Subscriber:

Attention: Annette Drost
Municipal Law Enforcement Services – Parking & Licensing Enforcement
City of London
824 Dundas Street
PO Box 5400
London ON N6A 4L6

Entire Agreement

This Agreement represents the full and complete understanding of the Parties and supersedes any and all prior agreements.

Dated effective this _____ of _____, 2016,

HONK MOBILE INC.

Per: _____

Name: _____

Title: _____

THE CORPORATION OF THE CITY OF LONDON

Per: _____

Name: _____

Title: _____

SCHEDULE I

FEES

TRANSACTION AND SETUP:

Description	Amount
Transaction Fees	\$0.25
Zone Setup Fees	WAIVED
Travel Fees	Billed at Cost

SIGNAGE:

Description	Launch Period Amount (1)	Post-Launch Period Amount
12 X 18 Aluminum (per)	WAIVED	\$50.00
30 X 30 Coroplast (per)	WAIVED	\$30.00
7.5 X 11 Pay Station Decals (per)	WAIVED	\$ 5.00
9 X 13 Meter Decals (per)	WAIVED	\$ 5.00
2 X 2 / 4 X 4 Pay Station Stickers (per)	WAIVED	\$ 5.00

(1) For the purpose of the Fees, the Launch Period is defined as the Launch Date + 30 days.

CREDIT CARD PROCESSING:

Description	Amount
Visa and Mastercard	2.79%
PayPal	2.90% + \$0.30 per Transaction