

CITY OF ELK GROVE CITY COUNCIL STAFF REPORT

AGENDA TITLE:	Consider a resolution dispensing with the formal request for proposal procedure pursuant to Elk Grove Municipal Code Section 3.42.188(B)(3) and authorizing the City Manager to execute an agreement with Aerodome, Inc. for the purchase of Aerodome's Drone Response System Program in an amount not to exceed \$2,142,307, or other such amount as may be directed by the City Council
MEETING DATE:	March 27, 2024
PREPARED BY:	Tamara Lopez, Management Analyst
DEPARTMENT HEAD:	Robert Davis, Chief of Police

RECOMMENDED ACTION:

Staff recommends that the City Council receive a presentation from staff and adopt a resolution dispensing with the formal request for proposal procedure pursuant to Elk Grove Municipal Code Section 3.42.188(B)(3) and authorizing the City Manager to execute an agreement with Aerodome, Inc. for the purchase of Aerodome, Inc.'s (Aerodome) Drone Response System Program in an amount not to exceed \$2,142,307.

BACKGROUND INFORMATION:

Drone as a First Responder (DFR) programs are used by law enforcement agencies nationwide to augment police field response to calls for service with real-time actionable video intelligence. A DFR program is comprised of prepositioned Unmanned Aerial Systems, also known as "drones," which are ready to launch and fly to locations of calls for service. The pilot is remotely positioned at the police department and controls flights with a visual observer. DFR programs provide safer, more efficient, and often faster responses to calls for service. Drones can launch and be onsite overhead at a call for service, typically before ground resources can arrive via vehicle.

DISCUSSION:

Elk Grove Police Department (EGPD) desires to develop a DFR program that seamlessly integrates with the technology currently in EGPD's Real-Time Information Center (RTIC). A DFR program will provide EGPD with real-time video intelligence for calls for service, which allows staff to locate, report, and follow suspects and vehicles involved in crimes occurring or just taking place. The intelligence can then be used to guide ground resources in their response at the location.

A DFR program will also allow EGPD to allocate resources even more efficiently. Drones can check the validity of a call for service and mitigate those calls in lieu of having officers respond if they are not truly needed.

Aerodome offers a Drone Response System Program – a cutting-edge DFR program – that bundles drones, docking stations, software, regulatory services, training, and warranties. The products offered in Aerodome's Drone Response System Program integrate seamlessly with one another and offer significant benefits that will allow for enhanced safety and efficiency in Elk Grove when used in conjunction with the existing technologies in the RTIC. Aerodome's Drone Response System Program includes the following:

- Drones and batteries
- Docking stations battery swap requiring only a five-minute downtime
- Software for remote piloting
- Flight logging and analytics providing comprehensive records
- Air Traffic Awareness Module to ensure safe flights
- Training on remote drone operation and safe flights
- Advanced detect and avoid radar to avoid in-air collisions

EGPD staff researched and tested DFR platforms provided by the following companies: CAPE Motorola, DroneSense Axon, Flock, and Aerodome. Staff found Aerodome's Drone Response System Program to be of superior quality and performance. Aerodome covers more miles per drone than its competitors at a lower cost per mile. Aerodome was also the only platform identified that integrates with EGPD's Computer Automated Dispatch, Mark43. Additional benefits identified by staff with the Aerodome platform are the drones' ability to fly at night, requiring only three locations for desired coverage, leased equipment, and battery swap, which provides limited downtime.

Elk Grove Municipal Code (EGMC) Section 3.42.188(B)(3) states the City Council may dispense with the formal request for proposal (RFP) procedure when, in the judgment of the City Council, compliance with the procedure is not in the best interest of the City. Based on the extensive research conducted, it is the opinion of staff that a formal RFP process is not in the best interest of the City, as it will not result in additional vendors able to provide the City with the desired capabilities of the products and services included in the Aerodome package, and the expenditures of time and money will not result in an outcome more advantageous to the City. Staff, therefore, recommends that the City Council dispense with the formal request for proposal procedure and authorize the execution of an agreement with Aerodome, Inc.

The agreement with Aerodome contains the following terms and provisions that vary from the City's typical contract provisions, which Staff has evaluated and found acceptable:

- In accordance with the terms of the agreement, the City will pay Aerodome a termination fee of \$309,763 if City elects to terminate the agreement at any time in year 1 and a termination fee of \$206,509 if City elects to terminate the agreement at any time in year 2.
- The agreement contains provisions that limit Aerodome's liability under the contract and warranty obligations.

The agreement also contains indemnification provisions creating obligations by both parties to indemnify the other. Aerodome's obligation to indemnify the City for certain claims and liability is limited resulting in a partial indemnification of potential claims, and includes a maximum liability, equal to the compensation payable under the contract, in the amount of approximately \$2.1 million to both parties.

ALTERNATIVE ACTIONS:

An alternative to entering into an agreement with Aerodome is to pursue a formal request for proposal process for a similar DFR program. Staff believes a formal process would not result in pricing or services that are more beneficial than those offered by Aerodome, nor would it result in additional vendors offering the cutting-edge solution desired by staff. Therefore, staff does not recommend this alternative.

FISCAL IMPACT:

The DFR program's first-year costs are included in the Fiscal Year 2023-24 Measure E budget. Funding for additional years will be included in subsequent budgets. The table below shows the proposed agreement's total costs.

Fiscal Year	Cost
FY 2023-24	\$ 458,396
FY 2024-25	\$ 593,813
FY 2025-26	\$ 726,732
FY 2026-27	\$ 363,366

ATTACHMENTS:

- 1. Resolution
- 2. Contract with Aerodome, Inc.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ELK GROVE DISPENSING WITH THE FORMAL REQUEST FOR PROPOSAL PROCEDURE PURSUANT TO EGMC 3.42.188(B)(3) AND AUTHORIZING THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH AERODOME, INC. FOR THE PURCHASE OF AERODOME'S DRONE RESPONSE SYSTEM PROGRAM IN AN AMOUNT NOT TO EXCEED \$2,142,307

WHEREAS, Drone as First Responder (DFR) programs are used by law enforcement agencies throughout the nation to augment police field response to calls for service with real-time actionable video intelligence; and

WHEREAS, DFR programs provide safer, more efficient, and often faster responses to calls; and

WHEREAS, Elk Grove Police Department (EGPD) desires to launch a DFR program that seamlessly integrates with the technology that currently exists in EGPD's Real-Time Information Center; and

WHEREAS, staff researched and tested multiple DFR programs and found Aerodome, Inc. (Aerodome) offers a cutting-edge DFR program, Aerodome's Drone Response System, that bundles drones, docking stations, software, regulatory services, training, and warranties; and

WHEREAS, the City desires to enter into an agreement with Aerodome for the purchase of Aerodrome's Drone Response System program; and

WHEREAS, pursuant to Elk Grove Municipal Code Section 3.42.188(B)(3), the City Council may dispense with the formal request for proposal procedure when, in the judgment of the City Council, compliance with the procedure is not in the best interest of the City and, for the reasons presented, the City Council finds that pursuit of the formal request for proposal procedure is not in the best interest of the City for the proposed contract.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Elk Grove hereby dispenses with the formal request for proposal procedure pursuant to EGMC 3.42.188(B)(3) and authorizes the City Manager to execute an agreement with Aerodome, Inc., in substantially the form presented, for the purchase of Aerodome's Drone Response System program in an amount not to exceed \$2,142,307.

PASSED AND ADOPTED by the City Council of the City of Elk Grove this 27th day of March 2024

BOBBIE SINGH-ALLEN, MAYOR of the CITY OF ELK GROVE

ATTEST:

APPROVED AS TO FORM:

JASON LINDGREN, CITY CLERK

JONATHAN P. HOBBS, CITY ATTORNEY

CITY OF ELK GROVE



AERODOME CONTRACT FOR EQUIPMENT, TRAINING, AND SUPPORT SERVICES

CONTRACT FOR SERVICES

THIS CONTRACT ("Agreement" or "Contract") is made on March 28, 2024, by and between City of Elk Grove, a municipal corporation (the "City" or "Customer") and Aerodome, Inc., a Delaware corporation registered with the California Secretary of State ("Aerodome"), collectively referred to as the "Parties."

WITNESSETH

WHEREAS, Aerodome has presented a proposal to provide services, which services are identified in the Scope of Work attached hereto and incorporated herein by this reference as <u>**Exhibit** A</u>, and by reason of its qualifications, experience, and facilities, is duly authorized to perform the type of services contemplated herein; and,

WHEREAS, City desires to hire Aerodome to perform the Scope of Work pursuant to the terms and conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual promises set forth herein, City and Aerodome agree to as follows:

1. SCOPE OF SERVICES

A. Lease of Equipment. Aerodome shall lease to Customer the unmanned systems and related equipment as stated in **Exhibit A**, which is attached hereto and incorporated herein by reference (the "**Equipment**"), at the price described in **Exhibit C**, which is attached hereto and incorporated herein by reference, and upon the terms and conditions set forth in this Agreement. Aerodome maintains ownership of all the Equipment. At the beginning of each Contract year, as specified in the Aerodome Proposal, the Customer will be provided with no less than 16 new, unused batteries per each drone station at no additional cost to Customer. Customer may purchase replacement Equipment (e.g., battery replacement prior to 500 cycles, hardware damaged due to Customer's error, etc.) at Aerodome's then current list price, which will be made available to Customer upon request.

B. <u>Licenses to Aerodome Software and Aerodome Website Portal</u>. Subject to the terms and conditions hereof and compliance therewith, Aerodome hereby grants to Customer, during the term of this Agreement, a limited, non-exclusive, revocable, non-sublicensable, and non-transferable license to use the Aerodome Software, solely as installed in the Equipment (in the number of copies equal to one per drone, as such number of drones is set forth in Aerodome Proposal, and as such Equipment is delivered to Customer in accordance with Section 2 above, solely on Customer's premises at the address of 8400 Laguna Palms Way, Elk Grove, CA, and solely for Customer's internal business purposes). Subject to the terms and conditions hereof and compliance therewith, Aerodome grants to Customer a limited, nonexclusive, revocable, non-transferable, non-sublicensable right during the Term to access and use the Aerodome Website Portal by means of login functionality located on the Aerodome Websites.

C. Defined Terms. Capitalized terms used in this Agreement have the meanings set forth in this Section, or as defined elsewhere in this Agreement.



1. "Authorized users" means any user of the Aerodome Products, Documentation, and/or Equipment with the explicit, implicit, or tacit authorization of Customer.

2. "Documentation" means any documents, information, directions, explanations, or material, concerning the equipment and/or the Aerodome products, produced by or for Aerodome, for the use of the equipment and/or Aerodome software, in whatever form, and including without limitation the specifications.

3. "Equipment" has the meaning set forth in section 1(A) of this Agreement.

"Aerodome Products" means the Aerodome software and the Aerodome website

portal.

5. "Aerodome Software" means the primary software licensed to allow users to interface with the drone, view the live stream, and send commands to the drone during active situations.

6. Unmanned Air Support as a Service Fees" has the meaning set forth in Exhibit C of this Agreement.

2. TERM OF CONTRACT

4.

A. This Contract shall be effective as of the date executed by the Parties and approved as to form by the City Attorney and shall terminate at 11:59 p.m. on March 28, 2027, unless earlier terminated pursuant to Section 11 of this Contract. Notwithstanding any other provision of this Contract, the City Manager shall be authorized to modify the Scope of Work and/or extend the termination date of this Contract (including, as necessary, modification of the Scope of Work and/or Schedule of Performance as to time of performance) by a writing signed by the City Manager and the Aerodome prior to the initial termination or any extended termination date.

3. SCHEDULE FOR PERFORMANCE

City and Aerodome agree that time is of the essence and Aerodome agrees that services shall be undertaken and completed in accordance with the schedule of performance (the "Schedule of Performance"), attached hereto and incorporated herein by reference as **Exhibit B**. Deviations from the time schedule stated in the Schedule of Performance may be made with the written approval of City Manager, or the City Manager's authorized representative. Aerodome's failure to complete work in accordance with the Schedule of Performance may result in delayed compensation as described in Section 4.



4. COMPENSATION

A. Aerodome shall be paid as set forth in <u>Exhibit C</u>, "Compensation and Method of Payment," attached hereto and incorporated herein by reference, for the actual fees, costs and expenses for the time and materials required and expended, and approved by City, but in no event shall total compensation under this Contract exceed Two Million One Hundred Forty-two Thousand Three Hundred Seven Dollars (**\$2,142,307.00**) without City's prior written approval. Said amount shall be paid upon submittal of an invoice showing completion of the tasks, including the services rendered, the costs incurred for materials, the person(s) rendering performed services, the amount of time spent by such person(s), and the applicable hourly rate.

B. If Aerodome's performance is not in conformity with the Scope of Work or Schedule of Performance, payments may be delayed or denied, unless otherwise agreed to by City in writing.

C. If the work is halted at the request of City, compensation shall be based upon the proportion that the work performed bears to the total work required by this Contract, subject to Section 11.

5. NOTICES

A. Aerodome shall transmit invoices and any notices to City, with copy (excepting invoices) to City Attorney, as follows:

City of Elk Grove	City of Elk Grove
Attn: Finance Department	Attn: City Attorney's Office
8401 Laguna Palms Way	8401 Laguna Palms Way
Elk Grove, California 95758	Elk Grove, California 95758

Aerodome shall serve the City notice in writing by certified mail prior to a change of address. The notice shall include the new address where notices and communications related to the Agreement may be sent, the point of contact for the Agreement, and include the point of contact's phone number and email address.

B. City shall transmit payments on invoiced amounts, and any notices required by this Contract to Aerodome as follows:

Rahul Sidhu CEO 56 Crosby St, NY, NY 10011



6. **PROFESSIONAL SERVICES**

Aerodome agrees that services shall be performed and completed in the manner and according to the professional standards observed by a competent practitioner of the profession in which Aerodome and its subcontractors or agents are engaged. Aerodome shall not, either during or after the term of this contract, make public any reports or articles, or disclose to any third party any information, confidential or otherwise, relative to the work of City or the operations or procedures of City without the prior written consent of City.

Aerodome further agrees that it shall not, during the term of this Contract, take any action that would affect its impartiality or professionalism due to City whether perceived or actual.

7. LOSS AND DAMAGE OF LEASED EQUIPMENT

Customer assumes and shall bear the entire risk of loss, damage to, theft or destruction of, all leased equipment, from any cause excepting normal wear and tear. LOSS OR DAMAGE TO THE EQUIPMENT, OR ANY PART OF IT, SHALL NOT RELIEVE CUSTOMER OF ANY OBLIGATION UNDER THIS LEASE AGREEMENT. Customer's obligations with respect to this Section shall commence upon delivery of the equipment.

Customer agrees to immediately notify Aerodome of any accident or event of loss or damage involving the equipment. The notification shall include any information as may be pertinent to Aerodome's investigation of such accident, loss, or damage, or which Customer may reasonably require.

8. USE RESTRICTION

A. Protection of Equipment. 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. Disclosure of such would cause Aerodome irreparable injury and damage. To ensure the protection of such information, Customer acknowledges that it is a reasonable precaution not to, and Customer agrees not to, open or disassemble or reverse engineer 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.

B. Use Restrictions. During the Term hereof, Customer shall not use the Equipment, Aerodome 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 Aerodome



Products and/or Documentation, in whole or in part; (ii) rent, lease, lend, sell, sublicense, assign, distribute, publish, transfer, or otherwise make available the Aerodome 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 Aerodome Products and/or Documentation, in whole or in part; (iv) reverse engineer, disassemble, or gain access to the interior components of the Aerodome Products and/or Documentation; (v) remove any proprietary notices from the Aerodome Products and/or Documentation; (vi) use the Aerodome 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 that violates any applicable law; or (vii) build a product or service that is competitive with Aerodome Products. Customer is responsible and liable for all uses of the Aerodome 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. Notwithstanding the foregoing, nothing herein limits the Customer's right and ability to use and disclose documentation as required by law, including, but not limited to, disclosures required under the California Public Records Act.

9. INDEPENDENT CONTRACTOR

It is understood and agreed that Aerodome (including Aerodome's employees) is an independent contractor, and that no relationship of employer-employee exists between the Parties hereto.

A. Aerodome's assigned personnel shall not be entitled to any benefits payable to employees of City.

B. City is not required to make any deductions or withholdings from the compensation payable to Aerodome under the provisions of the Contract and is not required to issue W-2 Forms for income and employment tax purposes for any of Aerodome's assigned personnel.

C. Aerodome, in the performance of its obligation hereunder, is only subject to the control or direction of City as to the designation of tasks to be performed and the results to be accomplished.

D. Any third-party person(s) employed by Aerodome shall be entirely and exclusively under the direction, supervision, and control of Aerodome.

E. Aerodome hereby indemnifies and holds City harmless from any and all claims that may be made against City based upon any contention by any third party that an employer-employee relationship exists by reason of this Contract.



10. AUTHORITY OF AERODOME

Aerodome shall possess no authority with respect to any City decision and no right to act on behalf of City in any capacity whatsoever as agent, or to bind City to any obligations whatsoever.

11. CONFLICT OF INTEREST

Aerodome certifies that it has disclosed to City any actual, apparent, or potential conflicts of interest that may exist relative to the services to be provided pursuant to this Contract. Aerodome agrees to advise City of any actual, apparent or potential conflicts of interest that may develop subsequent to the date of execution of this Contract. Aerodome further agrees to complete any statements of economic interest if required by either City ordinance or State law.

12. AMENDMENTS, CHANGES OR MODIFICATIONS

Amendments, changes or modifications in the terms of this Contract may be made at any time by mutual written Agreement between the Parties hereto and shall be signed by the persons authorized to bind the Parties.

13. TERMINATION

A. This Contract may be terminated by either party, provided that the terminating party gives not less than thirty (30) calendar days' written notice (delivered by certified mail, return receipt requested) of intent to terminate. Upon termination, City shall be entitled to all work, including but not limited to, reports, investigations, appraisals, inventories, studies, analyses, drawings and data estimates performed to that date, whether completed or not, and in accordance with Section 15, Property of City.

B. City may temporarily suspend this Contract, at no additional cost to City, provided that Aerodome is given written notice (delivered by certified mail, return receipt requested) of temporary suspension. If City gives such notice of temporary suspension, Aerodome shall immediately suspend its activities under this Contract. A temporary suspension may be issued concurrent with the notice of termination provided for in subsection A of this section.

C. Subject to the terms of this Contract, in the event of termination or otherwise, Aerodome shall not be relieved of liability to City for damages sustained by City by virtue of any breach of this Contract by Aerodome.

D. In the event of termination, Aerodome shall be compensated as provided for in this Contract.



E. Following any termination, expiration, or cancellation of this Agreement or the licenses granted herein: (i) immediately upon receipt of Aerodome's instructions, Customer will destroy or send to Aerodome (at Customer's expense) all copies of the Aerodome Software and the Documentation, excluding any Documentation Customer requires for its own business purposes, including, without limitation, this Agreement, the Proposal, and correspondence by and between Aerodome and Customer and Aerodome; (ii) Customer's rights to continue to use the Aerodome Products and Documentation shall immediately cease; (iii) all of Aerodome's obligations hereunder shall cease; (iv) all Equipment will be returned to Aerodome at the address provided at that time. As needed to accomplish the return and/or destruction of the Aerodome Software, Aerodome may, in its sole discretion and at Customer's expense, provide services to assist Customer.

14. FUNDING

Aerodome agrees and understands that renewal of this Contract in subsequent years is contingent upon action by City Council consistent with the appropriations limits of Article XIII B of the California Constitution and that the City Council may determine not to fund this Contract in subsequent years.

15. NOTICE TO PROCEED

Prior to commencing work under this Contract, Aerodome shall receive a written "Notice to Proceed" from City. A Notice to Proceed shall not be issued until all necessary bonds and insurances, to the extent applicable, have been received. City shall not be obligated to pay Aerodome for any services prior to issuance of the Notice to Proceed.

16. EXTENSIONS OF TIME

Aerodome may, for good cause, request extensions of time to perform the services required hereunder. Such extensions must be authorized in advance by City, in writing, and at City's sole discretion. Such extensions, if authorized, shall be incorporated in written amendments to this Contract or the attached Scope of Work in the manner provided in Section 10.

17. COMPLIANCE WITH LAW

Aerodome and City shall comply with all applicable laws, ordinances, and codes of federal, State and local governments, and shall commit no trespass on any public or private property in performing any of the work authorized by this Contract.



18. REPRESENTATIONS

A. Aerodome agrees and represents that it is qualified to properly provide the services set forth herein, in a manner which is consistent with the generally accepted standards of Aerodome's profession.

B. Aerodome agrees and represents that the work performed under this Contract shall be in accordance with applicable federal, State and local law.

C. Aerodome shall designate a project manager who at all times shall represent Aerodome before City on all matters relating to this Contract. The project manager shall continue in such capacity unless and until he or she is removed at the request of City, is no longer employed by Aerodome, or is replaced with the written approval of City, which approval shall not be unreasonably withheld.

D. Aerodome shall provide corrective services without charge to City for services which fail to meet the above professional and legal standards, and which are reported to Aerodome in writing within sixty (60) calendar days of discovery. Should Aerodome fail or refuse to perform promptly its obligations, City may render or undertake performance thereof and Aerodome shall be liable for any expenses thereby incurred.

19. LIMITED WARRANTY

For the full term of this Contract, including any contract extensions, Aerodome warrants that during the applicable Term ("Warranty Period"), the Equipment and Aerodome Products (including all modifications, updates, and upgrades thereto) obtained pursuant to such Aerodome Proposal, when installed, operated, and used as recommended in the Documentation (including the specifications) and in accordance with the terms of this Agreement will perform in accordance with (i) all Documentation, which describes, among other things, the normal operation of the Aerodome Products, and (ii) all manufacturers' specifications and warranties, which include the Equipment warranties for: (i) the drones provided by DJI, (ii) the battery swapping docking station provided by Hextronics, and (iii) the GroundAware 3D surveillance radar provided by Observations Without Limits. Aerodome shall repair and/or replace any Equipment and/or Aerodome Products that do not perform substantially in accordance with the Documentation, specifications and/or manufacturers' warranty. Such limited warranty set forth above shall only apply if Customer (i) notifies Aerodome 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 Aerodome, provided that Aerodome has provided written notice to Customer of the availability of the subject update, upgrades and/or maintenance release; 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 Aerodome Products in or with, any technology (including any software, hardware, firmware, system, or



network) or service not provided by Aerodome or specified for Customer's use in the Documentation, unless otherwise expressly permitted by Aerodome in writing; (ii) modification of the Equipment and Aerodome Products other than: (a) by Aerodome in connection with this Agreement; or (b) with Aerodome's express written authorization and in strict accordance with its written directions and specifications; (c) use of any version of the Equipment and/or Aerodome Products other than the most current version that is provided to Customer by Aerodome or failure to timely implement any modification, update, and/or replacement of such made available by Aerodome; (d) negligence, abuse, misapplication, or misuse of the Equipment and/or Aerodome Products or Documentation; (e) use of the Equipment, Aerodome 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 Aerodome's written instructions provided to Customer; (f) events or circumstances outside of Aerodome's commercially reasonable control; and/or (iii) Open source components or other third-party materials not provided by Aerodome.

20. DISCLAIMER

NO WARRANTY SHALL APPLY TO (I) DEFECTS, ERRORS, DAMAGES, OR LOSS RESULTING FROM CORRECTIONS, REPAIRS OR SERVICE NECESSITATED BY CUSTOMER'S OR USER'S SYSTEM, COMPUTERS, SERVERS, AND/OR OTHER EQUIPMENT OR ITS USE UNLESS SUCH CORRECTIONS, REPAIRS OR SERVICES ARE AGREED TO BE MADE BY AERODOME AT ITS COST IN WRITING; (II) ANY ACT OR OMISSION BY ANYONE OTHER THAN CUSTOMER UNLESS THE ACT OR OMISSION IS MADE BY A PERSON OR ENTITY AT THE REQUEST OR DIRECTION, IMPLIED OR EXPRESS, OF AERODOME; OR (III) MODIFICATIONS OF THE EQUIPMENT AND AERODOME PRODUCTS BY ANYONE OTHER THAN AERODOME UNLESS SUCH MODIFICATIONS ARE MADE WITH AERODOME'S CONSENT.

21. LIMITATION OF LIABILITY

EXCEPT FOR THE PARTIES' INDEMNIFICATION OBLIGATIONS, IN NO EVENT SHALL EITHER PARTY, NOR ITS DIRECTORS, EMPLOYEES, AGENTS, PARTNERS, SUPPLIERS OR CONTENT PROVIDERS, BE LIABLE UNDER CONTRACT, TORT, STRICT LIABILITY, NEGLIGENCE OR ANY OTHER LEGAL OR EQUITABLE THEORY WITH RESPECT TO THE SUBJECT MATTER OF THIS AGREEMENT (I) FOR ANY LOST PROFITS, DATA LOSS, COST OF PROCUREMENT OF SUBSTITUTE GOODS OR SERVICES, OR SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE, OR CONSEQUENTIAL DAMAGES OF ANY KIND WHATSOEVER, SUBSTITUTE GOODS OR SERVICES (HOWEVER ARISING), (II) FOR ANY BUGS, VIRUSES, TROJAN HORSES, OR THE LIKE (REGARDLESS OF THE SOURCE OF ORIGINATION), OR (III) FOR ANY DIRECT DAMAGES IN EXCESS OF (IN THE AGGREGATE) THE FEES PAID (OR PAYABLE) BY CUSTOMER TO AERODOME HEREUNDER IN THE



TWELVE (12) MONTHS PRIOR TO THE EVENT GIVING RISE TO A CLAIM HEREUNDER.

22. INTELLECTUAL PROPERTY

Customer acknowledges and agrees that Aerodome and its licensors and suppliers retain and own all rights, title, and interests in and to the following, and in and to all Intellectual Property Rights therein: (i) the Aerodome Website, Aerodome Products, Aerodome Software, Aerodome Website Portal, Aerodome 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 Aerodome in connection with any of the foregoing (but excluding content and/or data provided exclusively 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 Aerodome 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 Aerodome and its licensors, suppliers, vendors, and/or its third party vendors own all right, title, and interest in and to all Intellectual Property Rights. Customer grants Aerodome a nonexclusive license in and to any suggestions, enhancement requests, feedback, or recommendations ("Feedback") provided by Customers, Authorized Users, and/or all other Users relating to the Aerodome Products, Equipment, and Aerodome Services, without any limitations, restrictions, and/or requirement of compensation, except that Customer's name, identifying information shall remain confidential and may not be shared with third parties without the City's express written consent specific to the intended disclosure, and information deemed confidential as a matter of law shall not be disclosed to third parties. Feedback, even if designated as confidential by Customer, shall not create any confidentiality obligation for Aerodome unless the Feedback includes information or data that is confidential as a matter of law. Customer shall, and hereby does, grant to Aerodome a nonexclusive, worldwide, perpetual, irrevocable, transferable, sublicensable, royalty-free, fully paid up license to use and exploit the Feedback for any purpose subject to the limitations provided for herein. Nothing in this Agreement will impair Aerodome's right to develop, acquire, license, market, promote or distribute products, software or technologies that perform the same or similar functions as, or otherwise compete with any products, software or technologies that Customer may develop, produce, market, or distribute.

23. DATA

For purposes of this Agreement, "**Customer Data**" means any data, information or other material provided, uploaded, or submitted by Customer to Aerodome in the course of using the Aerodome Products. Customer shall retain all right, title and interest in and to the Customer Data,



including all intellectual property rights therein. Customer Data does not include data collected by Aerodome via hardware not expressly described as Equipment, including without limitation Aerodome's radar and radio frequency sensors. Such Aerodome data shall be Aerodome's Confidential Information. Customer, not Aerodome, shall have sole responsibility for the accuracy, quality, integrity, legality, reliability, appropriateness, and intellectual property ownership or right to use of all Customer Data. Aerodome shall use commercially reasonable efforts to maintain the security and integrity of the Customer Data, and such efforts shall be at least as secure as, and adhere to, the data security policies and standards set forth in the Criminal Justice Information Service (CJIS) Security Policy, as amended, prepared by the U.S. Federal Bureau of Investigation. Aerodome is not responsible to Customer for unauthorized access to Customer Data or the unauthorized use of the Aerodome Products caused by Customer's failure to securely maintain usernames, passwords and the Aerodome Products or otherwise due to Customer's acts or omissions. Customer is responsible for the use of the Aerodome Products by any person to whom Customer has given access to the Service, even if Customer did not authorize such use. Customer agrees and acknowledges that Customer Data may be irretrievably deleted if Customer's account is ninety (90) days or more delinquent, provided that Aerodome provides at least 30 days prior written notice to Customer of its intent to delete Customer Data.

Notwithstanding anything to the contrary, Customer acknowledges and agrees that Aerodome may (i) internally use and modify (but not disclose) Customer Data for the purposes of (A) providing the Aerodome Products to Customer and (B) generating Aggregated Anonymous Data (as defined below), and (ii) freely use and make available Aggregated Anonymous Data for Aerodome's business purposes (including without limitation, for purposes of improving, testing, operating, promoting and marketing Aerodome's products and services). "**Aggregated Anonymous Data**" means data submitted to, collected by, or generated by Aerodrome in connection with Customer's use of the Aerodome Products or any services hereunder, but only in aggregate, anonymized form which can in no way be linked specifically to Customer.

Such Aggregated Anonymous Data may specifically include but is not limited to flight logs and flight history, telemetry data and logs, fleet information including drone serial numbers and models, connected device information including radar data concerning the surrounding airspace. Aerodome may use photographs or videos solely for internal research and development purposes, unless Customer provides written authorization for other uses, such as demonstration or marketing, in each case subject to applicable laws.

Customer agrees that it will not share, sell, transfer, or make available any data generated by the Aerodome Products, including Aggregated Anonymous Data to which it may have access, to any third party without the prior express written consent of Aerodome unless the data is Customer Data and/or such action related to the data is required or authorized by law, including, but not limited to, disclosures made under the California Public Records Act.



24. APPROVAL OF STAFF MEMBERS

A. Aerodome shall make every reasonable effort to maintain the stability and continuity of Aerodome's staff assigned to perform the services required under this Contract. Aerodome shall notify City of any changes in Aerodome's staff to be assigned to perform the services required under this Contract and shall obtain the approval of the City Manager of a list of all proposed staff members who are to be assigned to perform services under this Contract prior to any such performance.

25. ASSIGNMENT AND SUBCONTRACTING

A. Except as expressly authorized herein, Aerodome's obligations under this Contract may only be assigned or transferred, and Aerodome shall not subcontract any work, without the prior written notice to City. However, claims for money due or which become due to Aerodome from City under this Contract may be assigned to a financial institution or to a trustee in bankruptcy, without such approval. Notice of any assignment or transfer whether voluntary or involuntary shall be furnished promptly to City.

B. Aerodome shall be as fully responsible to City for the negligent acts and omissions of its contractors and subcontractors, and of persons either directly or indirectly employed by them, in the same manner as persons directly employed by Aerodome.

Notwithstanding the foregoing or anything to the contrary in this Contract, Aerodome may assign this Contract and delegate is obligations hereunder in the case of its change of control, whether by merger, sale of its assets or equity, reorganization, operation of law or otherwise without City's consent, provided any successor in interest fully assumes all obligations and liability under this Contract and has the financial wherewithal and performance capabilities to fully assume the liabilities and other obligations required hereunder. Within 10 business days of the assignment, the successor entity must provide City with notice of the assignment and proof of insurance coverage as required.

26. MATERIALS CONFIDENTIAL

"Confidential Information" means any information in any form related to this Agreement, its execution, and its purposes disclosed by a party (the "**Discloser**"), or disclosed on behalf of such party by its affiliates or representatives, to the other party (the "**Recipient**"). This includes without limitation any trade secrets, technology, technical data, source code, object code, software, inventions, know-how, and information that Discloser considers and treats as confidential or proprietary, or that a reasonable person would believe is confidential or proprietary based on the nature of the information and the circumstances of disclosure. 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 Disclosure or a corporate officer of Discloser, including without limitation pursuant to the terms of this Agreement. Notwithstanding the foregoing, Confidential Information does not include information that is required to be disclosed as a matter of law, including, without limitation, information or records that are subject to disclosure under the California Public Records Act.

Recipient shall use Discloser's Confidential Information solely for the purposes of performing its obligations and exercising its rights under this Agreement (the "Purpose"). Except as explicitly 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, regardless of whether such third party is a partner, contractor, affiliate, or another party related to the Recipient. Recipient may only disclose the Confidential Information of Discloser to its representatives who need to know it to fulfill the Purpose and are bound by confidentiality obligations comparable to those set forth 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. Recipient will be liable for any breach of this Agreement by any such representative. Recipient will exercise the same degree of care toward the Confidential Information as Recipient exercises toward its own confidential information, but not less than reasonable care. 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, administrative agency, or other governmental body, provided that the disclosing party gives reasonable notice to the other party to contest such order or requirement. Recipient acknowledges and agrees 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, Recipient shall continue to protect the Confidential Information of Discloser indefinitely, as it relates to trade secrets contained in the Equipment and/or Aerodome Products.

27. LIABILITY OF AERODOME—NEGLIGENCE

Aerodome shall be responsible for performing the work under this Contract in a manner which is consistent with the generally-accepted standards of Aerodome's profession and shall be liable for its own negligence and the negligent acts of its employees, agents, contractors and subcontractors in accordance with the terms of this Contract. City shall have no right of control over the manner in which the work is to be done but only as to its outcome and shall not be charged with the responsibility of preventing risk to Aerodome or its employees, agents, contractors.



28. INDEMNITY AND LITIGATION COSTS

Each party ("Indemnitor") shall defend, indemnify, and hold harmless the other party, its affiliates and each of its and its affiliates' employees, contractors, directors, suppliers and representatives (collectively, the "Indemnitee") from all liabilities, claims, and expenses paid or payable to an unaffiliated third party (including reasonable attorneys' fees) ("Losses"), that arise from or relate to any third-party claim that (i) the Customer's use of the Aerodome Product (in the case of Customer as Indemnitor), provided such Losses are a result of operator error or the City's negligence or other misuse thereof; or (ii) the Aerodome Product (in the case of Aerodome as Indemnitor), infringes, violates, or misappropriates any third party intellectual property or proprietary right, or (iii) the Aerodome Product causes injury or any Losses due to a breach of the Limited Warranty in Section 19 (in the case of Aerodome as Indemnitor). Notwithstanding any other provision of this Contract, neither party's indemnity obligation or liability under this Section 28 shall exceed the total Contract value of two-million one hundred forty two-thousand three hundred seven dollars (\$2,142,307), as specified at Exhibit C. Each Indemnitor's indemnification obligations hereunder shall be conditioned upon the Indemnitee providing the Indemnitor with: (i) prompt written notice of any claim (provided that a failure to provide such notice shall only relieve the Indemnitor of its indemnity obligations if the Indemnitor is materially prejudiced by such failure); (ii) the option to assume sole control over the defense and settlement of any claim (provided that the Indemnitee may participate in such defense and settlement at its own expense); and (iii) reasonable information and assistance in connection with such defense and settlement (at the Indemnitor's expense). The foregoing obligations of Aerodome regarding Losses related to claims the Aerodome Product infringes, violates, or misappropriates any third party intellectual property or proprietary right, do not apply with respect to the Service or any information, technology, materials or data (or any portions or components of the foregoing) to the extent (i) not created or provided by Aerodome (including without limitation any Customer Data), (ii) made in whole or in part in accordance to Customer specifications, (iii) modified after delivery by Aerodome, (iv) combined with other products, processes or materials not provided by Aerodome (where the alleged Losses arise from or relate to such combination), (v) where Aerodome continues allegedly infringing activity after being notified thereof or after being informed of modifications that would have avoided the alleged infringement, or (vi) Customer's use of the Service is not strictly in accordance herewith.

In the event of Equipment failure or an accident due to an act of nature or other circumstances beyond the control of either party (including but not limited to bird strikes), each party shall bear its own costs and losses, and neither party shall be obliged to indemnify the other.



29. EVIDENCE OF INSURANCE COVERAGE

Prior to commencement of any work under this Contract, Aerodome shall provide and maintain in effect during the term of this Contract evidence of insurance coverage as set forth in **Exhibit D**, attached hereto and incorporated herein by reference. These insurance requirements are summarized as follows:

ТҮРЕ	SINGLE LIMIT / OCCURRENCE	AGGREGATE	ENDORSEMENTS** *
General Liability	\$1,000,000	\$2,000,000	Additional Insured Waiver of Subrogation Primary Non- Contributory
Work Comp Employer's Liability	Statutory \$1,000,000 each		Waiver of Subrogation

***Must be <u>actual</u> endorsements. Typed statements on Certificates of Liability are <u>unacceptable</u>.

This is a summary only. Please refer to the insurance section and/or exhibit of this contract for specific requirements.

Furthermore, Aerodome shall certify its compliance with Labor Code Section 3700 in the form attached hereto and incorporated by reference, as $\underline{Exhibit E}$.

30. EVIDENCE OF INSURANCE COMPLIANCE

Aerodome or its insurance broker shall deliver the required proof of insurance compliance, consisting of Insurance Services Office (ISO) endorsement forms or their equivalent <u>and</u> the ACORD form 25-S certificate of insurance (or its equivalent), evidencing all required coverage to City. City may designate an insurance certificate processor ("Processor") to accept and process Aerodome's proof of insurance. Aerodome shall deliver copies of the actual insurance policies, renewals, or replacements directly to City or Processor upon their request.

31. EMPLOYMENT PRACTICES

Aerodome, by execution of this Contract, certifies that it does not discriminate against any person upon the basis of race, color, creed, national origin, age, sex, disability or marital status in its employment practices.



32. UNAUTHORIZED ALIENS

Aerodome hereby promises and agrees to comply with all of the provisions of the federal immigration and nationality act (8 U.S.C.A. § 1101 et seq.), as amended; and in connection therewith, shall not employ unauthorized aliens as defined therein. Should Aerodome so employ such unauthorized aliens for the performance of work and/or services covered by this Contract, and should the federal government impose sanctions against City for such use of unauthorized aliens, Aerodome hereby agrees to, and shall, reimburse City for the cost of all such sanctions imposed, together with any and all costs, including attorneys' fees, incurred by City in connection therewith.

33. LICENSES, PERMITS, AND OTHER APPROVALS

Aerodome represents and warrants to City that it has all licenses, permits, qualifications and approvals of whatsoever nature legally required for Aerodome to practice its profession and perform the work described herein. Aerodome represents and warrants to City that Aerodome shall, at its sole cost and expense, obtain and/or keep in effect at all times during the term of this Contract any licenses, permits, and approvals which are legally required for Aerodome to practice its profession at the time the services are performed.

34. RECORDS AND INSPECTION

Aerodome shall maintain records, books, documents and other evidence directly pertinent to the performance of work under this Contract in accordance with generally accepted accounting principles and practices. City shall have the right to access and examine such records, without charge, during normal business hours at times and dates as mutually agreed, and not more than once during the Term unless there is an event of breach by Aerodome, in which case the City shall be entitled to exercise the foregoing right one time after such breach. All audits herein shall be subject to non-disclosure obligations reasonably acceptable to Aerodome, and such audits shall be limited solely to records directly related to this Contract and not to any other Aerodome client, vendor, partner, or other person or entity. The City's right hereunder shall further be limited and tailored to only that information reasonably necessary to confirm the identified performance . Notwithstanding the foregoing, nothing herein shall limit the City's rights to discovery as provided by law.

35. MISCELLANEOUS PROVISIONS

A. <u>Attorneys' Fees</u>: In the event an action or proceeding is instituted by either party for the breach or enforcement of any provision of this Contract, the prevailing party shall be entitled to reasonable attorneys' fees and all litigation expenses, including, but not limited to expert's fees and disbursements.

B. <u>Venue</u>: This Contract shall be deemed to be made in, and the rights and liabilities of the Parties, and the interpretation and construction of the Contract governed by and construed in accordance



with the laws of the State of California. Any legal action arising out of this Contract shall be filed in and adjudicated by a court of competent jurisdiction in the County of Sacramento, State of California.

C. <u>Enforceability</u>: If any term or provision of this Contract is found to be void, voidable, invalid or unenforceable by a court of competent jurisdiction under the laws of the State of California, any and all of the remaining terms and provisions of this Contract shall remain binding.

D. <u>Time</u>: All times stated herein or in any other Contract Documents are of the essence.

E. <u>Binding</u>: This Contract shall bind and inure to the heirs, devisees, assignees and successors in interest of Aerodome and to the successors in interest of City in the same manner as if such parties had been expressly named herein.

F. <u>Survivorship</u>: Any responsibility of Aerodome for warranties, insurance, indemnity, record-keeping or compliance with laws with respect to this Contract shall not be invalidated due to the expiration, termination or cancellation of this Contract.

G. <u>Construction and Interpretation</u>: Aerodome and City agree and acknowledge that the provisions of this Contract have been arrived at through negotiation and that each party has had a full and fair opportunity to revise the provisions of this Contract and to have such provisions reviewed by legal counsel. Therefore, any ambiguities in construing or interpreting this Contract shall not be resolved against the drafting party. The titles of the various sections are merely informational and shall not be construed as a substantive portion of this Contract.

H. <u>Waiver</u>: The waiver at any time by any party of any of its rights with respect to a default or other matter arising in connection with this Contract shall not be deemed a waiver with respect to any subsequent default or other matter.

I. <u>Severability</u>: The invalidity, illegality or unenforceability, of any provision of this Contract shall not render the other provisions invalid, illegal or unenforceable.

J. <u>No Third-Party Beneficiary</u>: It is expressly understood and agreed that the enforcement of these terms and conditions shall be reserved to City and Aerodome. Nothing contained in the Agreement shall give or allow any claim or right of action whatsoever by any third party. It is the express intent of City and Aerodome that any such person or entity, other than City or Aerodome, receiving benefits or services under this Agreement shall be deemed as incidental beneficiary.

K. <u>Non-Discrimination/Non-Preferential Treatment Statement</u>: In performing this Contract, the parties shall not discriminate or grant preferential treatment on the basis of race, sex, color, age, religion, sexual orientation, disability, ethnicity, or national origin, and shall comply to the fullest extent allowed by law, with all applicable local, state, and federal laws relating to nondiscrimination.



L. <u>Authority to Execute</u>: The person or persons executing this Contract on behalf of Aerodome warrant and represent that they have the authority to execute this Contract on behalf of their agency and further warrant and represent that they have the authority to bind Aerodome to the performance of its obligations hereunder.

M. <u>Dispute Resolution</u>: Prior to either party commencing any legal action under this Contract, the parties agree to try in good faith, to settle any dispute amicably between them. If a dispute has not been settled after forty-five (45) days of good-faith negotiations and as may be otherwise provided herein, then either party may pursue available legal and equitable remedies against the other.

N. <u>Force Majeure</u>: Neither party shall be in default by reason of any failure in the performance of this Contract if such failure arises out of causes beyond its reasonable control. Such causes may include, but are not limited to, acts of God, acts of the public enemy, acts of government in either its sovereign or contractual capacity, acts of the party whose performance is not sought to be excused, fires, flood, weather, epidemics, quarantine restrictions, strikes, freight embargoes, failure of transmission or power supply, mechanical difficulties with equipment which could not have been reasonably forecasted or provided for, or other causes beyond its sole control. The party so affected will resume performance as soon as practicable after the force majeure event terminates.

36. ENTIRE AGREEMENT

This instrument and any attachments hereto constitute the entire Contract between City and Aerodome concerning the subject matter hereof and supersedes any and all prior oral and written communications between the Parties regarding the subject matter hereof.

Signature Page Follows



AGREED to this <u>28</u> day of <u>March</u>	, 2024, by the Parties as follows:
	AERODOME, INC. DocuSigned by: Brith Kanda 3333D6484591497 Name: Brett Kanda Title: SVP, Business Development
Approved as to form:	CITY OF ELK GROVE
By: Jonathan P. Hobbs, City Attorney	By: Jason Behrmann, City Manager
Attest to:	
By: Jason Lindgren, City Clerk	

Dated:



EXHIBIT A

Scope of Work

- 1. Aerodome shall provide the Elk Grove Police Department (EGPD) with Aerodome's Drone Response System Program, a hardware, software, and training solution as further set forth in Aerodome's Proposal which is attached hereto and incorporated herein by reference as Attachment 1 to Exhibit A. In the event of a conflict between the terms of this Contract and the Aerodome Proposal, the terms of this Contract shall control.
- 2. Aerodrome shall provide the training detailed below. Aerodome makes no warranties regarding the efficacy of the trainings.

a. AIRWORTHINESS TRAINING

Aerodome will make commercially reasonable efforts to provide training for the Customer to maintain the airworthiness of its drones, including compliance-related trainings.

Customer shall be 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. After completion of training, Customer shall be responsible for maintaining the airworthiness of drones and ensuring operations are in line with all applicable laws and regulations.

The training will be conducted via both online and in-person methods, as agreed upon by both parties. The frequency and duration of training will be mutually decided and scheduled to the convenience of the Customer.

b. FLIGHT TRAINING

Aerodome will provide FAA "Beyond Visual Line of Sight" ("BVLOS") waivers and train Customer on compliance matters related to such waivers. Aerodome will start with one deployment location at a time, and work their way up to the agreed upon number of deployment locations for all UAS. As part of the BVLOS process, Aerodome will provide training materials to the Customer to certify all employees of the Customer's choosing as Visual Observers (VOs) to help aid in BVLOS operations.



Aerodome will provide training to officers on how to download Aerodome Software and use it. This will consist of:

- 1. Showing how to access Aerodome 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

The training will be conducted via both online and in-person methods, as agreed upon by both parties. The frequency and duration of training will be mutually decided and scheduled to the convenience of the Customer.

c. EQUIPMENT TRAINING

There will also be 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 Aerodome Software
- 3. Teaching how to fly the drone manually using the remote controller

The training will be conducted via both online and in-person methods, as agreed upon by both parties. The frequency and duration of training will be mutually decided and scheduled to the convenience of the Customer.

3. DEPLOYMENT SUPPORT

Aerodome will teach Customer how to dispatch the Hardware using the Software for 911 calls.

Only personnel authorized by Customer may have access to the Live Stream from the drone. They will also be taught on how to use Aerodome's software to view said stream on any internet-connected device.

Authorized personnel may have access to the Aerodome Software, which can convey the current 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 will 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.

Aerodome will assist in drafting a Standard Operating Procedure (SOP) as well as department policies regarding access, deployments, privacy, and community engagement.

Aerodome will ensure correct implementation of each Aerodome station and its included equipment which may or may not include the aircraft, on-prem servers, charging dock installations, radars, and more.

4. SPECIFICATIONS

Customer must abide by the following standards:

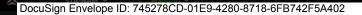
Operational:

- a. Per FAA regulations, and without the necessary waiver, a minimum of one pilot is required to operate each drone
- b. Work with Aerodome to get BVLOS waivers for the city to fully use Aerodome's product and services.
- c. Train members of the city to be VOs so that the Customer can have FAA-compliant and safe BVLOS operations (Aerodome will provide training material if needed).
- d. If Customer wants to connect Aerodome's software to their Computer Aided Dispatch (CAD) system, Customer will provide access to said CAD system at no cost to Aerodome to location information and other pertinent information about calls-for-service as they are placed.
- e. Aerodome will provide their Aerodome software interface to command the Equipment, and allow authorized users for controls.
- f. Customer must independently access and store any personal information about calls-forservices other than their location and the type of response (police, fire, or EMS) they prompted.

Customer shall be responsible to integrate with CAD software to pull location information and call type information of every call-for-service that the Customer decides the drone should be deployed to, so long as there are no monetary charges to Aerodome for said integration.



> ATTACHMENT 1 TO EXHIBIT A AERODOME PROPOSAL (ATTACHED)



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©

AERODOME

12/19/2023

ELK GROVE POLICE DEPARTMENT

The future of air support is here.

Presented to

Jamie Hudson jhudson@elkgrovepd.org Lt. Nate Lange nlange@elkgrovepd.org **Presented by**

Tyler Roberts Business Development Manager *tyler*@aerodome.com

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TEAM

Contact Information



Rahul Sidhu Chief Executive Officer rahul@aerodome.com



Kenaniah Cerny Chief Architect kenaniah@aerodome.com



Brett Kanda SVP, Business Development brett@aerodome.com



Tyler Roberts Business Development Manager tyler@aerodome.com



ABOUT Executive Summary



Public safety agencies across the world are facing significant challenges in recruiting and staffing sworn officers, resulting in increased pressure on current assets in the field. As a consequence, response times to an ever-increasing call volume are getting longer, and calls are piling up in the CAD queues.

In response to these issues, Aerodome proposes an automated drone response system to calls for service within minutes. This revolutionary approach includes an airborne, movable camera that can swiftly adapt to a plethora of rapidly changing situations. It's designed to provide a rapid response to priority 1 calls for service and offer situational awareness to first responders before they arrive on the scene. Moreover, our automated UAS response platform can deploy to priority 2 and priority 3 calls, efficiently assessing the situational awareness provides the means to deconflict calls, allocate or redirect resources effectively, and even clear calls, allowing officers to prioritize higher-priority tasks and respond more effectively to critical situations.

Aerodome delivers a turn-key solution encompassing all necessary software, hardware, regulatory services, and training required to start an advanced DFR program from scratch.



MISSION AND VISION



Mission

Aerodome's mission is to empower public safety agencies with advanced Drone-as-a-First-Responder capabilities, helping to reduce operational burdens, enhance community safety, officer safety, and emergency call outcomes.



Vision

Our vision is to usher in a new era of public safety air support through an end-to-end, fully remote, fully automated, multi-station, multi-drone drone-as-first responder platform.



SUCCESS METRICS

The agency has identified the top three success metrics as important for the launch.

The Aerodome solution aims to revolutionize the agency's capabilities by enabling remote deployment and operation of aircraft, allowing them to arrive on the scene before first responders. This strategic approach will provide more frequent drone overwatch and enhanced situational awareness for highpriority calls. Additionally, it will enable the drone to efficiently clear lower-priority calls, allowing officers on the ground to focus on handling more critical incidents. With Aerodome, public safety agencies can optimize resource allocation and enhance overall emergency response efficiency.

Increased Calls for Service Cleared by UAS



Metric: Clear as many calls as possible without a patrol response required.

Improve Response Times



Provide average drone response times within the operational area of 3 minutes or less.

Suspect Apprehension



Locate and assist in the apprehension of more suspects who would have otherwise avoided detention.



PROGRAM IMPLEMENTATION PLAN

The Aerodome solution is a comprehensive, all-in-one contract program encompassing the supply of the hardware, software, and a full range of essential services.

All of the following elements of the program are included in the Aerodome solution. A more detailed description of each item is on the subsequent pages.

Hardware

All of the drones, payloads, and auxiliary equipment.

Software

The ability to tele-operate the aircraft, stream the feed, and integrate with the existing tech stack for optimal workflows.

Advanced Air Traffic Awareness

The Aerodome Air Traffic Awareness module fuses multiple sensor feeds to be the digital replacement for the visual observer and gives the RPIC 360 degree situational awareness of localized airspace.

Services

FAA COA and BVLOS Waiver Acquisition SOP and Policy Consulting Training Integrations Community Engagement Consulting



Hardware

DJI M350 w/ H20 Series Payload

Each Aerodome DFR Station offers an all-in-one yearly subscription, providing a comprehensive package that includes a DJI M350 quadcopter with an H20N payload—the optimal quadcopter configuration for DFR. Additionally, we supply 8 TB65 batteries and a BS65 charging case, ensuring ample batteries for uninterrupted DFR operations.



Specs

DJI M350 H20N Configuration	Details	
Range	~ 3 NM	
Flight Time	~ 35 - 40 Minutes	
Zoom	20x Optical, 128x Digital	
Thermal	640 x 512, 2x and 8x Optical Zooms	
Night Vision Capabilities	Clearly visible at night	

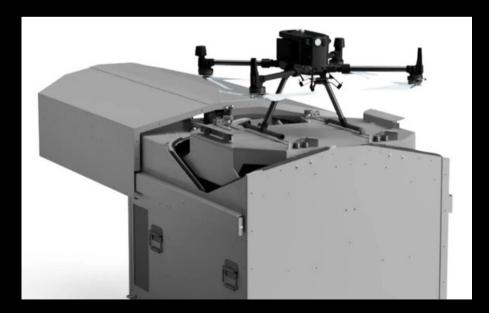


Hardware

Docking Station

This system is the most cutting-edge DFR solution available, offering drone response capabilities that are unparalleled in the public safety world. The dock only requires a 5-minute downtime, as compared to traditional touchcharging systems which require 60-90 minutes of downtime for a full charge. The dock, outfitted with an HVAC, is able to withstand a wide range of temperatures. Utilizing a robotic arm, the dock can hotswap batteries in minutes ensuring a fast turnaround time and potimal battery health.







Software

The Aerodome software platform is an all-in-one operating system that revolutionizes drone deployment and management for emergency response. Through our next-generation software, the drone pilot can remotely control the drone from any location, while the drone itself is housed at an Aerodome station, strategically positioned for rapid response across the city. Our software facilitates an automated drone deployment and provides full flight control and comprehensive flight logging to ensure safe and seamless operations during emergency missions.

Rapid Deployment and Flight Controls

The Aerodome software enables centralized drone control, selecting the most suitable drone for each emergency scenario. Integration with the agency's Computer-Aided Dispatch (CAD) system streamlines response time and enhances emergency coordination. Upon receiving an emergency call, the pilot effortlessly initiates the drone's launch, providing real-time situational awareness before first responders arrive. With an intuitive keyboard and mouse interface, the pilot gains full control of the drone on-site, ensuring precise maneuvering to accomplish mission objectives with ease.

Results Oriented Flight Logging and Analytics

The Aerodome platform automatically logs critical flight data after each mission, providing comprehensive records for post-mission analysis and compliance reporting. Additionally, it offers actionable analytics through comprehensive reports, allowing agency's to review response times, call types flown, and the impact of drone assistance, facilitating datadriven decision-making and process optimization.



Advanced Air Traffic Awareness

Each Aerodome station will use the latest in detect-and-avoid technology, which serves to provide remote pilots with information on all aircraft in the area, with an emphasis on manned aircraft such as helicopters and small airplanes up to 4 miles in any direction. This yields tremendous advantages for the program, namely, that it eliminates the need for the PIC to be on the rooftop and for visual observers to be actively monitoring the airspace.







Flying Lion RPIC Program

Aerodome's Air Traffic Awareness Module (ATA) integrates a 3D radar capable of a 4-mile detection radius in any direction into its software. This allows rPICs to deconflict with any aircraft in the vicinity and ensures safe BVLOS flights. Until the FAA approves the department's use of the ATA module, Aerodome will provide staffed rPICs at the selected locations to swap batteries and scan airspace. Once the FAA approves the use of the ATA module at the selected locations, the rPICs will be removed from the rooftop and replaced by the Atlas 350 battery swapping station. This transition leads to a fully remote BVLOS DFR operation. All these provisions are included under the same annual contract, as per the terms provided below.



Services

Our team provides a comprehensive setup process that covers essential services, from acquiring FAA waivers to crafting robust SOPs and policies. Our integrations with your existing systems ensure smooth data sharing, while our training equips your personnel with the necessary skills for efficient DFR operations. We can provide goal-oriented program analytics to offer valuable insights in the early stages of deployments and beyond to ensure a well-rounded and effective program.

Aviation Regulatory Work and Safety Plan

Aerodome provides expert assistance in analyzing the airspace and providing a plan to mitigate the risks of flying BVLOS, enabling remote drone operations from real-time crime centers. Our dedicated team handles all paperwork and submissions on your behalf, ensuring a smooth process. With a track record of eighteen successful FAA BVLOS waivers, we are confident in our ability to mitigate risk.

SOP and Policy Consulting

Our Co-Founder and CEO's experience in starting the second-ever DFR program in the country for the Redondo Beach Police Department underscores our expertise. We prioritize proper SOP and Policy creation, working closely with your agency to ensure compliance and protect citizen privacy. Emphasizing guidelines such as drone use only for call responses and horizon-pointed gimbals during travel.

Training

Aerodome provides comprehensive DFR training, covering remote drone operation, safe flight procedures, data management best practices, and effective deployment strategies for different emergency scenarios.

Integrations with Exisitng Technology

Aerodome collaborates closely with the agency to assess optimal workflows, and essential integrations. Examples include VMS systems, CADs, and chain of evidence compliance.

Community Engagement

Aerodome works with the agency to engage the community effectively. We help inform the community about the new DFR program, its goals, benefits, and policies. Our approach prioritizes transparency and aims to inspire trust and cooperation for a successful program launch.

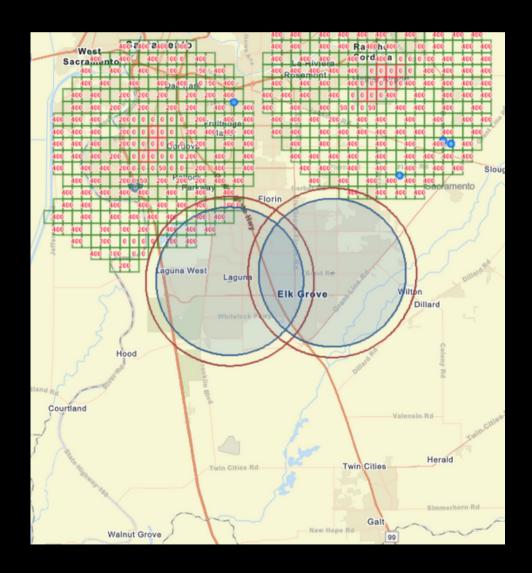


PROGRAM LAYOUT

The following is a suggested deployment location for the initial Aerodome station. The location has been selected based on airspace analysis and feedback from the department on call volume and ease of access to the hardware.

Launch Location (3.5 NM Radius):

Cosumnes Fire Station 74: 6501 Laguna Park Dr, Elk Grove, CA 95758 Cosumnes Fire Station 73: 9607 Bond Rd, Elk Grove, CA 95624





PROPOSED PROGRAM TIMELINE

The proposed timeline begins on the date of our first kickoff call, which will be scheduled upon reaching a mutual agreement to work together. Depending on the agencies primary needs, priorities can be shifted and timelines are flexible.

	 Equipment ordered for the agency A definitive roadmap is established for integrations CAD, RTCC VMS SOP development begins Logistical launch and operational deployment plan begins
	 Drone arrives Flying Lion Pilots are onboarded Training and deployment In-person software training In-person implementation In-person completion and QA of program setup and operational integrity
Week 8 🔹 •	Radar arrives and initial data collection begins for FAA waiver submission.
Week 13	 Radar data collection is complete and waiver is submitted Radar arrives and initial data collection begins
Waiver pproved	Thorough onsite QA



PROGRAM PRICING

Annual Price Based On A Three Year Contract

Our all-in-one contract includes hardware leasing, cutting-edge software, comprehensive training, and ongoing support, ensuring your department has everything needed for efficient emergency response operations. As the industry evolves, our yearly model lets you access next-generation equipment with predictable annual costs.

Item and Description	Quantity	Total
Aerodome DFR Station DJI M350, H20N, 16 TB65 Batteries, Hextronics Atlas 350 Battery Swapping DFR Docking Station, DFR Software, 3D Radar (x2), Aerodome Services	(2) Radar Package (3) Drone + Drone Dock Package	\$764,981

Notes:

- The annual pricing, based on a three-year contract, includes complimentary hardware upgrades (such as drones, docks, and sensors) as new hardware is integrated into the platform.
- The first invoice will be issued immediately upon successful deployment, with subsequent invoices sent at the 6, 18, and 30-month marks.
- Customer has the right to terminate the remainder of the contract without penalty, at or after the 12-month mark, if their "Beyond Visual Line of Sight (BVLOS) without Visual Observers (VOs)" waiver has not yet been approved by the FAA.
- Otherwise, a cancellation penalty will be charged if the contract is terminated at the end of year 1 or
 - 2
 - Year 1: \$309,763
 - Year 2: \$206,509
- This contract also includes RPIC services for 40 hours a week, supported by Flying Lion LLC
- Once a "Beyond Visual Line of Sight (BVLOS) without Visual Observers (VOs)" waiver is obtained by the FAA, Flying Lion pilots will be removed. A docking station will be installed, prior to waiver approval, under the same contract at the previously stated annual price for the remainder of the contract term.





EXHIBIT B

Schedule of Performance

Aerodome shall perform all work under this Contract according to the timeline listed in Aerodome's Proposal, Attachment 1 to Exhibit A. Thereafter, during the remaining term of the Contract, including any optional extension periods, Aerodome shall perform all work as required under this Contract; if no specific time frame is stated herein, Aerodome shall perform work in a reasonably diligent manner on a time schedule that meets the City's needs.



EXHIBIT C

Compensation and Method of Payment

- 1. <u>Unmanned Air Support as a Service Price</u>. The Aerodome Proposal, which is attached to Exhibit A as Attachment 1, and is herein incorporated by reference, dictates the equipment, software, personnel, and services and the entire services corresponding fee. City shall pay the Unmanned Air Support as a Service Price by wire transfer or check in immediately available \$USD funds using the wire transfer instructions provided by Aerodome on the Aerodome Proposal.
- 2. <u>Payment Terms</u>. Except as expressly set forth in this Agreement, the prices and fees set forth herein are non-refundable and non-cancelable, and Aerodome reserves the right to charge interest on such prices and fees and other amounts due or payable hereunder that are not paid within forty five (45) days of the earlier of when they were due or payable, or when they were invoiced, at a rate of ten percent (10%) per annum, or the highest rate permitted by applicable law, whichever is less, plus all expenses of collection. City shall reimburse Aerodome for all costs incurred in collecting any late payments, including, without limitation, reasonable attorneys' fees.
- 3. <u>Taxes</u>. Customer shall be responsible for all such charges, costs, and taxes related to the purchase of Equipment and Services hereunder, provided that Customer shall not be responsible for any taxes imposed on, or with respect to, Aerodome's income, revenues, gross receipts, personnel, or real or personal property or other assets.
- 4. For the Services to be performed and the Equipment provided under this Contract, Aerodome shall be compensated at the prices set forth below:

Product	Price
Year 1 – Aerdome Drone Response System Program	\$688,843.00*
Year 2 - Aerodome Drone Response System Program	\$726,732.00**
Year 3 – Aerodome Drone Response System Program	\$726,732.00**

*Price reflects a 10% discount off pricing listed on Aerodome's Proposal.

**Price reflects a 5% discount off pricing listed on Aerodome's Proposal.

The prices listed above are inclusive of all Services, training, Equipment, and all other items to



be provided by Aerodome under this Contact.

5. Aerodome shall be paid in the following months in the amounts listed below, subject to City's receipt of an undisputed invoice.

Date of Payment	Amount of Payment
April 2024	\$458,396.00
October 2024	\$230,447.00
April 2025	\$363,366.00
October 2025	\$363,366.00
April 2026	\$363,366.00
October 2026	\$363,366.00
	Total: \$2,142,307.00

In the event the Contract is terminated before its expiration date, as set forth in Section 13 (Termination) of this Contract, then the City shall be responsible for all applicable Termination Fees set forth below.

Customer has the right to terminate the remainder of the contract without Termination Fees, at or after the 12-month mark, if their "Beyond Visual Line of Sight (BVLOS) without Visual Observers (VOs)" waiver has not yet been approved by the FAA. Otherwise, a Termination Fee will be charged if the Contract is terminated in year 1 or 2 as follows:

Year 1: If the Contract is terminated by the Customer at any time during Year 1, the Termination Fee from Customer to Aerodome shall be \$309,763.

Year 2: If the Contract is terminated by Customer at any time during Year 2, the Termination Fee from Customer to Aerodome shall be \$206,509.

Year 3: There shall be no Termination Fee due from Customer to Aerodome if the Contract is terminated by Customer in or after Year 3.



Any Termination Fee due hereunder, if any, shall be due and payable within sixty (60) days of Customer's written notice of termination of termination of the Contract to Aerodome.

This contract also includes RPIC services for 40 hours a week, supported by Flying Lion LLC.

Once a "Beyond Visual Line of Sight (BVLOS) without Visual Observers (VOs)" waiver is obtained by the FAA, Flying Lion pilots will be removed. A docking station will be installed, prior to waiver approval, under the same contract at the previously stated annual price for the remainder of the contract term.



EXHIBIT D

Insurance Requirements

Prior to commencement of any work under this Contract, Consultant shall provide to the City proof of, and maintain in full force and effect at all times during the term of the Contract, at its sole cost and expense, policies of insurance as set forth herein. Consultant shall comply with all reporting and other provisions of the policies of insurance as set forth herein including, but not limited to, timely reporting of claims and suits. Further, should Consultant maintain any programs of self-insurance, Consultant shall comply with the applicable fulfillment of any self-insured retentions.

General Liability:

- Comprehensive general liability insurance including, but not limited to, protection for claims of bodily injury and property damage liability.
- Coverage shall be at least as broad as Insurance Services Office Commercial General Liability coverage form CG 0001 (occurrence).
- Claims-made coverage is not acceptable.
- The limits of liability shall not be less than:

Each occurrence:

One Million Dollars (\$1,000,000)

Products & Completed Operations: One Million Dollars (\$1,000,000)

Aggregate:

Two Million Dollars (\$2,000,000)

- The City, its officials, employees, agents and authorized volunteers shall be covered and specifically named as additional insured as respects liability arising out of activities performed by or on behalf of Consultant, products and completed operations of Consultant, premises owned, occupied, or used by Consultant, or automobiles leased, hired, or borrowed by Consultant on a separate endorsement acceptable to the City.
- The insurer shall agree to waive all rights of subrogation against the City, its officials, employees, agents, and authorized volunteers for losses arising from work performed by Consultant.



- The policy shall contain no special limitations on the scope of coverage afforded specifically to the City, its officials, employees, agents, or authorized volunteers.
- Provision or endorsement stating that for any claims related to this contract, Consultant's insurance coverage shall be primary insurance as respects the City, its officials, employees, agents, and authorized volunteers to the extent the City is an additional insured. Any insurance or self-insurance maintained by the City, its officials, employees, agents, or authorized volunteers shall be in excess of Consultant's insurance and shall not contribute with it, to the payment or satisfaction of any defense expenses, loss or judgment.

Worker's Compensation:

- Worker's Compensation Insurance, with coverage as required by the State of California (unless Consultant is a qualified self-insurer with the State of California or is not required by California law to carry workers' compensation coverage), and Employers Liability coverage. Consultant shall execute a certificate in compliance with Labor Code Section 1861, on the form provided in Exhibit E.
- Employer's Liability Coverage shall not be less than the statutory requirements.
- If an injury occurs to any employee of Consultant for which the employee or his dependents, in the event of his death, may be entitled to compensation from the City under the provisions of the Acts, for which compensation is claimed from the City, there will be retained out of the sums due Consultant under this Contract, an amount sufficient to cover such compensation as fixed by the Acts, until such compensation is paid or it is determined that no compensation is due. If the City is required to pay such compensation, the amount so paid will be deducted and retained from such sums due, or to become due to Consultant.



• The insurer shall agree to waive all rights of subrogation against the City, its officials, employees, agents, and authorized volunteers for losses arising from work performed by Consultant.

<u>Acceptability of Insurers</u>: Insurance is to be placed with insurers with **a Bests' rating of no less than A:VII**.

Any deductibles that may diminish the aggregate limits, or self-insured retention(s), must be declared to, and approved by, the City.

Consultant shall furnish the City with certificates of insurance evidencing the coverage required by this Contract.

Consultant shall serve the City notice, in writing by certified mail, within 2 days of any notices received from any insurance carriers providing insurance coverage under this Agreement that concern the suspension, voidance, cancellation, termination, reduction in coverage or limits, non-renewal, or material changes of coverage proposed or otherwise.

If Consultant fails to procure or maintain insurance as required by this section, and any Supplementary Conditions, or fails to furnish the City with proof of such insurance, the City, at its discretion, may procure any or all such insurance. Premiums for such insurance procured by the City shall be deducted and retained from any sums due Consultant under the contract.

Failure of the City to obtain such insurance shall in no way relieve Consultant from any of its responsibilities under the contract

The making of progress payments to Consultant shall not be construed as relieving Consultant or its Sub-Consultants or agents of responsibility for loss or direct physical loss, damage, or destruction occurring prior to final acceptance by the City in accordance with the terms of the Contract, and nothing herein is intended to expand Consultant's liability under the Contract.

The failure of the City to enforce in a timely manner any of the provisions of this section shall not act as a waiver to enforcement of any of these provisions at any time during the term of the contract.



The requirement as to types, limits, and the City's approval of insurance coverage to be maintained by Consultant are not intended to, and shall not in any manner, limit, expand, or qualify the liabilities and obligations assumed by Consultant under the Contract.



EXHIBIT E

Certificate of Compliance With Labor Code § 3700, Release and Indemnification

The undersigned, on behalf of and as the duly certified representative of Aerodome, certifies as follows:

- 1. Aerodome is aware of the provisions of Section 3700 of the Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and Aerodome has complied or will comply with such provisions before commencing the performance of the work of this contract. (Cal. Labor Code §§1860, 1861.)
- 2. Should Aerodome fail to secure Workers' Compensation coverage as required by the State of California, Aerodome shall release, hold harmless, defend and indemnify City of Elk Grove from and against any damage, liability, claim, cause of action and any other loss, including without limitation, court costs, reasonable attorney's fees and costs resulting from any failure to take and/or maintain Workers' Compensation insurance as required by law. The provisions of this Exhibit shall survive termination, suspension and/or completion of this Contract. It is further understood and agreed that this release and assumption of risk is to be binding on Aerodome's successors, heirs and assigns.

AERODOME, INC.		
Breff Landa 3333DC484591497		
By:		
3/15/2024		
Name:Brett Kanda		
Title: SVP, Business Development		