## **DRONE TEST AGREEMENT**

(Foley, Alabama)

This Drone Test Agreement (the "Agreement") is made and entered into by and between Deuce Drone LLC, a Delaware limited liability company (the "Company"), and the City of Foley, Alabama, a municipal corporation organized under the laws of the State of Alabama ("City").

## Recitals

The Company is a developer, integrator and supplier of Aerial Drone Delivery System ("ADDIS") interfaces and services to retail and commercial operators and buildings. The Company is registered to do business in Alabama and holds a business license to operate in the City. The Company desires to conduct demonstrations and testing of the ADDIS within the City in connection with further development of the ADDIS, which will involve the delivery of packages and products by drone flights from retailers and other businesses located within the City to consumers, customers and other locations within the City (collectively, "Test Flights"). The Company desires that the City consent to such Test Flights and allow and permit the Company to conduct such Test Flights in the City. The City is agreeable to same, subject to the terms set forth herein.

NOW, THEREFORE, in consideration of the foregoing, the Company and City hereby agree as follows:

- 1. <u>Consent and Permission</u>. City does hereby consent to the Test Flights and grants the Company permission and authority to conduct the Test Flights and ancillary testing and development of the ADDIS within the City, subject to the terms, limitations, and conditions set forth below. Further, the City does hereby consent and agree to take reasonable efforts to support the Company's filings with the FAA and any other relevant state and federal agencies that may have interest in such drone flights and drone system developments. Subject to the foregoing requirements, the Test Flights may be conducted beginning on or about the 20<sup>th</sup> of June of 2020 and continue thereafter for further testing or initial product launch.
- 2. <u>Flight Requirements.</u> All drone flights may be autonomous, meaning the drone may be programmed to deliver its products or packages (collectively, "Cargo") to its destination without manual operation by a pilot; provided, a pilot shall participate during each flight to assist with the drone and ensure safety if necessary. The total aggregate weight of each drone and its Cargo shall not exceed fifty-five pounds (55.0 lbs.). Each flight shall be a direct flight, meaning that each drone shall fly directly to and from its point of origin (the seller or supplier of the Cargo) and its point of destination/delivery (the customer or consumer), with no stops in between. The point of origin of each flight shall be Foley Square Shopping Center located at \_\_\_\_\_\_\_, Foley, Alabama, and the point of destination of each flight shall be located in the City. The Company shall deliver Cargo only to customers and consumers who have agreed to the terms and conditions set forth in the Company's User Agreement and are registered with the Company by and have obtained and are using a Deuce Drone Customer Identifier ("DDCI") issued by the Company. Upon request by the

City, the Company shall provide the City with a copy of the terms and conditions of the User Agreement.

- 3. FAA and Other Approvals. The City's consent to the Test Flights is expressly contingent upon the Company first obtaining any and all permits or approvals required by the Federal Aviation Administration ("FAA"), the State of Alabama, Baldwin County, and all other applicable federal or state agencies or entities for the Test Flights. The City's consent to the Test Flights is expressly limited to the Company being and remaining in full compliance with all FAA regulations, permits, and requirements. The Company represents to the City that it has all necessary permits and approvals from the FAA and from all other entities for the Test Flights, and the Company shall provide the City with a copy of all such permits, authorizations, or other certifications provided by the FAA to the Company, including but not limited to those issued under Part 107 and/or Part 135 of the FAR, or provided by any other regulatory or governmental body.
- 4. <u>Insurance</u>. Prior to commencement of the Test Flights and at all times during the Test Flights, the Company shall maintain broad form Commercial General Liability ("CGL") insurance coverage for damage to property and injury or death to persons caused by any drone and/or its Cargo during any Test Flight, with limits of at least One Million Dollars (\$1,000,000.00) per occurrence. The City shall be named as an additional insured on such CGL policy, and the Company shall provide the City with a certificate from such insurer showing such coverage and the City as an additional insured. The Company's insurance shall be primary to any insurance held by the City, if any.
- 5. <u>Indemnity</u>. The Company shall defend, indemnify and hold City, and all City employees, officers and agents, harmless from and against any and all claims brought against the City (or such City employees, officers and agents) arising out of the Test Flights or the Company's operations in Baldwin County, Alabama relating thereto. The Company's obligation to indemnify the City includes, without limitation, claims for damage to property or injury to persons arising out of the Test Flights; and for any claims, allegations or charges alleged against the City or the Company relating to the Test Flights by any governmental entity, including the FAA, for the violation of any Federal or State statutes or regulations, including any violation of the FAR.
- 6. <u>Authorization</u>. Each party represents to the other that this Agreement has been authorized by its governing body and is valid and enforceable.
- 7. <u>Governing Law.</u> This Agreement is entered into in Baldwin County Alabama, pertains to Test Flights in Baldwin County Alabama, and shall be governed by and construed in accordance with the laws of the State of Alabama without regard to its conflict of laws principles.
- 8. <u>Successors</u>. This Agreement shall be binding upon and ensure to the benefit of the parties hereto and their respective successors. This Agreement may not be assigned by the Company or the City, in whole or in part.
- 9. <u>Relationship of Parties</u>. The parties are not partners, joint venturers, employees or agents of the other. The City is the local regulatory body, and the Company is a business desiring to operate in the jurisdiction of the City.

- 10. Term. This Agreement may be terminated by either party on ten (10) days' written notice to the other party with or without cause and without penalty. This Agreement shall automatically expire on the six (6) month anniversary of the effective date, which shall be the date the last party signs below. The Company's obligations to provide insurance and to indemnify, defend and hold harmless the City and its employees, officers and agents shall survive the termination or expiration of this Agreement, and the insurance shall be provided for a period of two years following the expiration or termination of this agreement (if the policy is a claims made policy).
- 11. <u>Entire Agreement and Amendment</u>. This Agreement is the entire and complete agreement of the parties pertaining to the Company's Test Flights in the City. This Agreement may not be amended or changed except in a written document signed by both parties.
  - 12. <u>Franchise</u>. This Agreement is not a franchise.

IN WITNESS WHEREOF, the parties have entered into this Agreement to be effective on the date the last party signs below.

ATTEST:	CITY OF FOLEY, ALABAMA
[Driet Name 1	By:
[Print Name]:	
	Title: Date:
WITNESS:	DEUCE DRONE, LLC
	By:
[Print Name]:	Name:
	Title:
	Date: