

**AGREEMENT FOR PILOT PROGRAM
FOR DRONE RESPONSE SERVICES**

This Agreement for Pilot Program for Drone Response Services (“Agreement”) is entered into on the 25th day of March, 2019 (“Effective Date”), by and between Paladin Drones Inc. (“Paladin Drones”) and the Memorial Villages Police Department (“MVPD”).

WHEREAS, MVPD has determined that it is in the interests of public safety for it to have the ability to utilize unmanned drones during certain public emergencies and in certain police operations, to the extent permitted by law;

WHEREAS, Paladin Drones represents that it has the necessary skills and licensing to legally operate unmanned drones for public safety purposes, under contract with a law enforcement agency, and has the trained personnel, software, drones, and associated equipment to provide drones on short notice in response to requests it may receive from MVPD; and

WHEREAS, both Paladin Drones and MVPD are interested in studying the feasibility of the use of drones during public emergencies and to support police operations.

NOW, THEREFORE, in consideration of the foregoing, MVPD and Paladin Drones agrees as follows:

1. For a three-month pilot period, beginning on the later of April 1, 2019 or the Effective Date of this Agreement, Paladin Drones will provide the necessary software, drones, and associated equipment to provide and operate unmanned drones on short notice in response to requests from MVPD, under the terms and conditions provided herein.
2. Each party agrees to the terms further described in Exhibit A, attached hereto and incorporated herein (the “Services”). The Services are offered at no charge for the pilot period (the “Term” set forth in Exhibit A), with the understanding that upon completion of a successful pilot of the Services, MVPD may decide to enter into a longer term paid agreement for services. Either party can terminate this Agreement for convenience upon 10 days prior written notice.
3. Paladin Drones agrees to maintain the airworthiness of its drone so that it is in a condition that is ready for service. Paladin Drones agrees to maintain all proper licensing and registration for itself and the drone so that it can legally be used for MVPD purposes when called upon.
 - 3.1. Airworthiness. Paladin Drones is responsible for the airworthiness of its drone and warrants, that at a minimum, all drones are maintained and operated in material accordance with:
 - a. All applicable manuals inclusive but not limited to the manufacturers and operators’ maintenance manuals;

- b. Mandatory Advisory Circulars or other Airworthiness Directives issued by the FAA;
 - c. The manufacturer's airworthiness limitations;
 - d. Manufacturer or FAA mandated inspection schedules, overhaul schedules, and calendar retirement dates; and
 - e. Service Bulletins.
- 3.2. Paladin Drones Qualifications. Paladin Drones warrants 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.
4. License.
- 4.1. Grant. Subject to terms and conditions of this Agreement, Paladin Drones hereby grants to MVPD, during the term of this Agreement, a non-exclusive, non-sublicensable, and non-transferable license to use the Software (as described in Exhibit A), solely for MVPD's internal business purposes in connection with the Services. The total number of Authorized Users will not exceed the number set forth in Exhibit A, except as expressly agreed to in writing by the Parties.. "Authorized User" means an employee or contractor of MVPD who MVPD permits to access and use the Software and/or documentation pursuant to MVPD's license hereunder.
- 4.2. Use Restrictions. MVPD shall not use the Software or related documentation for any purposes beyond the scope of the license granted in this Agreement. Without limiting the foregoing and except as otherwise expressly set forth in this Agreement, MVPD shall not at any time, directly or indirectly: (i) copy, modify, or create derivative works of the Software or the documentation, in whole or in part; (ii) rent, lease, lend, sell, sublicense, assign, distribute, publish, transfer, or otherwise make available the Software or the documentation; (iii) reverse engineer, disassemble, decompile, decode, adapt, or otherwise attempt to derive or gain access to the source code of the Software, in whole or in part; (iv) remove any proprietary notices from the Software or the documentation; or (v) use the Software in any manner or for any purpose that infringes, misappropriates, or otherwise violates any intellectual property right or other right of any person, or that violates any applicable law. MVPD is responsible and liable for all uses of the Software and documentation resulting from access provided by MVPD, directly or indirectly, whether such access or use is permitted by or in violation of this Agreement. Without limiting the generality of the foregoing, MVPD 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 MVPD will be deemed a breach of this Agreement by MVPD.

- 4.3. **Reservation of Rights; Feedback.** Paladin Drones reserves all rights not expressly granted to MVPD in this Agreement. Except for the limited rights and licenses expressly granted under this Agreement, nothing in this Agreement grants, by implication, waiver, estoppel, or otherwise, to MVPD or any third party any intellectual property rights or other right, title, or interest in or to the Software. Paladin Drones is free to use any feedback provided by MVPD (e.g., to improve its products and services).
 - 4.4. **THE SOFTWARE AND DOCUMENTATION ARE PROVIDED "AS IS" AND PALADIN DRONES HEREBY DISCLAIMS ALL WARRANTIES, WHETHER EXPRESS, IMPLIED, STATUTORY, OR OTHERWISE. PALADIN DRONES 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.**
 - 4.5. **Data.** Paladin Drones retains all rights to any data obtained from the Services, including any copyright subject to the following: (a) Paladin Drones will only use personally identifiable data (including precise geolocation data), as defined under applicable law, for its analytical purposes (e.g., to improve its services) or if required by law and (b) Paladin Drones will use photographs or videos for its internal purposes unless MVPD provides written authorization for other uses, such as demonstration or marketing, in each case subject to applicable laws (data described in (a) and (b) referred to as "Data"). Paladin Drones grants MVPD the right to use Data collected from the Services for its own internal purposes, subject to applicable laws. In addition, Paladin Drones agrees that it will not resell any Data to any other person or entity without the advance express written permission of the MVPD. Notwithstanding the foregoing, Paladin Drones is aware of and shall comply with the requirement of Chapter 423 of the Texas Government Code and any other applicable state or federal law governing the capture, retention or use of images.
5. **Disclaimer.**
- 5.1. **IN NO EVENT SHALL PALADIN DRONES BE LIABLE TO MVPD OR TO ANY THIRD PARTY FOR ANY LOSS OF USE, REVENUE, OR PROFIT, OR FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES WHETHER ARISING OUT OF BREACH OF CONTRACT, TORT (INCLUDING NEGLIGENCE), OR OTHERWISE, REGARDLESS OF WHETHER SUCH DAMAGE WAS FORESEEABLE AND WHETHER OR NOT SERVICE PROVIDER HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH**

DAMAGES, AND NOTWITHSTANDING THE FAILURE OF ANY AGREED OR OTHER REMEDY OF ITS ESSENTIAL PURPOSE.

- 5.2. IN NO EVENT SHALL PALADIN DRONE'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 GREATER OF THE LIMITS OF ITS APPLICABLE INSURANCE COVERAGE OR THE AGGREGATE AMOUNTS PAID OR PAYABLE TO PALADIN DRONES.
6. MVPD agrees, to the extent permitted by law, to indemnify and hold harmless Paladin Drones for personal injury or property damages to third parties resulting from the operation of drones in support of MVPD operations except to the extent that the personal injury or property damage is caused by the gross negligence or willful misconduct of Paladin Drones. The forgoing indemnification shall not exceed the policy limits of MVPD's commercial insurance. In addition, MVPD will pay the cost of repair or replacement for drones or equipment lost or damaged when used in authorized and appropriate service of MVPD.
7. Each party agrees to comply with applicable laws with respect to each party's obligations hereunder. The parties acknowledge and agree that the legal regulation of drones is evolving and the parties shall work together to ensure that the Services comply with such laws. In the even either party determines continuing the Service will result in undue legal risk, either party may terminate this Agreement upon written notice.
8. Despite completion of the Services or termination of this Agreement for any reason, all provisions in this Agreement containing representations, warranties, releases, defense obligations and indemnities, and all provisions relating to confidentiality, insurance, disclaimer of certain remedies, limitations of liability, dispute resolution and governing law, and all causes of action which arose prior to completion or termination, survive indefinitely until, by their respective terms, they are no longer operative or are otherwise limited by an applicable statute of limitations.
9. This Agreement contains the complete agreement of the parties.

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Paladin Drones Inc

By: Divyaditya Shrivastava
Divyaditya Shrivastava March 26th, 2019
CEO

Memorial Villages Police Department

By: Ray Schultz 3/25/19
Ray Schultz
Chief of Police
MEMORIAL VILLAGES POLICE DEPARTMENT

EXHIBIT A

SCOPE OF SERVICES

TERM: 3 months commencing on a date mutually agreed upon in writing, currently anticipated to be on or around March 2019.

SOFTWARE DESCRIPTION:

The Paladin Command Center is the main software that will be given to the dispatchers that will allow them to interface with the drone, view the live stream, and send extra commands to the drone in case of active situations.

The software consists of the following:

1. Secured login system
2. A web platform with the live stream of the drone
3. A map with the current location of the drone
4. A table with current status of the drone such as battery level, deployment status (deployed, idle, online, offline), speed, altitude, etc.
5. Options for "extra" commands

During some operations, the autonomous deployment and 360 circling model of the drone may need to be amended or taken over in order to provide more information. For these cases, the dispatches will have options to send extra commands such as "Follow vehicle," "follow suspect," and "conduct search and rescue" to the VO using the software. Then, the VO will take control of the drone in order to complete these operations. This is to account for a wide variety of dynamic scenes.

MAXIMUM NUMBER OF AUTHORIZED USERS: 100

PALADIN DRONE OBLIGATIONS:

Paladin Drones will provide a 2 hour class before the start of the program to officers on how to download our stream-viewing software and use it. This will consist of:

1. Showing how to download our viewing app on their respective Android or iOS devices
2. Showing how to create a login profile for the officer
3. Showing how to view a live stream through the app
4. Showing what to do in case the live stream is buffering
5. Showing how to report problems if they come across them on the app
6. Showing how to cancel push notifications if they do not wish to be informed of every drone deployment

There will a separate training 2 hour training for the dispatchers to use the Paladin Command Center, and they will be directly interfacing with the VOs operating the drone. This training will consist of:

1. Downloading the Command Center at the dispatch center
2. Creating an admin profile for the dispatcher
3. Showing how to view the status of the drone
4. Showing how to send extra commands to the drone (which will then be carried out by the VO)
5. Showing how to view the live stream
6. Showing how to refresh a buffering live stream
7. Showing how to report problems if they come across them at any point.

During this trial, a dedicated team of at least 2 Paladin Drones team members will always be available by phone and email during deployment times to answer any questions, fix potential problems, and listen to feedback.

MVPD OBLIGATIONS:

In order to have a successful trial of our service, Paladin Drones requests the following resources from Hunter's Creek and Memorial Villages Police Department:

1. Access to the back parking lot of Hunters Creek's City Hall to house the drone (circled in blue in the following image)



2. Access to an electric outlet close to the back parking lot (as circled above)
3. Ideally, access to one of the garage spaces, or the shed, to house the drone while not being deployed
4. Access to the Memorial Villages Police Department's CAD system to pull latitude and longitude information from 911 calls

Other Key Terms:

The 3 month long trial program will consist of 3 main parts:

1. Hardware:
 - a. Paladin Drones will provide the department with a Matrice 210 equipped with a thermal XT2 Camera, and a zoom Z30 camera if needed (or equivalent hardware)
 - b. The drone will be housed at Hunter Creek's City hall area, near the back shed.
2. Software:
 - a. Paladin Drones will interface with the local Computer Automated Dispatch (CAD) software to pull the latitude and longitude coordinates of every 911 call that the MVPD decides the drone should be deployed to.
 - b. For multiple simultaneous calls, the drone will visit each one in the order it was received and provide a live view of the scene.
 - c. Paladin Drones will not access or store any personal information about 911 calls other than their location and the type of response (police, fire, or ems) they prompted.
3. Deployment:
 - a. Paladin Drones will dispatch the Hardware using the Software to every 911 call that the MVPD decides the drone should be deployed to..
 - b. Dispatchers, police officers, firemen, and any other personnel authorized by Hunter's Creek will have access to the Live Stream from the drone. They will also be taught on how to use our software to view said stream using our viewing software on Android and iOS devices. These apps will also notify when a drone has been deployed through push notifications.
 - c. Dispatchers will have access to the Paladin Command Center software, which will notify them when a drone has been deployed, where it has been deployed to, the current status of the drone, and how to tell the drone to conduct additional maneuvers if needed.
 - d. In accordance with FAA laws, Paladin Drones will be providing a Visual Observer (VO) at all times the drone is flying and/or in the air (active operation).
 - e. This VO will be an FAA-certified pilot, and have manual override control of the drone to prevent malfunctions
 - f. The drone will be deployable for 40 hours a week during the trial, with an option to increase the hours to a near 24/7 service if needed
 - g. The following describes a potential deployment schedule:

- i. Mondays 9am – 5pm
- ii. Tuesdays 12pm – 8pm
- iii. Thursdays 10pm – 6am
- iv. Fridays 8pm – 4am
- v. Sundays 10am – 6pm