

**PALADIN ORDER FORM**

1. **Parties:** This Agreement (“**Agreement**”) is entered into on **05/30/2025** (“**Effective Date**”), by and between Paladin Drones, Inc., a Delaware corporation having its principal place of business at 11241 Richmond Ave, Ste E102, Houston, TX 77082 (hereinafter, “**Paladin**”) and **City of Upland, CA** with an address of **1499 W 13th St, Upland, CA 91786** (hereinafter, “**Customer**”); and collectively the “**Parties.**”
  
2. **Consideration.** WHEREAS Customer agrees to pay the amount listed under Exhibit A of this Order Form; AND WHEREAS, Paladin agrees to provide drone services and equipment; THEREFORE, for good and valuable consideration, the sufficiency of which are hereby acknowledged, Customer and Paladin agree as follows:
  
3. **Definitions.** All definitions under this contract are subject to the definitions listed under the attached Terms and Conditions (hereinafter, “**Exhibit B**”).
  
4. **Incorporation of Exhibit.** This Agreement includes Paladin Quote (i.e., Exhibit A), Paladin Terms & Conditions (i.e., Exhibit B), and Additional Terms and Conditions (i.e., Exhibit C).
  
5. **Superseding Clause of Exhibits.** Paladin Terms and Conditions (i.e., Exhibit B), is superseded by Additional Terms and Conditions (i.e., Exhibit C).

Initial Effective Date: <b>05/30/2025</b> Final Term End Date: <b>05/30/2030</b> Pricing Package: <b>Premium DFR</b>	Billing Frequency: Upfront Payment Terms: Net 30 days Price: See Exhibit A
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6. **Services.** As part of the Onboarding Services, Paladin will provide Implementation Services. Subject to the terms described infra, Paladin will grant Customer access to the Watchtower software, and provide Support Services during an Active Term. The same will be offered with each Renewal Term.
  
7. **Fees.** Paladin will charge Customer a recurring Annual Subscription Fee in accordance with this Agreement. Paladin’s offered Price (see Exhibit A) is only available for sixty days (60) from the date of the offer. The Subscription Fee has a minimum term of one (1) year from the date set forth in Exhibit B. Renewal Terms will begin on the date of the Renewal Agreement. Customer understands that additional drones can only be added at the beginning of a Term. Upon full payment of any Term, Customer will own the Drone free and clear of any lien or interest by Paladin.
  
8. **Implementation Services.** During any Active Term, Customer is granted Implementation Services at any time during an Active Term, which include but are not limited to customized Customer support, training, and Onboarding Services (*see Exhibit B Sec. 1 for details*).

- 9. Billing.** Unless otherwise provided in Exhibit C, all Fees will be due and payable in advance on the terms indicated herein, and each invoice will be emailed to the Customer's billing contact indicated below. Customer accepts an emailed invoice as an actual invoice and will not require a written invoice as a condition for payment.
- 10. Renewal Term.** The Agreement is subject to renewal on the terms set forth in Exhibit B. The Pricing Package applicable for each Renewal Term will be determined based on the aggregate amount of Customer Selected Applications at the time of renewal. Exhibit A's pricing offer is only available for sixty (60) days from the date of the offer. *See* specific pricing in Exhibit A. The Customer understands that they may add additional Drone(s) throughout any term and that **Adding a Drone will dissolve the remainder of the Active Term and start a Renewal Term from the date of the renewal Agreement's respective Exhibit B.**
- 11. Termination.** The Agreement is subject to early termination on the terms set forth in Exhibit B.
- 12. Time of the Essence.** Time is of the essence in the performance of Parties' obligations herein.
- 13. Entire Agreement.** By executing this Agreement, each party agrees to be bound by its terms, and the Incorporated Documents, collectively the "Agreement." This Agreement contains the entire agreement among the Parties, and no oral statements or prior written matters not specifically incorporated herein shall be of any force and effect. No variation, modification or changes hereof shall be binding on either party hereto, unless set forth in a document executed by the Parties contemporaneously with this Agreement. If there is a conflict between this Agreement and any terms contained in any proposal, invoice or other agreement between Paladin and Customer, the terms of this Agreement shall control, but shall be superseded only by terms in Exhibit C, which shall be Customer's additional terms.
- 14. Intellectual Property.** Except for the limited rights and licenses expressly granted to Customer under the Agreement, nothing in the Agreement grants to Customer or any third party any intellectual property rights or other right, title, or interest in or to the Paladin IP.
- 15. Important Disclaimers & Limitations.** EXCEPT FOR THE WARRANTIES SET FORTH IN THE TERMS & CONDITIONS, PALADIN IP IS PROVIDED "AS IS," AND PALADIN DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE, INCLUDING ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT AND ALL WARRANTIES ARISING FROM COURSE OF DEALING, USAGE, OR TRADE PRACTICE. IN ADDITION, TO THE EXTENT PERMITTED BY APPLICABLE LAW, THE PARTIES' LIABILITIES UNDER THE AGREEMENT ARE LIMITED AS SET

FORTH IN THE TERMS & CONDITIONS.

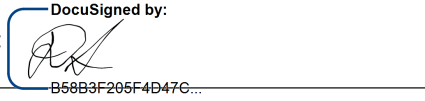
**16. Notices.** Any Notice delivered under the Agreement will be delivered to the address below each party's signature below.

**17. Authority to Execute Agreement.** Each of the undersigned represents that they are authorized to (1) execute and deliver this Order Form on behalf of their respective party and (2) bind their respective party to the terms of the Agreement. This Paladin Order Form and any other documents executed and delivered in connection with the Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same Agreement. To the extent permitted by applicable law, electronic signatures may be used for the purpose of executing the Order Form by email or other electronic means. Any document delivered electronically and accepted is deemed to be "in writing" to the same extent and with the same effect as if the document had been signed manually.

*(Signature page follows)*

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the Effective Date by their duly authorized representatives.

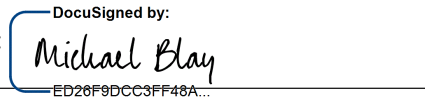
**PALADIN DRONES INC.**

By:  DocuSigned by:  
B58B3F205F4D47C...

Name: Divy Shrivastava

Title: CEO

**CITY OF UPLAND, CALIFORNIA**

By:  DocuSigned by:  
Michael Blay  
ED26F9DCC3FF48A...

Name: Michael Blay

Title: City Manager

*The terms and conditions of this Agreement govern all transactions contemplated by this Agreement, including all orders by Customer. Any proposed purchase order and/or other document submitted by Customer is null and void.*

**Exhibit A**  
**PALADIN QUOTE**

[See attached.]



# Upland Police Dept, CA

**Upland Police Dept, CA**

1499 W 13th St  
Upland, CA 91786  
US

**Lon Teague**

lteague@uplandpd.org  
909 946-7624 ext. 3340

**Steven Wyno**

swyno@uplandpd.org  
+19099467624 ext 2609

Reference: 20250331-112025281

Quote created: March 31, 2025

Quote expires: June 29, 2025

Quote created by: Stevan Georgevich

Account Executive

stevan.georgevich@paladindrone.io

+12246120144

**Comments from Stevan Georgevich**

The referenced Quote provides an all-inclusive pricing package with an annual subscription fee for a five (5) year term.

The total contract value will be paid upfront for the five (5) year term.

## Products & Services

Item & Description	Quantity	Unit Price	Total
<p>Premium DFR Package (VO Model)</p> <p>The Premium DFR Package is an all-inclusive base annual subscription fee which includes:</p> <ul style="list-style-type: none"> <li>• One (1) EXT Module, connectivity for one (1) drone (sold separately) to Watchtower Software</li> <li>• One (1) Paladin ADS-B Receiver system</li> <li>• Watchtower Software with Unlimited Users</li> <li>• FAA and BVLOS (Visual Observer Model) Compliance review, set-up, and renewal</li> <li>• Implementation, Unlimited Training &amp; Customer Support</li> <li>• Unlimited Data Storage</li> <li>• Unlimited maintenance, repairs, and annual battery replacements</li> <li>• Connectivity for up to three (3) Livestream Drones</li> </ul> <p>This Package also provides access to Paladin's dealer discounted One-Time Purchases on equipment. This system is compatible with the Paladin Drop Mechanism with select drones.</p>	1	\$37,000.00 / year	\$34,040.00 / year after 8% discount for 5 years
<p>Add-On Drone (Premium DFR)</p> <p>The Add-On Drone is an all-inclusive annual subscription fee which includes:</p> <ul style="list-style-type: none"> <li>• One (1) EXT Module and connectivity for one (1) drone (sold separately) to Watchtower Software under the Premium DFR Package</li> </ul> <p>This add-on connectivity includes unlimited maintenance, repairs, and replacements as well as annual battery replacements when the drone or batteries are purchased through Paladin.</p>	1	\$12,000.00 / year	\$11,040.00 / year after 8% discount for 5 years

Item & Description	Quantity	Unit Price	Total
Add-On Docking Station (Premium DFR) The Add-On Docking Station is an all-inclusive annual subscription fee which includes the integration and connectivity for: <ul style="list-style-type: none"> <li>• One (1) Docking Station (sold separately) to Watchtower Software under the Premium DFR Package</li> </ul> This add-on connectivity includes unlimited maintenance & repairs and replacements on the Docking Station.	2	\$12,000.00 / year	\$22,080.00 / year after 8% discount for 5 years
DJI Dock 3 Set (+M4TD) DJI Dock 3 Set which includes: <ul style="list-style-type: none"> <li>• DJI M4TD (x1)</li> <li>• DJI Dock 3 (x1)</li> <li>• Matrice 4 Batteries (x4)</li> <li>• RC Plus Controller (x1)</li> <li>• 240 Watt Charging Hub (x1)</li> <li>• Drone Carrying Case (x1)</li> <li>• Replacement Propellers (x4)</li> </ul>	2	\$24,000.00	\$0.00 after 100% discount
Annual subtotal			\$67,160.00 after \$5,840.00 discount
One-time subtotal			\$0.00 after \$48,000.00 discount
<b>Total</b>			<b>\$67,160.00</b>
<b>Total contract value</b>			<b>\$335,800.00</b>

**Purchase terms**

## Questions? Contact me



Stevan Georgevich

Account Executive

[stevan.georgevich@paladindrone.io](mailto:stevan.georgevich@paladindrone.io)

+12246120144

Paladin Drones, Inc.

10200 Richmond Ave

STE 272

Houston, Texas 77042

United States

**Exhibit B**  
**PALADIN Terms and Conditions**

[See attached.]

## EXHIBIT B

### Paladin Terms and Conditions

#### PALADIN'S GENERAL TERMS & CONDITIONS

Please carefully read these General Terms and Conditions (hereinafter, "**Terms & Conditions**").

By executing the Order Form, the Customer agrees to be bound by these Terms.

#### 1. Definitions and Provisions

Capitalized terms used in the "Agreement" have the meanings set forth in this section.

**"Active Term"** means a term for which Customer has a current subscription for service from Paladin. Active Terms become "Inactive Terms" upon the completion of their specified period and may be partitioned by several Implementation Periods which are limited by the Term End Date (e.g., If the contract is for three years, the active term shall be the three years, and each year shall be an Implementation Period).

**"Add-Ons"** means the addition of one or more Drone (e.g., M30, M30T, M350, etc.) and/or Drone with a Docking Station under the Advanced Package.

**"Advanced Package"** means one of three Package types that includes a Paladin issued M30T Drone, or similar, fitted with an EXT Module and Docking Station. This package does not require Client to provide its own Drone. This is the top package and includes (1) Set-Up of FAA and BVLOS Compliance Documents; (2) In-Person Delivery, Implementation, and Onboarding; (3) Unlimited Training & Customer Support; and (4) Unlimited Users & online cloud storage. Upon payment of the initial Implementation Period Client will own the provided Drone, and EXT module, and Docking Station. At Client's option, it may renew its term and add Add-ons. The Watchtower software will serve the hardware.

**"Aggregated Statistics"** means data and information related to Customer's use of the Services that are used by Paladin in an aggregate and anonymized manner, including statistical and performance information related to the Services to improve its products and services.

**"Agreement"** means, collectively and to the extent applicable the Paladin Order Form, these Terms & Conditions (i.e., Exhibit B), Exhibit A, and Exhibit C, and any other Incorporated Documents.

**"Application Obligations"** means, collectively, Customer's debt, and other financial obligations relevant to the Application Services.

**"Application Services"** means management and compliance software-as-a-service application. Generally, this refers to but is not limited to the Watchtower software. These services are included during an Active Term.

**"Appropriate Security Measures"** means, collectively, commercially reasonable technical and physical controls and safeguards intended to protect Customer Data against destruction, loss, unauthorized disclosure, or unauthorized access by employees or contractors employed by Paladin.

**"Authorized User"** means any of Customer's employees, consultants, contractors, or agents who are authorized by Customer to access and use any of the Services. Additionally, any user of the provided Software, and/or Equipment with the explicit, implicit, or tacit authorization of Customer.

**"Confidential Information"** means any information in any form related to the Agreement, disclosed by a party (the **"Discloser"**), or disclosed on behalf of such party by its affiliates or representatives, to another (the **"Recipient"**), including without limitation any trade secrets, technology, technical data, source code, object code, software, inventions, know-how, information that Discloser considers and treats as confidential, or that a reasonable person would believe is confidential based on the nature of the information. Confidential Information does not include information that (i) at the time of disclosure, is available to the general public, (ii) becomes available to the general public through no fault of Recipient, (iii) is received by Recipient at any time from a third party without breach of a non-disclosure or confidentiality obligation to Discloser, (iv) is known to Recipient at the time of disclosure, as demonstrated by documentary evidence, (v) is developed independently by Recipient without access to any of Discloser's Confidential Information, or (vi) is approved for disclosure by prior written permission of Discloser or a corporate officer, including without limitation pursuant to the terms of this Agreement.

**"Customer"** means the person or entity purchasing the Services as identified in the Order Form.

**"Customer Data"** means, other than Aggregated Statistics, information, data, and other content, in any form or medium, that is transmitted by or on behalf of Customer or an Authorized User through the Services.

**"Customer Terms"** means any terms or agreements provided by Customer and applicable to the Services but only to the extent such terms or agreements are expressly referenced and incorporated into the Order Form, and/or as contained in Exhibit C. For the avoidance of doubt, "Customer Terms" does not include any purchase order or similar document generated by Customer unless such document is expressly referenced and incorporated into the Order Form.

**"Delivery Date"** means the first day of delivery of the included equipment.

**"Delivery Point"** means the location agreed by Parties to be where Customer shall receive their Equipment. If no designation is made then the default delivery point shall be the address listed on the Paladin Purchase Order for Customer.

**"Documentation"** means any documents, FAA certification and the documents and processes required for the acquisition of such, training materials, information, directions, explanations, or material, concerning the Equipment and/or the Watchtower Products, whether produced by or for Paladin, for the use of the Equipment and/or Watchtower

Software, in whatever form, and including without limitation the Specifications. Including, Paladin's end user documentation and content, regardless of media, relating to the Services made available from time to time on Paladin's website at paladindrone.io.

**"Drone"** means an unmanned aerial vehicle (UAVs), and refers to Select Drone(s) by Customer.

**"Drone as a Service Fees"** has the meaning set forth in Section 6 (Prices and Fees) of this Agreement.

**"Effective Date"** means the date that the Agreement designates in its Terms as "Effective Date". Refer to Exhibit A and C. If no Effective Date is designated by the Parties, then the default Effective Date is the date Client signed the Agreement (i.e., Paladin Purchase Order Form and Exhibit B).

**"Equipment"** means (1) EXT Module; (2) Select Drone; and/or (3) Docking Station.

**"Fee"** means an amount owed for services pursuant to the Agreement.

**"Feedback"** means any comments, questions, suggestions, or similar feedback transmitted in any manner to Paladin, including suggestions relating to features, functionality, or changes to the Paladin IP.

**"Governing State"** means the State of Delaware.

**"Government Entity"** means any unit of state or local government, including states, counties, cities, towns, villages, school districts, special purpose districts, and any other political or governmental subdivisions and municipal corporations, and any agency, authority, board, or instrumentality of any of the foregoing.

**"Implementation Period"** for a twelve (12) month period, with each such period beginning, if applicable, on the Effective Date and on each anniversary of the Effective Date thereafter.

**"Implementation Services"** means the services provided to Customer during an Implementation Period (i.e., on an annual basis as limited by the Term End Date), including tailored Customer support, instructions, review of Application Obligations, and entry of relevant Customer Data.

**"Inactive Term"** means any period that is not an Active Term and usually follows the end of a subscription period when no renewal for service is made prior to the end of that Active Term.

**"Incorporated Documents"** means, collectively, Exhibit A, Exhibit B, Exhibit C.

**"Initial Term"** means the term of the services beginning on the Effective Date and

ending on the term End Date, as established in the Paladin Order Form (see pg. 1, section 5).

**"Intellectual Property Rights"** means all intellectual property and proprietary rights anywhere in the world under the laws of any state, country, territory, and/or other jurisdiction, as may now exist or hereafter come into existence, whether statutory, common law, or otherwise, including without limitation any and all patent rights (including patent applications and disclosures), copyright rights, trade secret rights, moral rights, know-how, database rights, mask work rights, rights of publicity, Marks (whether registered or unregistered), and all goodwill relating to the foregoing and any and all applications therefore and registrations, renewals, and extensions thereof. "Mark" means any trademark, trade name, trade dress, service mark, corporate name, design, logo, device, domain name, and/or other indicator of the source or origin of any product or service.

**"Launch Package" means** one of three Package types that includes a Paladin issued M30 Drone fitted with its EXT Module. This package does not require Client to provide its own Drone. This is the middle package and includes (1) Set-Up of FAA and BVLOS Compliance Documents; (2) In-Person Delivery, Implementation, and Onboarding; (3) Unlimited Training & Customer Support; and (4) Unlimited Users & online cloud storage. At the end of the Agreement Term Client will own the provided Drone and EXT module and may at Client's option renew its term and Add-Ons. The Watchtower software will serve the hardware.

**"Legal title"** means unconditional ownership of a tangible asset.

**"Offer" means** a conditional proposal made by a Party, which becomes legally binding if accepted by the offeree.

**"Onboarding Services"** means onboarding services, support, and training as required to make the Application Services available to the Customer during the service Term.

**"Order Form"** means (1) the order document executed and delivered by Paladin and Customer for the Initial Term or (2) to the extent applicable, any subsequent Order Form document executed and delivered by Paladin and Customer for any Renewal Term.

**"Package Type"** means the selected package by Customer to facilitate its Drones. Customer may select from the following packages: Turn-Key, Launch, or Advanced.

**"Paladin"** means Paladin Drones Inc., d/b/a Paladin, a Delaware corporation, and its permitted successor and assigns.

**"Paladin IP"** means (1) the Services, Documentation, and Feedback, including all ideas, concepts, discoveries, strategies, analyses, research, developments, improvements, data, materials, products, documents, works of authorship, processes, procedures, designs, techniques, inventions, and other intellectual property, whether or not patentable or copyrightable, and all embodiments and derivative works of each of the foregoing in any form and media, that are developed, generated or produced by Paladin arising from or related to the Services, Documentation, or Feedback; and (2) any

intellectual property provided to Customer or any Authorized User in connection with the foregoing other than Customer Data.

**"Paladin Order Form"** means the document named Paladin Order Form, and incorporated into these terms herein by reference, and which when executed by both parties hereto, shall form a part of Party's Agreement and Parties agree to be subject to its terms.

**"Privacy Policy"** means, collectively, Paladin's privacy policy and any similar data policies generally applicable to all users of the Application Services, in each case as posted to Paladin's website, in general, and as updated from time to time in accordance with their terms found at <https://paladindrone.io/privacy-policy/>.

**"Provided Software"** means any software which Paladin has made available by any means to Customer. Generally this refers to but is not limited to the Watchtower software.

**"Regular Use"** means in accordance with the terms of this Agreement, autonomous flight and manual control of the drone through Paladin's Watchtower Software

**"Renewal Agreement"** means an Agreement that follows or extends a former Agreement for the purpose of extending or maintaining a service with Paladin.

**"Renewal Term"** means any Active Term that is renewed subject to the terms of an Agreement, or Renewal Agreement but prior to becoming an Inactive Term.

**"Section number (#)"** means any section within this document that is referenced to with its section number and/or subsection (e.g., where a section refers to section 3, then this means that the terms in section 3 are to be read to have been replicated in that referencing section).

**"Services"** means, collectively, the Application Services, the Onboarding Services, the Implementation Services, and the Support Services.

**"Select Drones"** means Drones that are offered based on the selected Package Type. Not all Drones are available for each package.

**"Specifications"** means those standards by which the Equipment and Watchtower Products must be operated, as set forth in Schedule C attached hereto and incorporated herein by reference.

**"Support Services"** means the general maintenance services and technical support provided in connection with the Application.

**"Term"** means, collectively, the Initial Term and, if applicable, each successive Renewal Term.

**"Final Term End Date"** means, the date no Renewal Term or Implementation Period shall proceed the last Active Term and the Services will terminate.

**"Turn-Key Package"** means one of three Package types that allows Customer to

bring their own Drone that is compatible with Paladin's EXT Module. This package is serviced by Paladin's Watchtower Software. This is the basic package and includes (1) Set-Up of FAA and BVLOS Compliance Documents; (2) In-Person Delivery, Implementation, and Onboarding; (3) Unlimited Training & Customer Support; and (4) Unlimited Users & online cloud storage.

**"Unlimited Warranty"** means during the life of the contract Paladin will repair, or replace, any provided equipment that is acquired under either the Launch Package and Advanced Package. These warranties are applicable only when Customer has used products in accordance with the terms of this agreement.

**"User-error"** means, while any Select Drone is being operated by a Pilot in Command (PIC) the Drone sustains damage as a result of the PIC's direct control.

**"Usage Policy"** means, collectively, Paladin's acceptable usage policy, any end user licensing agreement, or any similar policy generally applicable to all end users accessing the Application Services, in each case as posted to Paladin's website and as updated from time to time in accordance with its terms.

**"Watchtower Products"** means the Watchtower Software.

**"Watchtower Software"** means the primary software licensed to allow users to interface with Select Drone(s), commission flight, develop, retain, and store data and reports for Parties analysis, view the live stream, and send commands to the drone during active situations.

**"Website"** means the websites of Paladin Drones, Inc., the primary web page URL of which is <https://paladindrone.io/>.

## 2. Access and Use.

a. Provision of Access. Subject to the terms and conditions of the Agreement, Paladin grants Customer and Customer's Authorized Users a non-exclusive, non-transferable (except as permitted by this Agreement) right to access and use the Application Services during the Term, solely for Customer's internal use and for the Authorized Users' use in accordance with the Agreement. Paladin will provide to Customer the necessary passwords and network links or connections to allow Customer to access the Application Services. Paladin agrees to provide instructions to the Customer, employees, agents, and related entities bound under the Agreement, to maintain the airworthiness of its drone(s) so that it is in a condition that is ready for service. Paladin will instruct Customer how to maintain all proper licensing and registration for itself and the drones so that they can legally be used for Customer's purposes when called upon.

b. Documentation License. Subject to the terms and conditions of the Agreement, Paladin grants to Customer and Customer's Authorized Users a non-exclusive, non-sublicensable, non-transferable (except as permitted by these Terms) license to use the Documentation during the Term solely for Customer's and its Authorized User's internal business purposes. Paladin does not exercise any control over the Drone or equipment

when it is in flight and Customer while using any features in the Documentation is the sole operator controlling the Drone, and or equipment.

c. Customer Responsibilities. Customer is responsible and solely liable for its Authorized Users' access and use of the Services and Documentation, regardless of whether such use is permitted by the Agreement. Customer must use reasonable efforts to make all Authorized Users aware of the provisions applicable to their use of the Services, including the Incorporated Documents.

d. Use Restrictions. Customer may not at any time, directly or indirectly through any Authorized User, access or use the Services in violation of the Usage Policies, including any attempt to (1) copy, modify, or create derivative works of the Services or Documentation, in whole or in part; (2) sell, license, or otherwise transfer or make available the Services or Documentation except as expressly permitted by the Agreement; or (3) reverse engineer, disassemble, decompile, decode, or otherwise attempt to derive or gain access to any software component of the Services, in whole or in part. During the Term hereof, Customer shall not use the Equipment, Watchtower Products, and/or Documentation for any purposes except as set forth in this Agreement. Without limiting the foregoing and except as otherwise expressly set forth in this Agreement, Customer shall not at any time, directly or indirectly: (i) copy, modify, or create derivative works of the Watchtower Products and/or Documentation, in whole or in part; (ii) rent, lease, lend, sell, sublicense, assign, distribute, publish, transfer, or otherwise make available the Watchtower Products and/or Documentation; (iii) reverse engineer, disassemble, decompile, decode, adapt, or otherwise attempt to derive or gain access to the source code of the Watchtower Products and/or Documentation, in whole or in part; (iv) reverse engineer, disassemble, or gain access to the interior components of the Watchtower Products and/or Documentation; (v) remove any proprietary notices from the Watchtower Products and/or Documentation; or (vi) use the Watchtower Products and/or Documentation in any manner or for any purpose that infringes, misappropriates, or otherwise violates any Intellectual Property Right or other right of any person, or entity, or that violates any applicable law. The Customer is responsible and liable for all uses of the Watchtower Products and/or Documentation resulting from access provided by Customer, directly or indirectly, whether such access or use is permitted by or in violation of this Agreement. Without limiting the generality of the foregoing, Customer is responsible for all acts and omissions of Authorized Users, and any act or omission by an Authorized User that would constitute a breach of this Agreement if taken by Customer will be deemed a breach of this Agreement by Customer.

e. Protection of Equipment Trade Secrets. Customer acknowledges and agrees that the design, construction, and internal components, and other elements, of the Equipment provided under this Agreement are Confidential Information (and may include valuable trade secrets) and, as such, is protected under the terms of this Agreement. Customer agrees that any Disclosure of such would cause Paladin irreparable injury and damage without a need to prove the same. To ensure the protection of such information, Customer acknowledges its duty to implement reasonable precautions not to— open or disassemble the Equipment, nor any piece or component thereof, nor to otherwise investigate the internal components and operations of any of the Equipment. Customer agrees to use reasonable precautions to protect the Equipment from theft, inspection, investigation, discovery of the Equipment's components, design, construction, and/or other

elements, and any unauthorized use.

f. Suspension. Notwithstanding anything to the contrary in the Agreement, Paladin may temporarily suspend Customer's and any Authorized User's access to any or all the Services if:

(1) Customer is more than 45 days late in satisfying: All Application Obligations; Fees then due, or in accordance with, the terms of the Agreement.

(2) Paladin reasonably determines that:

(A) there is a threat or attack on any of the Paladin IP;

(B) Customer's or any Authorized User's use of the Paladin IP disrupts or poses a security risk to the Paladin IP or to any other customer or vendor of Paladin;

(C) Customer, or any Authorized User, is using the Paladin IP for fraudulent or illegal activities; or

(D) Paladin's provision of the Services to Customer or any Authorized User is prohibited by applicable law.

(3) Any vendor of Paladin has suspended or terminated Paladin's access to or use of any third-party services or products required to enable Customer to access the Services (i.e., "**Service Suspension**"). Paladin will use commercially reasonable efforts to—

(i) provide written notice of any Service Suspension to Customer,

(ii) provide updates regarding resumption of access to the Services, and

(iii) resume providing access to the Services as soon as reasonably possible after the event giving rise to the Service Suspension is cured. Paladin is not liable for any damage, losses, or any other consequences that Customer or any Authorized User may incur because of a Service Suspension.

g. Aggregated Statistics. Notwithstanding anything to the contrary in the Agreement, Paladin may monitor Customer's use of the Services and collect and compile Aggregated Statistics. As between Paladin and Customer, all right, title, and interest in Aggregated Statistics, and all intellectual property rights therein, belong to and are retained solely by Paladin. Paladin may compile Aggregated Statistics based on Customer Data input into the Services. Paladin may (1) make Aggregated Statistics publicly available in compliance with applicable law, and (2) use Aggregated Statistics as permitted under applicable law so long as, in each case, Paladin's use of any Aggregated Statistics does not identify the Customer or disclose Customer's Confidential Information.

3. Service Levels and Support. Subject to the terms and conditions of the Agreement, Paladin will use commercially reasonable efforts to make the Application Services and Support Services available. Paladin will assist Customer in applying for FAA BVLOS waivers and instruct Customer to operate equipment in a legal manner. Paladin will start with one deployment location at a time and continue progressively until the agreed upon number of deployment locations for all UAS. In an effort to aid in Paladin's BVLOS process,

Paladin will provide training materials to the Customer which may enable it to self certify employees as Visual Observers (VOs). Paladin will provide training to officers on how to access and utilize the Paladin Watchtower in a "train the trainer" model.

Paladin will teach Customer how to dispatch the Hardware using the Software to emergency calls. Customer warrants that only personnel authorized by Customer may have access to the Live Stream from the drone. Customer will be taught on how to use Paladin's software to view and stream on any compatible internet-connected device. Paladin will apply for Certificates of Authorization (i.e., "COA") from the FAA on behalf of Customer and provide related training. Customer understands that Paladin will not provide FAA, Part 107, training. Customer agrees that only Authorized personnel who have undertaken training from Paladin may have access to the Paladin Watchtower software, which can convey the status of the drone, and how to tell the drone to conduct additional maneuvers if needed. All operations will be conducted by a Pilot in Command (PIC), who may be an FAA-certified pilot, and have manual override control of the drone to prevent malfunctions. Customer will provide the PICs needed to sustain this program.

Paladin's training shall consist of :

1. Showing how to access Watchtower on their respective internet devices.
2. Showing how to view a live stream through the application.
3. Showing how to control the drone using the application.
4. Showing how to report problems if they come across them on the application.
5. After the initial training, and upon the written request of the Customer, Paladin will schedule a training course for new hires and to aid in maintaining Customer's FAA compliance.

a. Paladin will provide training for the Customer to use the Equipment. This training will consist of:

1. Going over the maintenance list for the drone, and how to maintain airworthiness.
2. Teaching how to fly the drone autonomously using Watchtower.
3. Teaching how to fly the drone manually using the remote control.
4. Teaching how to fly the drone via LTE.
5. Teaching how to attach, detach, activate, deactivate, the LTE module that attaches to the drone and gives it LTE capabilities.

#### 4. Fees and Payment.

a. Fees. Customer will pay Paladin the fees ("Fees") set forth in the Order Form. Paladin will invoice Customer for all Fees in accordance with the invoicing schedule and requirements set forth in the Agreement (e.g., Exhibit A). Customer must pay all Fees in US dollars, and all Fees are fully earned once paid. To the extent permitted by applicable law, if Customer fails to make any payment when due, Paladin may, without limiting any of its other rights, after a five (5) day grace period, charge interest on the past due amount at the lowest of (1) the rate of 5% per month, (2) the rate established in Exhibit C, or (3) the maximum rate permitted under applicable law. Customer agrees to reimburse Paladin for all costs incurred in collecting any late payments, including, without limitation, reasonable attorneys' fees.

b. **NET 30: PAYMENT IS DUE WITHIN 30 DAYS OF THE PALADIN ORDER FORM'S EFFECTIVE DATE.** The set-up process for all services and software begins upon receipt of the (1) signed Agreement (e.g., Paladin Purchase Order) and (2) the receipt of payment. If applicable, payment must include any Add-On(s) (i.e., physical equipment) purchased by Customer. Refunds are strictly waived by Client and agree that all sales are final. Client has the option to upgrade a Package Type at the end of any 12 month term, during an Active Term. If an upgrade is requested Parties must resign a new Agreement (i.e., Paladin Order Form). Payment is due according to the terms of the Agreement every 12 months from the Effective Date.

c. **Taxes.** All Fees and other amounts payable by Customer under the Agreement are exclusive of taxes and similar assessments. Unless Customer is exempt from making any such payment under applicable law or regulation, Customer is responsible for all applicable sales, use, and excise taxes, and any other similar taxes, duties, and charges of any kind imposed by any federal, state, or local governmental or regulatory authority on any amounts payable by Customer under the Agreement, other than any taxes imposed on Paladin's income. If Customer is a non-government entity, the Agreement Price (e.g., Exhibit A and C) will designate the total tax owed. Client agrees to be solely responsible for any tax obligations relating to its purchase, and if any errors are discovered or later calculated, Client agrees to cure any tax obligations as soon as practicable.

5. **Equipment Provided to Customer**

a. **Conditional Ownership.** Paladin offers to sell to Customer a service Package Type. Based on the selection made by Customer, Paladin shall grant an (1) EXT Module; (2) Select unmanned Drone; and/or (3) Docking Station. In the event Customer selects Add-Ons, they will be granted by Paladin and Legal Title shall pass to the Customer upon full payment of the Initial Term.

b. **Pricing:** Paladin's Order Form shall designate the offered price for services described in its Exhibit A (i.e., part of its Incorporated Documents).

c. **Batteries:** Each year, as specified in the Paladin Order Form, Customer shall be entitled to a designated number of batteries compatible with their Drone. These batteries are included at no additional charge; however, customer shall have the option to purchase extra batteries.

d. **Repairs:** Paladin warrants the repairs of Equipment it provides to the Customer, so long as the Equipment's use was in accordance with this Agreement, and in the event of Equipment damage, such damage is not caused by a 3<sup>rd</sup> party regardless of if the act was intentional or accidental, or Client's user-error and/or negligence. Autonomous flight in accordance with the proper use of the Watchtower software even if resulting in Equipment damage will be replaced at no cost to Client.

e. **Delivery.** Paladin shall make the Equipment available to Customer at Customer's address set forth in the Paladin Order Form. Transportation and use of the Equipment after delivery at the Delivery Point, shall be entirely at Customer's own risk and expense. If Customer disassembles the Equipment to facilitate transportation, Paladin shall bear no responsibility for reassembly of the Equipment or any related defects. If for any reason Customer fails to accept delivery of the Equipment by the date fixed in the

Agreement or pursuant to Paladin's notice that the Equipment is available at the Delivery Point, or if Paladin is unable to make the Equipment available at the Delivery Point within a reasonable time after the Delivery Date owing to any act or omission of Customer or its representatives, including without limitation the failure to provide appropriate access to Delivery point, facilitation to access Delivery point, instructions, documents, licenses, access, clearance and/or authorizations: (i) Customer shall bear the risk of loss to the Equipment; (ii) the Equipment shall be deemed to have been delivered; and (iii) Paladin, at its option, may store the Equipment until collected by Customer, whereupon Customer shall be liable for all related costs and expenses (including, without limitation, storage and insurance).

6. Loss And Damage Of Equipment

- a. Customer assumes and shall bear the entire risk of loss, damage to, theft or destruction of equipment, from any cause. LOSS OR DAMAGE TO THE EQUIPMENT, OR ANY PART OF IT, SHALL NOT RELIEVE CUSTOMER OF ANY OBLIGATION UNDER THIS AGREEMENT. The customer's obligations with respect to the aforementioned shall commence upon delivery of the equipment.
- b. Customer agrees to immediately notify Paladin of any accident or event of loss or damage involving the Equipment. The notification shall include any information as may be pertinent to Paladin's investigation of such accident, loss, or damage, or which Customer may reasonably require.
- c. Subject to Section 2 supra and in accordance with the terms in Section 9, infra, Paladin offers repairs and replacements to Customer's equipment that was purchased from Paladin and at the time of equipment failure had an Active Term under the Launch package or Advanced package.

7. Confidential Information

a. During any Active Term, either party (the "**Disclosing Party**") may disclose or make available to the other party (the "**Receiving Party**") information about the Disclosing Party's business affairs, products, confidential intellectual property, trade secrets, third-party confidential information, and other sensitive or proprietary information, whether in written, electronic, or other form or media, that is marked, designated, or otherwise identified as "confidential", or which a reasonable person would understand to be confidential or proprietary under the circumstances (collectively, "**Confidential Information**"). Paladin's Confidential information includes the Paladin IP and the Application Services source code and specifications. As used in the Agreement, "Confidential Information" expressly excludes any information that, at the time of disclosure is (1) in the public domain; (2) known to the receiving party at the time of disclosure; (3) rightfully obtained by the Receiving Party on a non-confidential basis from a third party; or (4) independently developed by the Receiving Party.

b. To the extent permitted by applicable law, the Receiving Party will hold the Disclosing Party's Confidential Information in strict confidence and may not disclose the Disclosing Party's Confidential Information to any person or entity, except to the Receiving Party's employees, officers, directors, agents, subcontractors, financial advisors, and

attorneys who have a need to know the Confidential Information for the Receiving Party to exercise its rights or perform its obligations under the Agreement or otherwise in connection with the Paladin's Services and internal operations. Notwithstanding the foregoing, each party may disclose Confidential Information to the limited extent required (1) in order to comply with the order of a court or other governmental body, or as otherwise necessary to comply with applicable law, provided that the party making the disclosure pursuant to the order must first give written notice to the other party; or (2) to establish a party's rights under the Agreement, including to make required court filings.

c. On the expiration or termination of the Agreement, the Receiving Party must promptly return to the Disclosing Party all copies of the Disclosing Party's Confidential Information, or destroy all such copies and, on the Disclosing Party's request, certify in writing to the Disclosing Party that such Confidential Information has been destroyed. Notwithstanding anything to the contrary in section seven (7), Paladin may store, collect, analyze, and make unrestricted use of any data on its platform for the improvement of its services, customer support, and in accordance with meeting its obligations under this Agreement and under section eight (8)(b).

d. Each party's obligations under this Section are effective as of the Effective Date and will expire three years from the Effective date of the Agreement; provided, however, with respect to any Confidential Information that constitutes a trade secret (as determined under applicable law), such obligations of non-disclosure will survive the termination or expiration of the Agreement indefinitely.

e. Notwithstanding anything in Section seven (7) to the contrary, if Customer is a Government Entity, then Paladin expressly agrees and understands that Customer's obligations under this Section are subject in all respects to, and only enforceable to the extent permitted by, the public records laws, policies, and regulations of the Governing State.

f. **Mutual Restrictions.** Recipient shall use Discloser's Confidential Information only for the purposes of this Agreement (the "**Purpose**"). Except as permitted in this Agreement, Recipient shall not disclose to any third party any of Discloser's Confidential Information that is obtained directly or indirectly from Discloser or its affiliates or representatives. Recipient may only disclose the Confidential Information of Discloser to its representatives who are required to have it to further the Parties' purpose and/or obligations herein. Recipient must inform any such representative of the confidential nature of the information and cause the representative to comply with the terms of this Agreement as if it were the Recipient, and Recipient will be liable for any breach of this Agreement by any such representative, agent, or delegatee. Recipient will exercise the highest degree of care toward the Confidential Information. Recipient agrees to take all reasonable steps to protect the secrecy of, and avoid disclosure or use of, the Discloser's Confidential Information in order to prevent it from falling into the public domain or possession of unauthorized persons. Recipient agrees to immediately notify Discloser in writing of any use and/or disclosure in violation of this Agreement. Each party, however, may disclose Confidential Information of the other pursuant to the order or requirement of a court, federal agency, or other governmental body, provided that the disclosing party gives reasonable notice to the other party to contest such order or requirement. Recipient agrees and

acknowledges that any such breach or threatened breach of these terms of confidentiality may cause irreparable injury to Discloser so that, in addition to any other remedies available, Discloser may seek injunctive relief against the threatened or actual breach. Without limiting the generality of the foregoing, Customer shall continue to protect the Confidential Information of Paladin in perpetuity, as it relates to trade secrets contained in the Equipment and/or Watchtower Products.

8. Intellectual Property

a. Paladin IP. As between Customer and Paladin, Paladin owns all Paladin IP: rights, title, and interest.

b. Customer Data. As between Parties, Customer owns all right, title, and interest, including all intellectual property rights, in and to the Customer Data. Customer hereby grants to Paladin a non-exclusive, royalty-free, worldwide license to reproduce, distribute, sublicense, modify, prepare derivative works based on, and otherwise use and display the Customer Data and perform all acts with respect to the Customer Data as may be necessary or appropriate for Paladin to improve its Services and provide the Services to Customer.

c. Customer acknowledges and agrees that Paladin and its licensors and suppliers retain and own all rights, legal title, and interests in and to all Intellectual Property Rights therein of the following: (i) the Paladin Website, Watchtower Products, Watchtower Software, Watchtower Website Portal, Paladin Services, and any and all other services and products related thereto; (ii) the components and any and all other materials, content, data and/or information provided and/or made available by Watchtower in connection with any of the foregoing (but excluding content and/or data provided exclusively by Customer and Equipment purchased by Customer); all know-how and proprietary design and configuration of the Equipment; and (iii) any and all configurations, derivative works, developments, modifications, adaptations, changes, alterations, edits, conversions, improvements and/or the like made to, arising out of, and/or resulting from any of the foregoing. All rights not expressly granted under this Agreement, are reserved to Paladin and its licensors and suppliers, and there are no implied rights. Under no circumstances will anything in this Agreement be construed as granting, by implication, estoppel, or otherwise, a right or license to any party's Intellectual Property Rights or proprietary technology other than in strict accordance with the terms of this Agreement. Customers, its Authorized Users, and all other Users acknowledge and agree that Paladin and its licensors, suppliers, vendors, and/or its third party vendors shall own all right, title, and interest in and to all Intellectual Property Rights in and to any suggestions, enhancement requests, feedback, or recommendations provided by Customers, Authorized Users, and/or all other Users relating to the Watchtower Products, and Paladin Services, without any limitations, restrictions, and/or requirement of compensation, including without limitation all unpatented inventions, patent applications, patents, design rights, copyrights, Marks, know-how, and other trade secret rights, and all other Intellectual Property Rights, derivatives or improvements thereof.

d. Effect of Termination. Without limiting either party's obligations this Agreement, Paladin, at no further charge to Customer, will (1) provide Customer with temporary access to the Application Services for up to 60 days after the termination of the

Agreement to permit Customer to retrieve its Customer Data and (2) use commercially reasonable efforts to assist Customer, at Customer's request, with such retrieval. After such a period, Paladin may destroy any Customer Data in accordance with Paladin's data retention policies.

9. Warranties & Disclaimers.

a. When Customer is engaging in Regular Use through the Watchtower Software, Paladin shall: (A) provide all three packages (i.e., Turn-key, Launch, and Advanced) unlimited updates and repairs of their EXT Module and Watchtower software during any Active Term; (B) provide unlimited repairs to the M30T drone and provide replacement parts and related instructions for any wear and tear on propellers and batteries; and (C) provide to Customers who selected the Advanced Package unlimited repairs to their Docking station.

b. Notwithstanding the aforementioned, no maintenance or repairs shall be provided in the event of non-regular use, intentional damage, third-party damage, or when Paladin's insurance provider(s) for any reason declines to cover the claim. However, despite the aforementioned, Paladine will reserve the discretion to make repairs despite noncoverage.

c. Functionality & Service Levels. During the Term, the Application Services will operate in a manner consistent with general industry standards reasonably applicable to the provision of the Application Services and will conform in all material respects to the Documentation. Paladin does not make any representation, warranty, or guarantee regarding availability of the Application Services.

d. Paladin warrants upon delivery, that at a minimum, all drones are maintained and operated in material accordance with:

1. All applicable manuals inclusive but not limited to the manufacturers and operators' maintenance manuals;
2. Mandatory Advisory Circulars or other Airworthiness Directives issued by the FAA;
3. The manufacturer's airworthiness limitations;
4. Manufacturer or FAA mandated inspection schedules, overhaul schedules, and calendar retirement dates; and
5. Service Bulletins.

e. Customer Warrants and is solely responsible for ensuring that all crew, including pilot in command, visual observer, sensor or payload operator, or other persons necessary for the safe operation of the flight have the qualifications, experience, licenses, and certificates required by applicable Federal Aviation Administration regulations and that all have the necessary skill required to perform their duties.

f. IN ORDER TO BE IN COMPLIANCE WITH THIS AGREEMENT'S TERMS OF USE, CUSTOMER MUST:

- i. PER FAA REGULATIONS, A MINIMUM OF ONE PILOT IS REQUIRED TO OPERATE EACH DRONE.
- ii. WORK WITH PALADIN TO GET BVLOS WAIVERS FOR THE CUSTOMER TO FULLY USE PALADIN'S PRODUCT AND SERVICES.

- iii. TRAIN CUSTOMER TO BE VO'S SO THAT THE CUSTOMER CAN HAVE FAA-COMPLIANT AND SAFE BVLOS OPERATIONS.
- iv. IF CUSTOMER CONNECTS PALADIN'S SOFTWARE TO THEIR COMPUTER AIDED DISPATCH (CAD) SYSTEM OR THIRD PARTY INTEGRATION SOFTWARE (i.e., NON-PALADIN APPLICATION PROGRAM INTERFACE "API"), PALADIN SHALL NOT BE LIABLE FOR ANY RELATED COSTS AND CUSTOMER WILL PROVIDE ACCESS TO SAID CAD SYSTEM OR API. PALADIN SHALL NOT BE LIABLE FOR ANY RELATED COSTS AND CUSTOMER WILL PROVIDE ACCESS AT NO COST TO PALADIN AND FURTHER GRANTS A LICENSE TO PALADIN TO USE ANY CONNECTED API OR CAD SYSTEM TO RETRIEVE LATITUDE, LONGITUDE, AND OTHER INFORMATION ABOUT 911 CALLS AS THEY ARE PLACED.
- v. PALADIN WILL PROVIDE THEIR WATCHTOWER INTERFACE TO COMMAND THE EQUIPMENT AND ALLOW AUTHORIZED USERS TO ACCESS CONTROLS.

g. Security. Paladin has implemented Appropriate Security Measures and has made commercially reasonable efforts to ensure its licensors and hosting providers, as the case may be, have implemented Appropriate Security Measures intended to protect Customer Data.

h. Paladin IP. EXCEPT FOR THE WARRANTIES SET FORTH IN THIS SECTION, PALADIN IP IS PROVIDED "AS IS," AND PALADIN HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE. PALADIN SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, TITLE, AND NON-INFRINGEMENT, AND ALL WARRANTIES ARISING FROM COURSE OF DEALING, USAGE, OR TRADE PRACTICE. EXCEPT FOR THE LIMITED WARRANTY SET FORTH IN THIS SECTION, PALADIN MAKES NO WARRANTY OF ANY KIND THAT THE PALADIN IP, OR ANY PRODUCTS OR RESULTS OF THE USE THEREOF, WILL MEET CUSTOMER'S OR ANY OTHER PERSON'S REQUIREMENTS, OPERATE WITHOUT INTERRUPTION, ACHIEVE ANY INTENDED RESULT, BE COMPATIBLE OR WORK WITH ANY SOFTWARE, SYSTEM, OR OTHER SERVICES, OR BE SECURE, ACCURATE, COMPLETE, FREE OF HARMFUL CODE, OR ERROR FREE.

i. EXCEPT AS SET FORTH HEREIN AND TO THE EXTENT NOT PROHIBITED BY LAW, ALL OTHER WARRANTIES, EXPRESS OR IMPLIED, STATUTORY OR OTHERWISE, ARE DISCLAIMED, INCLUDING WITHOUT LIMITATION THE WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE WITH RESPECT TO ANY SERVICE OFFERED, PROVIDED, OR AVAILABLE. ALL STATEMENTS CONCERNING THE AUTONOMOUS FLIGHT, EQUIPMENT AND PRODUCT COVERED BY THIS WARRANTY, OR STATEMENTS CONTAINED IN ADVERTISING, PAMPHLETS OR OTHER PRINTED MATERIALS DO NOT CONSTITUTE WARRANTIES, AND THE CUSTOMER AND/OR BUYER ACKNOWLEDGE THAT THEY HAVE NO RIGHT TO RELY UPON SAME NOTWITHSTANDING ANY WARRANTY IN THE AGREEMENT AND SECTION 6

SUPRA. PALADIN OR ANY OF ITS SUBSIDIARIES MAKE NO WARRANTY AS TO THE QUALITY OF FLIGHT, DATA COLLECTION, OR ACCESS OF ANY SOFTWARE OR HARDWARE OR OTHER PRODUCTS AND SHALL NOT BE LIABLE FOR ANY LOSSES, SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES, OR FOR ANY LOSS, DAMAGE OR EXPENSE ARISING UNDER OR IN CONNECTION WITH THE SAME. LIABILITY FOR DAMAGES OF ANY KIND SHALL IN NO EVENT EXCEED THE ORIGINAL PURCHASE PRICE OF THE PARTICULAR ORDER. IN PARTICULAR, PALADIN DRONES, INC. OR ANY OF ITS SUBSIDIARIES, AGENTS, OFFICERS, OR CONTRACTORS, OF ANY KIND, SHALL NOT BE LIABLE FOR LOSS OF LIFE, PROPERTY, REVENUES OR PROFITS OR CLAIMS OF ANY THIRD PARTIES.

j. **NO WARRANTY** SHALL APPLY TO (I) DEFECTS, ERRORS, DAMAGES, OR LOSS RESULTING FROM CORRECTIONS, REPAIRS OR SERVICE RELATING TO CUSTOMER'S OR USER'S SYSTEM, COMPUTERS, SERVERS, AND/OR OTHER EQUIPMENT OR CUSTOMER'S USE; (II) ANY ACT OR OMISSION BY ANYONE OTHER THAN CUSTOMER; (III) POWER SHORTAGES, IRREGULATORITES, BUGS, GLITCHES, INACCURACIES, OR FAILURES; (IV) MODIFICATIONS OF THE EQUIPMENT AND WATCHTOWER PRODUCTS BY ANYONE OTHER THAN PALADIN; AND (V) ANY OTHER CAUSE BEYOND PALADIN'S CONTROL NOTWITHSTANDING THE AFOREMENTIONED, IN THE EVENT OF HARDWARE FAILURE OR DESTRUCTION OF THE DRONE, PALADIN WILL PROVIDE REPLACEMENTS SO LONG AS THE TERMS OF AGREEMENT HAVE NOT BEEN BREACHED AND THE FAILURE OR DESTRUCTION WAS NOT THE RESULT OF USER ERROR. PALADIN RESERVES THE RIGHT TO REPLACE EQUIPMENT DAMAGED BY USER ERROR. ANY DAMAGE CAUSED TO EQUIPMENT WHILE USING THE DRONE AS TRAINED BY PALADIN AND WHILE ENGAGING IN AUTOMATED FLIGHT SHALL BE REPAIRED AT NO COST TO CUSTOMER. IN THE EVENT THAT A REPAIR CANNOT BE ACCOMPLISHED THEN PALADIN WILL REPLACE THE DRONE OR EQUIPMENT AT NO COST TO CUSTOMER. CUSTOMER MUST NOTIFY PALADIN OF THE INCIDENT AND CO-OPERATE WITH ANY REASONABLE REQUESTS BY PALADIN TO FACILITATE THE REPAIR OF THE EQUIPMENT PRIOR TO REPLACEMENT.

k. EXCEPT AS MAY BE EXPRESSLY PROVIDED IN SECTION 9 (WARRANTIES) HEREOF, THE EQUIPMENT, WATCHTOWER SOFTWARE, WATCHTOWER PRODUCTS, DOCUMENTATION, SERVICES, AND ALL RELATED PRODUCTS AND SERVICES ARE PROVIDED TO CUSTOMER "AS IS" AND "WITH ALL FAULTS." PALADIN MAKES NO REPRESENTATION OR WARRANTY OR PROMISE WHATSOEVER WITH RESPECT TO, AND HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS OR IMPLIED, STATUTORY (INCLUDING ALL UCC STATUTES), OR OTHERWISE, INCLUDING ANY WARRANTY AGAINST INFRINGEMENT OF INTELLECTUAL PROPERTY RIGHTS OF A THIRD PARTY; WHETHER EXPRESS OR IMPLIED BY LAW, COURSE OF DEALING, COURSE OF PERFORMANCE, USAGE OF TRADE, OR OTHERWISE.

l. EXCEPT AS MAY BE EXPRESSLY PROVIDED IN SECTION 9(e) (PALADIN WARRANTIES) HEREOF, PALADIN DOES NOT WARRANT THAT THE

WATCHTOWER SOFTWARE AND/OR WATCHTOWER PRODUCTS ARE FREE FROM ERROR OR HARMFUL CODE AND/OR WILL RUN PROPERLY ON, AND/OR INTEROPERATE WITH, ALL HARDWARE AND/OR OPERATING SYSTEMS, THAT SUCH WILL MEET THE REQUIREMENTS OF CUSTOMER, OR OPERATE IN THE COMBINATIONS WHICH MAY BE SELECTED FOR USE BY CUSTOMER OR ANY USER OR THAT THE OPERATIONS OF SUCH WILL BE UNINTERRUPTED OR ERROR FREE OR THAT IT IS SECURE FROM HACKING OR OTHER UNAUTHORIZED INTRUSION.

m. CUSTOMER MUST INFORM PALADIN WHEN PROPELLERS AND BATTERIES EXHIBIT SIGNIFICANT WEAR AND TEAR. THE CONDITION PRECEDENT TO SIGNIFICANT WEAR AND TEAR SHALL MEAN THAT THE OPERATION OF THE EQUIPMENT CANNOT OPERATE AT ITS ORIGINAL CAPACITY AND DURATION. UPON RECEIVING NOTICE, PALADIN SHALL PROVIDE PROPELLERS AND BATTERIES AT NO ADDITIONAL COST. CUSTOMER SHALL INSTALL NEW ACCESSORIES IN A TIMELY MANNER. CUSTOMER MUST PROMPTLY REPORT ANY DAMAGE TO EQUIPMENT AND DATE OF INSTALLATION OR UPGRADE.

**10. LIMITATION ON LIABILITY**

a. IN NO EVENT SHALL PALADIN BE LIABLE FOR ANY CONSEQUENTIAL, INDIRECT, INCIDENTAL, SPECIAL, EXEMPLARY, PUNITIVE, OR ENHANCED DAMAGES, LOST PROFITS OR REVENUES OR DIMINUTION IN VALUE, ARISING OUT OF, OR RELATING TO, AND/OR IN CONNECTION WITH ANY BREACH OF THIS AGREEMENT, REGARDLESS OF (A) WHETHER SUCH DAMAGES WERE FORESEEABLE, (B) WHETHER OR NOT PALADIN WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, (C) THE LEGAL OR EQUITABLE THEORY (CONTRACT, TORT, OR OTHERWISE) UPON WHICH THE CLAIM IS BASED, AND (D) THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

b. EXCEPT FOR COSTS DIRECTLY INCURRED BY PALADIN TO FULFILL THE EXPRESS WARRANTY PROVIDED IN SECTION 9(e) (PALADIN WARRANTIES) HEREOF, IN NO OTHER INSTANCE SHALL PALADIN'S AGGREGATE LIABILITY ARISING OUT OF OR RELATED TO THIS AGREEMENT, WHETHER ARISING OUT OF OR RELATED TO BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, EXCEED THE AGGREGATE AMOUNTS PAID TO PALADIN HEREUNDER FOR THE CURRENT ACTIVE TERM (I.E., TWELVE MONTHS) OF PALADIN'S PURCHASE ORDER, OR TO THE MAXIMUM LIMIT OF ITS INSURED, OR \$2,000,000.00, WHICHEVER IS LESS. IN NO EVENT WILL PALADIN BE LIABLE UNDER OR IN CONNECTION WITH THE AGREEMENT UNDER ANY LEGAL OR EQUITABLE THEORY, INCLUDING BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, AND OTHERWISE, FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, ENHANCED, OR PUNITIVE DAMAGES, REGARDLESS OF WHETHER EITHER PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH LOSSES OR DAMAGES OR SUCH LOSSES OR DAMAGES WERE OTHERWISE FORESEEABLE. EXCEPT AS EXPRESSLY OTHERWISE PROVIDED IN THIS AGREEMENT.

c. SUCH LIMITED WARRANTY SET FORTH ABOVE SHALL ONLY APPLY IF CUSTOMER (I) NOTIFIES PALADIN IN WRITING OF THE WARRANTY BREACH BEFORE THE EXPIRATION OF THE WARRANTY PERIOD; (II) HAS PROMPTLY INSTALLED ALL UPDATES, UPGRADES, AND/OR MAINTENANCE RELEASES PREVIOUSLY MADE AVAILABLE BY PALADIN; AND (III) AS OF THE DATE OF

NOTIFICATION, IS IN COMPLIANCE WITH ALL TERMS AND CONDITIONS OF THIS AGREEMENT, INCLUDING THE PAYMENT OF ALL PRICES AND FEES THEN DUE AND OWING. Furthermore, such warranty as set forth above shall not apply to the extent that the alleged breach and/or infringement arises and/or results from: (i) combination, operation, or use of the Equipment and/or Watchtower Products in or with, any technology (including any software, hardware, firmware, system, or network) or service not provided by Paladin or specified for Customer's use in the Documentation, unless otherwise expressly permitted by Paladin in writing; (ii) modification of the Equipment and Watchtower Products other than: (a) by Paladin in connection with this Agreement; or (b) with Paladin's express written authorization and in strict accordance with its written directions and specifications; (c) use of any version of the Equipment and/or Watchtower Products other than the most current version or failure to timely implement any modification, update, and/or replacement of such made available by Paladin; (d) negligence, abuse, misapplication, or misuse of the Equipment and/or Watchtower Products or Documentation; (e) use of the Equipment, Watchtower Products, and/or Documentation by or on behalf of Customer that is outside the purpose, scope, or manner of use authorized by this Agreement or in any manner contrary to the Documentation or Paladin's instructions; (f) events or circumstances outside of Paladin's commercially reasonable control (including any third-party hardware, software, or system bugs, defects, or malfunctions); and/or (iii) Open source components or other third-party materials.

d. Paladin exercises no control over the flow of information to or from the Application Service, Paladin's network, or other portions of the Internet. Such flow depends in large part on the performance of Internet services provided or controlled by third parties. At times, actions or inactions of such third parties can impair or disrupt connections to the Internet. Although Paladin will use commercially reasonable efforts to take actions Paladin deems appropriate to remedy and avoid such events, Paladin cannot guarantee that such events will not occur. ACCORDINGLY, PALADIN DISCLAIMS ANY AND ALL LIABILITY RESULTING FROM OR RELATING TO ALL SUCH EVENTS, AND EXCEPT AS OTHERWISE EXPRESSLY PROVIDED IN THE AGREEMENT, ANY OTHER ACTIONS OR INACTIONS CAUSED BY OR UNDER THE CONTROL OF A THIRD PARTY.

11. Indemnification.

a. Paladin Indemnification.

i. PALADIN **DOES NOT INDEMNIFY**, DEFEND, OR HOLD HARMLESS CUSTOMER FROM AND AGAINST ANY AND ALL LOSSES, DAMAGES, LIABILITIES, COSTS (INCLUDING REASONABLE ATTORNEYS' FEES) (COLLECTIVELY, "**LOSSES**") INCURRED BY CUSTOMER RESULTING FROM ANY THIRD-PARTY CLAIM, SUIT, ACTION, OR PROCEEDING ("**THIRD-PARTY CLAIM**") THAT THE APPLICATION SERVICES, OR ANY USE OF THE APPLICATION SERVICES IN ACCORDANCE WITH THE AGREEMENT, INFRINGES OR MISAPPROPRIATES SUCH THIRD PARTY'S US PATENTS, COPYRIGHTS, OR TRADE SECRETS.

ii. Customer will notify Paladin promptly, in writing of any Third-Party Claim, and agrees to indemnify Paladin of Third-Party Claim(s). Customer's indemnification obligation under this Section will not apply to the extent that the

alleged infringement arises from Paladin's use of the Application Services with any third party, unless such use is in accordance with this Agreement or intended for the service of Customer. This section will not limit Customer's duty to indemnify Paladin where a claim arises under Paladin's operations as they relate to Section 7, supra.

iii. If such a claim is made as stated above or appears possible, Customer agrees to permit Paladin, at Paladin's sole expense and discretion, to

1. (A) modify or replace the Paladin IP, or component or part of the Paladin IP, to make it non-infringing, or
2. (B) obtain the right for Customer to continue use.
3. (C) If Paladin determines that neither alternative is reasonably available, Paladin may terminate the Agreement in its entirety or with respect to the affected component or part, effective immediately on written notice to Customer, so long as, in each case, Paladin promptly refunds or credits to Customer amounts Customer paid with respect to the Paladin IP that Customer cannot reasonably use as intended under the Agreement.
4. IF LEGALLY PRACTICABLE, ANY REFUND OWED BY PALADIN TO CUSTOMER WILL BE PRORATED, STARTING FROM THE DAY THAT ACTUAL NOTICE IS PROVIDED TO PALADIN IN WRITING OF ANY THEN EXISTING THIRD-PARTY CLAIM.
5. IN THE EVENT THAT PALADIN MUST UNWIND THE AGREEMENT AND REFUND CUSTOMER ALL PAYMENT(S), CUSTOMER MUST RETURN ALL EQUIPMENT PROVIDED IN THE SAME CONDITION IT WAS RECEIVED. IF THE EQUIPMENT IS DAMAGED, THE CUSTOMER AGREES TO ACCEPT THE REFUND OF ALL PAYMENT(S) LESS \$35,000.00 PER DRONE AND DOCKING STATION, OR \$25,000.00 PER DRONE ONLY.

b. Sole Remedy. THE AGREEMENT SETS FORTH CUSTOMER'S SOLE REMEDIES AND PALADIN'S SOLE LIABILITY FOR ANY ACTUAL, THREATENED, OR ALLEGED CLAIMS THAT THE SERVICES INFRINGE, MISAPPROPRIATE, OR OTHERWISE VIOLATE ANY THIRD PARTY'S INTELLECTUAL PROPERTY RIGHTS. IN NO EVENT WILL PALADIN'S AGGREGATE LIABILITY EXCEED \$2,000,000 TO CUSTOMER.

c. Customer Indemnification.

i. TO THE EXTENT PERMITTED BY APPLICABLE LAW, CUSTOMER WILL INDEMNIFY, HOLD HARMLESS, AND, AT PALADIN'S OPTION, DEFEND OR REIMBURSE LEGAL FEES FOR PALADIN FROM AND AGAINST ANY CLAIMS OR LOSSES RESULTING FROM ANY THIRD-PARTY CLAIM. TO THE FULLEST EXTENT PERMITTED BY LAW, CUSTOMER HEREBY RELEASES

AND FURTHER AGREES TO PROTECT, DEFEND, INDEMNIFY AND HOLD PALADIN, ITS RELATED ENTITIES AND AFFILIATES AND THEIR RESPECTIVE OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS (HEREIN COLLECTIVELY REFERRED TO AS THE "INDEMNITEE") FREE AND HARMLESS FROM AND AGAINST ANY AND ALL DAMAGES, LOSSES, PENALTIES, EXPENSES, CLAIMS, DEMANDS, CAUSES OF ACTIONS, SUITS OR OTHER LITIGATION (INCLUDING ALL COSTS THEREOF AND ATTORNEYS' FEES) OF EVERY KIND AND CHARACTER INCLUDING THOSE ASSERTED BY ANY THIRD PARTY, OR CUSTOMER (INCLUDING BUT NOT LIMITED TO, PERSONNEL OF THE CUSTOMER OR ITS ASSIGNEES, LICENSEES, SUBCONTRACTORS AND ALL OTHERS IN PRIVITY WITH CUSTOMER) INCLUDING WITHOUT LIMITATION ANY CLAIMS ON ACCOUNT OF BODILY INJURY, DEATH OR DAMAGE TO OR LOSS OF PROPERTY (HEREIN COLLECTIVELY REFERRED TO AS THE "LOSS") IN ANY WAY OCCURRING, INCIDENT TO, ARISING OUT OF, OR IN CONNECTION WITH (i) A BREACH OF THE WARRANTIES PROVIDED HEREIN BY THE CUSTOMER; (ii) THE OPERATIONS OR SERVICES RENDERED AND/OR PERFORMED OR TO BE PERFORMED BY THE PARTIES IN ACCORDANCE WITH THE AGREEMENT (iii) CUSTOMER'S PERSONNEL, SUBCONTRACTORS, AGENTS, AND LICENSEES; (iv) USER-ERROR; OR (v) ANY NEGLIGENT ACTION, OMISSION, OR BOTH OF THE INDEMNITEE RELATED IN ANY WAY TO THIS AGREEMENT, WHETHER THE INDEMNITEE IS NEGLIGENT IN WHOLE OR IN PART, AND EVEN WHEN THE LOSS IS CAUSED BY THE SOLE FAULT OR NEGLIGENCE (INCLUDING ACTS OR OMISSIONS THAT ARE CHARACTERIZED AS NEGLIGENCE PER SE, NEGLIGENCE PREMISED ON STRICT LIABILITY, OR OTHERWISE) OF THE INDEMNITEE. ANY PAYMENTS BY CUSTOMER UNDER THIS PARAGRAPH ON BEHALF OF THE INDEMNITEE SHALL BE IN ADDITION TO ANY AND ALL OTHER LEGAL REMEDIES AVAILABLE TO THE INDEMNITEE AND SHALL NOT BE CONSIDERED THE INDEMNITEE'S EXCLUSIVE REMEDY.

ii. When Customer Data, or any use of the Customer Data in accordance with the Agreement, infringes or misappropriates ANY such third party's property rights and any Third-Party Claims based on Customer's or any Authorized User's negligence or willful misconduct or use of the Services in a manner not authorized by the Agreement or the State in which the product is used, and/ or Federal Law then Customer agrees to be solely liable and shall hold harmless Paladin. Customer shall indemnify, defend, and hold harmless Paladin and its affiliates, and each of their and their respective officers, directors, employees, agents, subcontractors, permitted successors and permitted assigns from and against any and all expenses, losses, charges, damages, settlements, and/or similar or related costs incurred by Paladin resulting from any claim, allegation, demand, action, process, investigation by a third party. Without limitation to the following, Customer agrees to indemnify Paladin when: (i) Customer fails to comply with the Documentation, Specifications, and/or standards for operating the Watchtower Products and/or Equipment; (ii) any Intellectual Property Rights or other right of any person, or any law, is or will be infringed, misappropriated, or otherwise violated by any: (a) use or combination of the Watchtower Products by or on behalf of Customers or any of its representatives

with any hardware, software, system, network, service, or other matter whatsoever that is neither provided by Paladin nor authorized by Paladin in this Agreement and the Documentation, or otherwise in writing; and (b) information, materials, or technology directly or indirectly provided by Customer or directed by Customer to be installed, combined, integrated, or used with, as part of, or in connection with the Watchtower Products, Equipment, and/or Documentation; (c) relating to all use, negligence, abuse, misapplication, misuse or more culpable act or omission (including recklessness or willful misconduct) by or on behalf of Customers or any of its representatives with respect to the Watchtower Products, Equipment, and/or Documentation or otherwise in connection with this Agreement; or (d) relating to use of the Watchtower Products, Equipment, and/or Documentation by or on behalf of Customer or any of its representatives that is outside the purpose, scope, or manner of use authorized by this Agreement or the Documentation, or in any manner contrary to Paladin's instructions.

12. Term. Except as the parties may otherwise agree in the Order Form, or unless terminated earlier in accordance with the Agreement:

i. The Initial Term of the Agreement will begin on the Effective Date and end on the Final Term End Date of the Paladin Order Form;

ii. The Agreement will automatically renew for successive 12-month Renewal Terms unless either party gives the other party written notice of non-renewal at least 30 days before the expiration of the then-current term.

1. After two renewals access to the Watchtower Portal is automatically revoked if not renewed by the End of the third Term.

2. The foregoing notwithstanding, this Agreement will survive for so long as any Paladin Order Form remains in effect. Paladin Order Form shall expire and/or terminate according to the terms set forth infra.

iii. each Renewal Term will be subject to the same terms and conditions established under the Agreement, with any Fees determined in accordance with Paladin's then-current pricing packages published on Paladin's website and generally applicable to all users of the Services, as provided to Customer at least 60 days before the expiration of the then-current term.

13. Termination. In addition to any other express termination right set forth in the Agreement:

i. Paladin may terminate the Agreement immediately if Customer breaches any of its obligations under the Agreement.

ii. Either party may terminate the Agreement, effective on written notice to the other party, if the other party materially breaches the Agreement, and such breach: (A) is incapable of cure; or (B) being capable of cure, remains uncured 30

days, and the process to cure has not been initiated, after the non-breaching party provides the breaching party with written notice of such breach and demand to cure is sent to the address listed on the Paladin Order Form.

- iii. IF:
  - 1. Customer is a governmental entity, and
  - 2. Sufficient funds are not appropriated to pay for Paladin's Services, then Customer may terminate the Agreement at any time without penalty following 30 days prior written notice to Paladin.
- iv. Additionally, either party may, to the extent permitted by law, terminate the Agreement, effective immediately on written notice to the other party, if either party becomes subject voluntarily or involuntarily to any proceeding under any domestic bankruptcy.
- v. If Customer has made its first Term payment for services covering 12-months, then in all cases of termination Customer will retain Legal Title to the hardware it obtained during that first Term. This includes all accessories provided to Client for the operation of the equipment, and all Services will terminate in accordance with this Agreement. If client purchases "Add-ons" at a later term, then Legal Title to the add-ons shall vest with Client upon full payment of the Active Term incorporating the add-ons. Furthermore, in the event a product is replaced by Paladin the replacement shall remain with Customer, and in all cases the Client shall return the original.
- vi. Duties upon-termination. Following any termination, expiration, or cancellation of this Agreement or the licenses granted herein:
  - (i) immediately upon receipt of Paladin's instructions, Customer will destroy or send to Paladin (at Customer's expense) all copies of the Watchtower Software and the Documentation; (ii) Customer's rights to continue to use the Watchtower Products and Documentation shall immediately cease; and (iii) all of Paladin's obligations hereunder shall cease (iv) all equipment in violation of subsection b(v) above must be returned to Paladin at the address provided at that time. As needed to accomplish the return and/or destruction of the Watchtower Software, Paladin may, in its sole discretion and at Customer's expense, provide services to assist Customer.

b. Survival. After this Agreement terminates or expires, the terms of this Agreement that expressly or by their nature contemplate performance after this Agreement terminates or expires will survive and continue in full force and effect. The termination of this Agreement for any reason will not release either Party from any obligations incurred prior to termination of this Agreement or that thereafter may accrue in respect of any act or omission prior to such termination in accordance with this Agreement.

14. Independent Contractor. The parties to the Agreement are independent contractors.

This Agreement does not create a joint venture or partnership between the Parties, and neither Party is, by virtue of the Agreement, authorized as an agent, employee, or representative of the other Party.

Customer shall make use of the services provided in accordance with the specifications of each Purchase Order as an independent contractor, having the sole right to control the details of and manner for performance of the use except that the same must be performed in accordance with the training and scope of use defined in the Agreement. The parties to this Agreement recognize that this Agreement does not create any actual or apparent agency, partnership, franchise, or relationship of employer and employee between the parties. The Customer is not authorized to commit Paladin to any agreements, and Paladin is not authorized to commit the Customer to any agreements, and the Customer shall not represent itself as the agent or legal representative of the Paladin. Further, the Customer shall not be entitled to participate in any of the Paladin benefits, including without limitation any health or retirement plans. The Parties shall not be entitled to any remuneration, benefits, or expenses other than as specifically provided for in this Agreement. Paladin shall not be liable for taxes, Worker's Compensation, unemployment insurance, employer's liability, employer's FICA, social security, withholding tax, or other taxes or withholding for or on behalf of the Customer or any other person consulted or employed by the Customer in performing Services under this Agreement. All such costs shall be the Customer's responsibility. Parties acknowledges that this Agreement and all Purchase Orders and any other Agreed Orders are lump sum contracts, and that Customer shall be solely responsible for all required withholdings including but not limited to taxes, social security taxes, and state unemployment taxes including but not limited to for Customer's employees, agents, or subcontractors, as well as all applicable sales taxes or use taxes on labor provided and materials furnished. No Taxes will be collected or paid by Paladin under this Agreement, except as required by law.

Paladin does not provide Workers Compensation Insurance or Workers Compensation benefits for Customer or its employees. If requested, Customer will furnish Paladin with Certificates of Insurance showing Customer to be covered by Workers' Compensation Insurance in such amounts and types of coverage as Paladin may specify. It is Customer's sole responsibility to: (1) Assume all expenses for any job injury or illness occurring to Customer or any of its employees, agents, officers, and others working under its direction; (2) provide safe working procedures for its employees; and when applicable (3) comply with the requirements of the Occupational Safety and Health Act of 1970 (OSHA). CUSTOMER WARRANTS THAT IT IS ADEQUATELY INSURED FOR INJURY TO ITS EMPLOYEES AND OTHERS INCURRING LOSS OR INJURY AS A RESULT OF THE ACTS OF CUSTOMER OR ITS EMPLOYEES OR SUBCONTRACTORS. CUSTOMER SHALL MAINTAIN ALL WORKERS' COMPENSATION AND LIABILITY INSURANCE AT ALL TIMES WHILE MAKING ANY USE OF SERVICES OR EQUIPMENT.

15. Waiver of Jury: ALL PARTIES ACKNOWLEDGE THAT ALL DISPUTES RELATED TO THIS AGREEMENT OR ARISING FROM THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT MUST BE SUBMITTED TO BINDING ARBITRATION. NOTWITHSTANDING, EACH PARTY HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT TO ANY LITIGATION, DIRECTLY OR INDIRECTLY,

ARISING OUT OF OR RELATING TO THIS AGREEMENT OR ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT.

16. Choice of Law and Mandatory Venue. This Agreement shall be construed in accordance with the laws of the state of Delaware. CUSTOMER FURTHER HEREBY ACKNOWLEDGES, CONSENTS, STIPULATES, AND AGREES THAT ANY AND ALL CLAIMS, ACTIONS, PROCEEDINGS OR CAUSES OF ACTIONS RELATING TO THIS AGREEMENT, ANY WORK PERFORMED BY THROUGH OR UNDER CUSTOMER, OR ANY TRANSACTION CONTEMPLATED BY THIS AGREEMENT INCLUDING WITHOUT LIMITATION THE VALIDITY, PERFORMANCE, INTERPRETATION, ENFORCEMENT OR ANY COMBINATION THEREOF, SHALL BE SUBMITTED EXCLUSIVELY TO THE JURISDICTION OF THE STATE OF DELAWARE OR FEDERAL COURT. CUSTOMER IRREVOCABLY WAIVES THAT ANY PROCEEDING BROUGHT IN DELAWARE HAS BEEN BROUGHT IN AN INCONVENIENT OR IMPROPER FORUM.

17. Mediation-Arbitration. Parties agree that all disputes, controversies or claims including any arising out of or relating to Services or Equipment provided by Paladin, its assignees or subcontractors, any warranties (express or implied), any issues or matters arising out of or related to this Agreement, or questions as to its interpretation including any breach thereof (herein referred to collectively as a "Dispute") may be submitted to non-binding mediation. IN THE EVENT THE EITHER PARTY OR BOTH ARE UNWILLING OR UNABLE TO RESOLVE THE DISPUTE BY MEDIATION, THE DISPUTE SHALL BE SUBMITTED TO BINDING ARBITRATION. THE ARBITRATION SHALL BE GOVERNED BY DELAWARE LAW AND THE U.S. ARBITRATION ACT, 9 U.S.C. §§ 1-16, TO THE EXCLUSION OF ANY PROVISIONS OF STATE LAW THAT ARE INCONSISTENT WITH APPLICATION OF THE FEDERAL ACT. THE SUBMISSION TO MEDIATION OR ARBITRATION OF ANY DISPUTE ARISING DURING AN ACTIVE TERM SHALL NOT DELAY OR OTHERWISE AFFECT THE CONTINUING PERFORMANCE OF SERVICES OR ACCESS TO THE WATCHTOWER SOFTWARE. ARBITRATION SHALL BE FILED, INITIATED, OR BOTH IN DELAWARE, AND ALL ARBITRATION HEARINGS SHALL BE HELD IN DELAWARE. PARTIES AGREE TO INCLUDE THE REQUIREMENT OF THIS PROVISION IN ALL FUTURE CONTRACTS, and SUB-CONTRACTS IT MAY ENTER INTO FOR ANY PORTION OF THE TERMS OF THIS AGREEMENT. ANY AND ALL DECISIONS AS TO THE ENFORCEABILITY OF THIS ARBITRATION PROVISION SHALL BE DETERMINED BY ARBITRATION AND ANY COURT PRESENTED WITH THE ARBITRABILITY OF A CLAIM SHALL IMMEDIATELY ABATE THE CASE AND ORDER THAT THE DECISION AS TO ARBITRABILITY BE MADE IN ARBITRATION.

18. Entire Agreement: Order of Precedence. The Paladin Order Form, and the Incorporated Documents constitute the complete Agreement between the parties and supersede any prior discussion or representations relating to or regarding the Customer's purchase and use of the Services and equipment. To the extent any conflict exists between the terms of the Agreement, the documents will govern in the following order or precedence: (1) the Paladin Order Form (2) the Customer Terms (i.e., Exhibit C), (3) the Terms & Conditions herein (i.e., Exhibit B), and (4) Paladin Quote (i.e., Exhibit A). No other purchasing order or similar instrument issued by either party in connection with the Services will have any effect on the Agreement or bind the other party in any way. There are no additional agreements of any kind between the parties with respect to the subject matter

hereof. No waiver, amendment, modification or release of any term or provision of this Agreement shall be deemed to have been given or made unless expressly set forth in a written document signed by each of the parties hereto.

19. **Waiver.** No waiver by any party of any of the provisions of the Agreement will be effective unless explicitly set forth in writing and signed by the party so waiving. Except as otherwise set forth in the Agreement, no failure to exercise, delay in exercising, or any partial exercise of any rights, remedy, power, or privilege arising from the Agreement will in any way waive or otherwise limit the future exercise of any right, remedy, power, or privilege available under the Agreement. The failure by either party to enforce any provision of this Agreement will not constitute a waiver of future enforcement of that or any other provision. Except where otherwise specified in writing by the Parties, the rights and remedies granted to a Party under this Agreement are cumulative and in addition to, and not in lieu of, any other rights or remedies which the party may possess at law or in equity.

20. **Amendments And Right to Update:** No amendment to the Paladin Order Form, or the Incorporated Documents will be effective unless it is in writing and signed by an authorized representative of each party. This Agreement may not be supplemented, amended, and/or modified at any time unless the parties hereto execute a written agreement that must— (i) be in a mutually agreed upon written or electronic format, (ii) must be clearly designated as an amendment, addendum, or modification, and (iii) must be signed by an authorized representative of each party. The Parties stipulate and agree that an exchange or series of written or electronic correspondences shall not be deemed to be such a written instrument, for supplemental, amendment or modification purposes. Notwithstanding the aforementioned, Paladin may update the Incorporated Documents from time-to-time following notice to Customer so long as such updates are generally applicable to all users of the Services, however, no unilateral Paladin updates will have any effect to change the existing financial obligations of Customer until the end of an Active Term and following Customer's signed agreement thereto.

21. **Notices.** All notices, requests, consents, claims, demands, and waivers under the Agreement (each, a "**Notice**") must be in writing and addressed to the recipients and addresses set forth for each party on the Order Form. All Notices must be delivered by personal delivery, nationally recognized overnight courier (with all fees pre-paid), or email (with confirmation of transmission by the recipient), or certified or registered mail (in each case, return receipt requested, postage pre-paid). Any notices required or permitted to be given under this Agreement shall be in writing and shall be deemed given if delivered by hand, sent by recognized overnight courier (such as Federal Express), transmitted via facsimile transmission or mailed by certified or registered mail, return receipt requested, in a postage pre-paid envelope. Notices personally delivered or sent by overnight courier shall be deemed given on the date of receipt, notices sent via facsimile transmission shall be deemed given upon transmission and confirmation of receipt and notices sent via certified mail in accordance with the foregoing shall be deemed given when delivered (whether accepted or refused) as established by the U.S. Postal Service return receipt.

22. **Force Majeure.** Except for any obligations to make payments, In no event will either party be liable to the other party, or be deemed to have breached the Agreement, for any

failure or delay in performing its obligations under the Agreement , if and to the extent such failure or delay is caused by any circumstances beyond such party's reasonable control, including acts of God, flood, fire, earthquake, pandemic, epidemic, problems with the Internet, shortages in materials, explosion, war, terrorism, invasion, riot or other civil unrest, strikes, labor stoppages or slowdowns or other industrial disturbances, or passage of law or any action taken by a governmental or public authority, including imposing an embargo.

23. **Severability.** If any provision of the Agreement is invalid, illegal, or unenforceable in any jurisdiction, such invalidity, illegality, or unenforceability will not affect any other term or provision of the Agreement or invalidate or render unenforceable such term or provision in any other jurisdiction.

24. **Assignment.** Either party may assign its rights or delegate its obligations, in whole or in part, on 30 days prior written notice to the other party, to an affiliate or an entity that acquires all or substantially all the business or assets of such party, whether by merger, reorganization, acquisition, sale, or otherwise. Except as stated in this paragraph, neither party may assign any of its rights or delegate any of its obligations under the Agreement without the prior written consent of the other party, which consent may not be unreasonably withheld, conditioned, or delayed. The Agreement is binding on and inures to the benefit of the parties and their permitted successors and assigns. Notwithstanding the aforementioned, if Customer's assignment requires additional services beyond that which were negotiated then Customer and its assignee shall be liable for any additional costs incurred by Paladin to provide the Agreed service(s) during an Active Term.

25. **Marketing.** Subject to Section seven (7) supra, neither party may issue press releases related to the Agreement, conversations, or activities, without the other party's prior written consent. However, either party may include the name and logo of the other party in lists of customers or vendors.

26. **State-Specific Certifications & Agreements.** To the extent required under the laws of the Governing State, Paladin hereby certifies and agrees as follows:

- a. Paladin is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in the Agreement by any governmental department or agency of the Governing State where services are sought;
- b. Paladin will not discriminate against any employee or applicant for employment because of race, ethnicity, gender, gender identity, sexual orientation, age, religion, national origin, disability, color, ancestry, citizenship, genetic information, political affiliation or military/veteran status, or any other status protected by federal, state, or local law.
- c. **Execution.** Any document executed and delivered in connection with the Agreement may be executed in counterparts, each of which is deemed an original, but all of which together are deemed to be one and the same agreement. To the extent permitted by applicable law, electronic signatures may be used for the purpose of executing the Order Form by email or other electronic means. Any document delivered electronically and accepted is

deemed to be "in writing" to the same extent and with the same effect as if the document had been signed manually.

27. **Legal Compliance.** Customers agree to comply with applicable laws with respect to the ownership, possessions, and operation of the Equipment. The parties acknowledge and agree that the legal regulation of unmanned drones is evolving, and the parties shall cooperate to seek to comply with applicable laws. The Watchtower Products, Equipment, and all services provided hereunder are subject to all applicable export control laws and regulations, including without limitation those of the United States government. Customer and Authorized Users agree that not to directly or indirectly export, re-export, divert, release, provide access to, transfer or disclose such, or any derivative thereof, to any prohibited or restricted destination, end-use or end-users or to anyone who requires a United States export license or other license, except in accordance with all relevant export control laws and regulations which may require it to obtain necessary licenses, approvals or permissions from the appropriate US governmental authority and all required foreign authorities prior to undertaking such activities.

28. **Watchtower Software License.**

- a. **Grant of License.** Paladin shall grant a license of the Watchtower Software to the Customer in accordance with the terms and conditions outlined in this Agreement.
- b. **FAA Regulatory Waivers.** Paladin will assist the Customer in acquiring FAA regulatory waivers. Except for transfers by error, the Customer shall hold Legal Title to those documents upon their transfer. Paladin will assist the customer in renewing these waivers during the Active Terms of the agreement. The process used to acquire the waivers is confidential information and cannot be shared with any 3<sup>rd</sup> party without the express permission of Paladin.

29. **Watchtower Software License.** Conditioned upon compliance with the Use Restrictions in Section 2, and payment of all fees then due, and compliance with all other terms and conditions hereof, Paladin shall grant to Customer, during any Active Term of this Agreement, a limited, non-exclusive, revocable, non-sublicensable, and non-transferable license to use the Watchtower Software.

30. **Insurance.**

- a. Customer warrants that it will maintain insurance coverage in accordance with its use and operations and that in the event that Customer's insurance is not able to cover the full extent of the damages or claim that Paladin's insurance shall be called upon to cover the remaining balance of a claim. Notwithstanding the aforementioned, if the claim is not one in which Paladin's coverage may extend, then Customer shall be solely liable for any such claim or damages.
- b. Customer will maintain coverage with an aggregate limit of not less than \$2,000,000.00, per occurrence; and upon Paladin's request will provide proof.
- c. Paladin shall maintain coverage with an aggregate limit of not less than \$2,000,000.00 per occurrence.
- d. Subject to section "a" supra, Paladin's insurance shall pay damages relating to bodily injury or property damage subject to its insurance policy which Customer may request a copy of at any time.

- e. Customer understands that Paladin's coverage shall not apply to: (1) loss of use of any aircraft, drone, or otherwise, which is for a period of less than forty-eight hours; (2) sums attributable to any period an aircraft is not available for flight operations for reasons other than a grounding, or would not have been available for flight operations if no grounding had occurred; (3) loss of use of any aircraft occurring during the period that Paladin did not use all reasonable means to correct and eliminate the cause of the loss of use; (4) loss of use of any aircraft attributable to a culpable failure by Paladin to perform any obligation with respect to making available or delivering products to the owner or operator of such aircraft; (5) loss of use of any military derivative of a civil aircraft unless the grounding also applies to the civil aircraft; (6) loss of use of any launch vehicle, spacecraft product or missile; (7) loss of use of any aircraft operated by Paladin or in its care, custody or control other than aircraft temporarily in Paladin's care, custody or control for modification, repair or inspection relating to grounding; (8) loss of use of any aircraft owned by or loaned to Paladin. For the purposes of this exclusion, any aircraft as to which Paladin has retained title pursuant to a conditional sales contract, chattel mortgage or similar lien, a lease agreement, a consignment agreement or similar contract of bailment, shall be deemed not to be owned by Paladin; (9) any liquidated or stipulated damages or penalties which Paladin is obligated to pay by reason of any contract or agreement, but this exclusion does not apply to any obligation it would have had in the absence of such contract or agreement.
- f. Customer is aware that the aforementioned instances where coverage shall not apply are not every instance where the coverage does not apply and that it is the responsibility of Customer to familiarize itself with the limitations of Paladin's insurance policy.
- g. Paladin makes no representations to Customer relating to which policy it shall acquire and only requires that the insured obtain a policy that is sufficient to meet the foreseeable liabilities under Customer's intended use and operation of any provided equipment, software, or service.
- h. In accordance with section 30, if Paladin is legally obligated to pay damages because of bodily injury or property damage, Paladin's insurance shall have the right and duty to defend any suit seeking those damages.

31. **Consideration of services.** Paladin agrees to provide the services set forth in the Paladin Order Form, and Incorporated Documents. Customer agrees to make all payments in a timely manner pursuant to Section four (4) supra, and cooperate and abide by the requirements and standards, as set forth in this Agreement.

32. **Data Use.** Paladin retains all rights to any data obtained from the provision of the products and services hereunder, including any copyright subject to the following (a) Paladin will only use personally identifiable data (including precise geolocation data), as defined under applicable law, for its internal analytical purposes (e.g., to improve its services), and (b) Paladin will use photographs or videos for its internal purposes and the improvement of services, such as demonstration or marketing, in each case subject to applicable laws (data described in (a) and (b) referred to as "**Data**"). Paladin grants Customer the right to use Data collected from the Services for its own internal purposes, subject to applicable laws. In addition, and without limiting Paladin's restrictions above,

Paladin agrees that it will not resell any Data to any other person or entity without the prior express written permission of the Customer.

33. **Headings**. The parties agree that the captions, headings, and/or titles used in this Agreement are inserted for convenience only and shall not affect the meaning or interpretation of this Agreement.

34. **No Third-Party Beneficiaries**. This Agreement is intended for the benefit of the parties hereto, and those specifically referenced herein, and their respective successors and permitted assigns, and is not for the benefit of, nor may any provision hereof be enforced by, any other person. The terms and provisions of this Agreement shall not inure to the benefit of any other third person or entity not a signatory to this Agreement.

35. **Joint Participation**. The parties hereto have participated fully in the negotiation and preparation of this Agreement and this Agreement shall not be more strictly construed against either Customer or Paladin.

36. **Counterparts**. This agreement may be executed in one or more counterparts, each counterpart being an original.

37. **Confidentiality**. The information contained in the Agreement is considered confidential by the Parties. Neither Party shall disclose to any other third party the terms and conditions contained in this Agreement, except as required by law, and except disclosure to their respective employees, agents and advisors on an as-needed basis.

38. **Attorney's Fees**. In the case of any breach of this Agreement or other Dispute (as defined herein) the prevailing party shall be entitled to recover its costs of mediation, arbitration, Court, expert witness fees and any necessary and reasonable attorney's fees.

39. **Authority**. Each person executing this Agreement warrants, in his/her individual capacity, that he or she has full legal authority to execute this Agreement for and on behalf of the respective parties and to bind such parties.

**Exhibit C**

**Additional Terms and Conditions**

- **"Governing State"** means the State of California. All references to Delaware will be implied and replaced with California.
- Section 11. Indemnification. *Reserved*.
  - Language has been removed.
- Re Reimbursement: If the City were to early terminate due to breach of contract, non-appropriations, etc, Paladin will reimburse the City on a pro-rata basis or in full payment.