

REPORT TO CITY COUNCIL

DATE: JUNE 12, 2024

TO: HONORABLE MAYOR AND MEMBERS OF THE CITY COUNCIL

FROM: NATHAN HAMBURGER, CITY MANAGER

BY: AMY BRINK, DIRECTOR OF COMMUNITY SERVICES

SUBJECT: APPROVE AGREEMENT TO PROVIDE A DRONE SHOW AT THE SUMMER CONCERT IN THE PARK

To celebrate the patriotic season associated with the 4th of July, the City of Agoura Hills has been providing a laser show during the Summer Concert in the Park. Each year, the show is presented at the concert on the first Sunday following the 4th of July holiday in Chumash Park.

Several years ago, the City decided to offer a laser show as an alternative to the firework show that had been offered for years. The community expressed a concern for fire safety after the Woolsey Fire tore through the City in 2018. Furthermore, the Las Virgenes Unified School District has decided to no longer allow fireworks to be launched at Agoura High School. While the laser show has provided an exciting and safe program, the Department of Community Services has been committed to always seeking other alternatives that enhance the concert each year.

The idea of a drone show was presented to the City Council at its Goals Workshop on March 13, 2024. The details included similar features to a laser show, with the addition of beautiful patriotic images with bright colors and a display that is synchronized to themed music. The proposed drone show was presented to and approved by the Community Services Subcommittee.

The proposed agreement has been reviewed by the City Attorney and approved as to form.

FISCAL IMPACT

The cost of the drone show will be \$16,000 each fiscal year. The deposit required to book the show will appear in this Fiscal Year 2023-24 Adopted Budget and can be covered with existing funds.

RECOMMENDATION

Staff respectfully recommends that the City Council approve the two-year agreement with Sky Elements Drone Show, LLC, to provide a drone show in July at the patriotic Summer Concerts in the Park.

Attachment: Event Services Provider Agreement

EVENT SERVICE PROVIDER AGREEMENT
WITH THE CITY OF AGOURA HILLS

NAME OF PROVIDER: Sky Elements Drone Show, LLC

RESPONSIBLE PRINCIPAL OF PROVIDER: Attn: Cassandra McCarthy,
Activation Specialist

PROVIDER'S ADDRESS: 3819 Rufe Snow Drive #203
North Richland Hills, Texas 76180

CITY'S ADDRESS: City of Agoura Hills
30001 Ladyface Court
Agoura Hills, CA 91301
Attn: City Manager

PREPARED BY: Amy Brink

COMMENCEMENT DATE: July 1, 2024

TERMINATION DATE: July 30, 2025

CONSIDERATION: Contract Price
Not to Exceed: \$ 25,000/year

**CITY OF AGOURA HILLS
EVENT SERVICE PROVIDER AGREEMENT**

THIS AGREEMENT is made and entered into as of July 1, 2024, by and between the City of Agoura Hills, a municipal corporation (hereinafter referred to as "City"), and Sky Elements Drone Show, LLC, a Corporation, (hereinafter referred to as "Provider"). In consideration of the promises and mutual agreements herein contained, the parties hereto agree as follows:

1. TERM

This Agreement shall commence on July 1, 2024, and shall remain and continue in effect until tasks described herein are completed, but in no event later than July 30, 2025, unless sooner terminated pursuant to the provisions of this Agreement.

The City may, at its option, extend this Agreement for one additional term of one year upon providing written notice of its intent to extend this Agreement to the Provider not less than thirty (30) days prior to the expiration of the initial Term. Such extension shall be at the same price and conditions as set forth herein.

2. SERVICES

Provider shall perform the services and tasks described and set forth in Exhibit A, Scope of Services, attached hereto and incorporated herein as though set forth in full.

3. PERFORMANCE

In meeting its obligations under this Agreement, Provider shall at all times faithfully and competently perform all tasks described herein in a manner satisfactory to CITY and consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. No pyrotechnics or special effects of any kind shall be allowed as any part of the services for the City by the Provider, its employees, agents, group members, fellow Providers or any third party without the prior written consent of the City Manager or authorized designee.

4. LOCATION AND RELIABILITY OF PERFORMANCE

The date, time, and location of Provider's event services shall be determined at the time of City's request for "Request for Event Services." All event services shall be provided within City limits. Time and reliability are of the essence in this Agreement.

5. EQUIPMENT

Provider shall provide its own equipment that it requires for the Event, unless other arrangements are made in writing with the City before the Event. The City reserves the right to inspect all equipment and/or materials being used for any Event.

6. PAYMENT

a. The City agrees to pay the Provider an amount that shall not exceed Fifty Thousand Dollars and No Cents (\$50,000) for conducting Events, in accordance with the payment rates and terms and the schedule of payment as set forth in Exhibit B, Payment Rates and Schedule, attached hereto and incorporated herein by this reference as though set forth in full, based upon actual time spent on the above tasks. Any terms in Exhibit B, other than the payment rates and schedule of payment, are null and void. This amount shall not exceed Fifty Thousand Dollars and No Cents (\$50,000) for the total term of this Agreement unless additional payment is approved as provided in this Agreement. The City shall withhold from this sum appropriate taxes if so directed by the California Franchise Tax Board. Payment will be made by the City immediately following an Event.

b. Provider shall not be compensated for any services rendered in connection with its performance of this Agreement which are in addition to those set forth herein, unless such additional services are authorized in advance and in writing by the City Manager. Provider shall be compensated for any additional services in the amounts and in the manner as agreed to by City Manager and Provider at the time City's written authorization is given to Provider for the performance of said services.

c. The City Manager may approve additional services up to ten percent (10%) of the amount of the Agreement but in no event shall the total sum of the Agreement exceed Twenty Five Thousand Dollars and No Cents (\$25,000.00) or the amount approved by City Council. Any additional services in excess of this amount shall be approved by the City Council.

7. USE OF COPYRIGHTED MATERIAL

The Provider shall be fully responsible for paying any legally required royalties or fees for the use by the Provider of copyrighted material and shall comply at all times with all applicable copyright laws.

8. NON-ASSIGNABILITY

It is understood that this is a personal services agreement between the City and Provider, and that Provider is required to personally provide the required Event. Neither this Agreement nor any rights, title, interest, duties or obligations under this Agreement may be assigned, transferred, conveyed or otherwise disposed of by Provider without the prior written consent of the City.

9. INDEPENDENT CONTRACTOR

a. The Provider is and shall at all times remain as to the City a wholly independent contractor and not an employee of City. Neither the City nor any of its officers, employees, or agents, shall have control over the conduct of the Provider or any of the officers, employees, or agents of the Provider, except as herein set forth. Personnel providing the Event Services under this Agreement with or on behalf of the Provider shall at all times be under the Provider exclusive direction and control. Provider shall not at

any time or in any manner represent that it or any of its employees, agents, group members, or fellow Providers are in any manner officers, employees, or agents of the City. Provider and Provider's personnel shall not supervise any of City's employees; and City's employees shall not supervise Provider's personnel. Provider's personnel shall not wear or display any City uniform, badge, identification number, or other information identifying such individual as an employee of City; and Provider's personnel shall not use any City e-mail address or City telephone number in the performance of any of the Event Services under this Agreement. Provider shall acquire and maintain, at its sole cost and expense, such vehicles, equipment, and supplies as Provider's personnel require to perform any of the Event Services required by this Agreement. Provider shall not incur or have the power to incur any debt, obligation, or liability whatsoever against the City or bind the City in any manner.

b. No employee benefits shall be available to Provider in connection with the performance of this Agreement. Except for the fees paid to Provider as provided in the Agreement, City shall not pay salaries, wages, or other compensation to Provider for performing Event Services hereunder for City. City shall not be liable for compensation or indemnification to Provider for injury or sickness arising out of performing Event Services hereunder. Provider shall be responsible for and pay all wages, salaries, benefits and other amounts due to Provider's personnel in connection with their performance of the Event Services under this Agreement and as required by law. Provider shall be responsible for all reports and obligations respecting such additional personnel, including, but not limited to: Social Security taxes, other retirement or pension benefits, income tax withholding, unemployment insurance, disability insurance, and workers' compensation insurance. Notwithstanding any other agency, state, or federal policy, rule, regulation, statute or ordinance to the contrary, Provider and any of its officers, employees, agents, and subcontractors providing any of the Event Services under this Agreement shall not become entitled to, and hereby waive any claims to, any wages, salaries, compensation, benefit or any incident of employment by City, including, but not limited to, eligibility to enroll in, or reinstate to membership in, the California Public Employees Retirement System ("PERS") as an employee of City, and entitlement to any contribution to be paid by City for employer contributions or employee contributions for PERS benefits.

c. Provider shall indemnify and hold harmless City and its elected officials, officers, employees, servants, designated volunteers, and agents serving as independent contractors in the role of City officials, from any and all liability, damages, claims, costs, and expenses of any nature to the extent arising from, caused by, or relating to Provider's personnel practices, or to the extent arising from, caused by, or relating to the violation of any of the provisions of this Section. In addition to all other remedies available under law, City shall have the right to offset against the amount of any fees due to Provider under this Agreement any amount due to City from Provider as a result of Provider's failure to promptly pay to City any reimbursement or indemnification arising under this Section. This duty of indemnification is in addition to Provider's duty to defend, indemnify, and hold harmless as set forth in any other provision of this Agreement.

10. PERS COMPLIANCE AND INDEMNIFICATION

a. **General Requirements.** The parties acknowledge that City is a local agency member of PERS, and as such has certain pension reporting and contribution obligations to PERS on behalf of qualifying employees. Provider agrees that, in providing its employees and any other personnel to City to perform Event Services under this Agreement, Provider shall assure compliance with the Public Employees' Retirement Law, commencing at Government Code Section 20000, the regulations of PERS, and the Public Employees' Pension Reform Act of 2013, as amended. Without limitation to the foregoing, Provider shall assure compliance with regard to personnel who have active or inactive membership in PERS and to those who are retired annuitants and in performing this Agreement shall not assign or utilize any of its personnel in a manner that will cause City to be in violation of the applicable retirement laws and regulations.

b. **Indemnification.** Provider shall defend (with legal counsel approved by City, whose approval shall not be unreasonably withheld), indemnify, and hold harmless City, and its City and its elected officials, officers, employees, servants, designated volunteers, and agents serving as independent Providers in the role of City officials, from any and all liability, damages, claims, costs, and expenses of any nature to the extent arising from, caused by, or relating to Provider's violation of any provisions of this Section. This duty of indemnification is in addition to Provider's duty to defend, indemnify, and hold harmless as set forth in any other provision of this Agreement.

11. INDEMNIFICATION

Provider shall defend, indemnify, and hold the City, its officials, officers, employees, agents and independent contractors serving in the role of City officials, and volunteers (collectively "Indemnitees") free and harmless from any and all claims, demands, causes of action, proceedings, costs, expenses, liabilities, losses, damages or injuries, in law or equity, to property or persons, including wrongful death (collectively "Claims"), in any manner arising out of or incident to any acts or omissions of Provider, its officials, officers, employees, agents or subcontractors in connection with the performance of this Agreement, including without limitation the payment of all consequential damages, attorneys' fees, and other related costs and expenses, except for such Claims arising out of the sole negligence or willful misconduct of the Indemnitees. With respect to any and all such Claims, Provider shall defend Indemnitees at Provider's own cost, expense, and risk and shall pay and satisfy any judgment, award, or decree that may be rendered against Indemnitees. Provider shall reimburse Indemnitees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided. Provider's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Provider or Indemnitees. All duties of Provider under this Section shall survive termination of this Agreement.

12. INSURANCE REQUIREMENTS

Prior to commencement of services, Provider shall procure, provide, and maintain, at Provider's own expense, for the duration of this Agreement, insurance against claims for injuries to persons or damages to property, which may arise from or in connection with

the performance of the work hereunder by the Provider, its agents, representatives, or employees.

a. Minimum Scope of Insurance. Coverage shall be at least as broad as:

1) Insurance Services Office Commercial General Liability form No. CG 00 01 11 85 or 88, or equivalent.

2) Insurance Services Office Business Auto Coverage form CA 00 01 06 92, or equivalent, covering Automobile Liability, code 1 (any auto). If the Provider owns no automobiles, a non-owned auto endorsement to the General Liability policy described above is acceptable.

3) Worker's Compensation insurance as required by the State of California and Employer's Liability Insurance. If the Provider has no employees while performing under this Agreement, worker's compensation insurance is not required, but Provider shall execute a declaration that it has no employees.

4) Professional Liability Insurance shall be written on a policy form providing professional liability for the Provider's profession.

b. Minimum Limits of Insurance. Provider shall maintain limits no less than:

1) General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage, including without limitation, blanket contractual liability. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.

2) Automobile Liability: \$1,000,000 per accident for bodily injury and property damage for all activities of the Provider arising out of or in connection with work to be performed under this Agreement, including coverage for any owned, hired, non-owned or rental vehicles.

3) Worker's Compensation as required by the State of California; Employer's Liability: One million dollars (\$1,000,000) per accident for bodily injury or disease.

c. Deductibles and Self-Insured Retentions. Any deductibles or self-insured retentions must be declared to and approved by the City Manager. At the option of the City Manager, either the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects the City, its officers, officials, employees and volunteers; or the Provider shall procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses.

d. Requirements Not Limiting. Requirements of specific coverage features or limits contained in this Section are not intended as a limitation on coverage, limits or other requirements, or a waiver of any coverage normally provided by any insurance. Specific reference to a given coverage feature is for purposes of clarification only as it pertains to a given issue and is not intended by any party or insured to be all

inclusive, or to the exclusion of other coverage, or a waiver of any type. If the Vendor maintains higher limits than the minimums shown above, the Agency requires and shall be entitled to coverage for the higher limits maintained by the Vendor. Any available insurance proceeds in excess of the specified minimum limits of insurance and coverage shall be available to the Agency.

e. Other Insurance Provisions. The general liability and automobile liability policies are to contain, or be endorsed to contain, the following provisions:

1) The City, its officers, officials, employees and volunteers are to be covered and named as additional insureds in respect to: liability arising out of activities performed by or on behalf of the Provider; products and completed operations of the Provider; premises owned, occupied or used by the Provider; or automobiles owned, leased, hired or borrowed by the Provider. The coverage shall contain no special limitations on the scope of protection afforded to the City, its officers, officials, employees or volunteers.

2) For any claims related to this project, the Provider's insurance coverage shall be primary insurance as respects the City, its officers, officials, employees and volunteers. Any insurance or self-insured maintained by the City, its officers, officials, employees or volunteers shall be excess of the Provider's insurance and shall not contribute with it.

3) Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City, its officers, officials, employees or volunteers.

4) The Provider's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.

5) Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice has been given to the City. Provider agrees to oblige its insurance agent or broker and insurers to provide City with a thirty (30) day notice of cancellation (except for nonpayment for which a ten (10) day notice is required) or nonrenewal of coverage for each required coverage.

f. Acceptability of Insurers. Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A:VII, unless otherwise acceptable to the City. Self insurance shall not be considered to comply with these insurance requirements.

g. Verification of Coverage. **Provider shall furnish the City with original endorsements, specifically naming the City of Agoura Hills, its officers, officials, employees and volunteers as additional insured, effecting coverage required by this clause.** The endorsements are to be signed by a person authorized by that insurer to bind coverage on its behalf. The endorsements are to be on forms acceptable to the City. Insurance certificates and endorsements must be received and approved by City's Risk Manager prior to commencement of performance. Current insurance certificates and endorsements shall be kept on file with the City at all times

during the term of this agreement. City reserves the right to require complete, certified copies of all required insurance policies, at any time.

h. Mailing Instructions. Insurance documents shall be mailed with the signed Agreement to the attention of the staff person indicated on the cover sheet of this Agreement, to the City of Agoura Hills, 30001 Ladyface Court, Agoura Hills, CA 91301. Executed Agreement(s) cannot be released nor may any work commence on a project until the signed Agreement and appropriate insurance documents are on file with the City Clerk.

13. TERMINATION OR SUSPENSION

This Agreement may be terminated or suspended and the Event or Events canceled at any time, with or without cause, at the sole and exclusive discretion of the City Manager, without default or breach of this Agreement by the City.

14. LEGAL RESPONSIBILITIES

The Provider shall keep itself informed of all local, State and Federal ordinances, laws and regulations which in any manner affect those employed by it or in any way affect the performance of its service pursuant to this Agreement. The Provider shall at all times observe and comply with all such ordinances, laws and regulations. The City, and its officers and employees, shall not be liable at law or in equity occasioned by failure of the Provider to comply with this Section.

15. LICENSES

At all times during the term of this Agreement, Provider shall have in full force and effect, all licenses required of it by law for the performance of the services described in this Agreement.

16. GOVERNING LAW

The City and Provider understand and agree that the laws of the State of California shall govern the rights, obligations, duties and liabilities of the parties to this Agreement and also govern the interpretation of this Agreement. Any litigation concerning this Agreement shall take place in the municipal, superior, or federal district court with geographic jurisdiction over the City of Agoura Hills. In the event such litigation is filed by one party against the other to enforce its rights under this Agreement, the prevailing party, as determined by the Court's judgment, shall be entitled to reasonable attorney fees and litigation expenses for the relief granted.

17. EXHIBITS

Exhibits A and B constitute a part of this Agreement and are incorporated into this Agreement by this reference. If any inconsistency exists or arises between a provision of this Agreement and a provision of any exhibit, the provisions of this Agreement shall control.

18. ENTIRE AGREEMENT

This is the entire agreement between the parties regarding the Event required by this Agreement. Any modification or amendment of this Agreement shall not be effective unless in writing and assigned by the parties to this Agreement.

19. AUTHORITY TO EXECUTE THIS AGREEMENT

The person or persons executing this Agreement on behalf of Provider warrants and represents that he or she has the authority to execute this Agreement on behalf of the Provider and has the authority to bind Provider to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

CITY OF AGOURA HILLS

Illece Buckley Weber,
Mayor

ATTEST:

Kimberly M. Rodrigues, MMC
City Clerk
Date Approved by City Council: _____

APPROVED AS TO FORM:

Candice K. Lee,
City Attorney

PROVIDER

Sky Elements Drone Show
3819 Rufe Snow Drive #203
North Richland Hills, Texas 76180
(817) 286-3400

By: Preston Ward

Name: Preston Ward

EXHIBIT A

SCOPE OF SERVICES

Provider recognizes and agrees that this Agreement is for the purpose of establishing a contractual relationship between the City of Agoura Hills and the Provider, for the future drone show services for the City of Agoura Hills for the annual City event in July. Event services shall include drone display services, choreography, staffing and equipment for the annual show in July. The procedure for requesting and assigning services is set forth as follows:

1. The City Manager or his designee shall submit to Provider a written "Request for Event Services." The date, time, and location of Provider's performance shall be determined at the time of City's Request for Services. The Request for Event Services shall include a description of the services to be completed, the date requested or the time for completion of the services, and any other relevant information necessary to provide the services.

2. Within five (5) business days of the date of the Request for Services, Provider shall respond in writing to the Request for Services and advise the City Manager whether it can perform the services and specify the cost of service in accordance with the rates set forth in Exhibit "B" to this Agreement.

3. Upon the City Manager's written acceptance of the Provider's response, the Provider shall proceed with the services on the date requested. The performance of the services shall be pursuant to the terms of this Agreement.

Services will include:

- **Display date:** Sky Elements, LLC agrees to provide a drone show on: Year 1 – 7/7/24 and Year 2 – TBD
- **Display location:** Agoura High School – Football field (28545 W. Driver Avenue, Agoura Hills, CA 91301); show attendees will be at Chumash Park (5550 Medea Valley Drive, Agoura Hills, CA 91301)
- **Display time:** Show to begin at approximately 8:50 p.m. (PST), when it becomes dark
- **Sky Elements, LLC agrees to provide all staffing and equipment for the drone show.**
- **Display will include, but not be limited to:** themed music, drone images, 10-12 minute show with animation; City can provide audio track; minimum of 150 drones
- Sky Elements Drone Shows will coordinate with the City to set up, which will begin at least 5 hours prior to the show
- Sky Elements will comply with Las Virgenes Unified School District permit requirements



This Scope of Service is made this the **24** day of **May 2024**, by and between Sky Elements, LLC, a Texas limited liability company, whose address is 3819 Rufe Snow Drive Ste 203, North Richland Hills, TX 76180, and hereinafter referred to as **“Sky Elements”** and **City of Agoura Hills, CA**, hereinafter referred to as **“Customer.”** Sky Elements is in the business of providing drone display services, and Customer desires to have Sky Elements provide drone display services at Customer’s event(s). The parties therefore agree as follows:

DRONE DISPLAY(S): Sky Elements agrees to furnish to Customer with drone display services, hereinafter referred to as **“Display(s)”** The Display(s) will be conducted in accordance with the following specifications:

Display Date: Year 1 – 7/7/2024 & Year 2 - TBD

Number of Drones in Each Display: 150 – Both Years

Display Location: AHS Football Field
Argos St.
Agoura Hills, CA 91301

The yearly agreement with 3 shows at the discounted rate will begin at the date of the 1st show allowing 365 days to have the following 2 shows.

PAYMENT TERMS: Customer shall pay Sky Elements **\$16,000 Per Year** Customer shall submit a 50% deposit upon execution of this contract. The balance remaining for each display will be paid to Sky Elements the day prior to the display.

SHOW DESIGN WORKFLOW: The drone display(s) design process is as follows:

- 1. Storyboard Process:** Sky Elements shall create a storyboard of Customer approved images. The storyboard contains rough sketches or images, or screen captures of all scenes and action notes, which describe the layout of the animations. Sky Elements shall send the storyboard to Customer for feedback and suggestions. Sky Elements will modify the storyboard in accordance with the Customer feedback. Images and order of shapes can be changed for no additional fee during the storyboard process.
- 2. Show Programing and Animation:** After completion of the storyboard process, Sky Elements shall begin the drone show design and animation process in accordance with the storyboard. After the animation and editing process, Sky Elements shall compile each sequence and render a video to Customer. Adjustments to shapes and images will be completed in accordance with Customer’s suggestions. Changes to order of animations or substitution of images not yet animated will result in a \$5,000 reanimation fee.
- 3. Final Delivery:** Sky Elements will perform the drone display(s) at Customer’s Event.

SECURE AREA: Customer agrees to furnish sufficient space for Sky Elements to properly conduct each Display as determined by the FAA (hereinafter **“Secure Area”**). For the purposes of the Scope of Service, **“Unauthorized Persons”** shall mean anyone other than the employees of Sky Elements or persons specifically designated in writing by Customer or the FAA.

INDEMNIFICATION AND HOLD HARMLESS: To the extent authorized by Texas law, Sky Elements agrees to hold Customer harmless from any damages caused to Sky Elements which results as a consequence of providing drone display services. Furthermore, Sky Elements agrees to defend and indemnify Customer from any and all claims brought against Customer for damages caused wholly or in part by Sky Elements.

AMENDMENT & ASSIGNMENT: This Scope of Service may not be sold, assigned, amended, or transferred without the prior written consent of Sky Elements.

FORCE MAJEURE. If for any reason beyond its control including, but not limited to, strikes, labor disputes, accidents, government requisitions, acts of war, acts of God, epidemic, pandemic, governmental restrictions, or other similar events that would make the event impractical or impossible, the Parties agree Customer's sole remedy is to transfer the display date subject to Sky Element's availability. In no event will Sky Elements be liable for any damages, including, but not limited to consequential damages.

PERMITS AND APPROVALS: Sky Elements shall obtain all necessary Federal Aviation Administration (FAA) approvals and permits to enable Sky Elements to perform fully hereunder, including airspace authorization needed for the Display(s). The client shall be responsible for obtaining and payment of all required local city permits, coordinating with local police, managing road closures, and arranging for necessary barricades.

JURISDICTION AND VENUE. It is hereby stipulated that this Scope of Service is governed by the laws of the State of Texas, and any suit involving this Contract shall be brought in Tarrant County, Texas. For Display(s) that include licensed music accompaniment, Customer agrees to verify with their organization, venue, sponsor, and/or municipality, the permission to simulcast music and agrees to pay any and all fees associated with the broadcast of said music in the public environment of the Display(s).

INSURANCE: Sky Elements will maintain the following insurance coverages in connection with the Display(s) described in this contract.

Commercial General Liability: \$1,000,000

Automobile Liability: \$1,000,000

Umbrella: \$10,000,000

Workers Compensation: \$1,000,000

Aviation Liability: \$5,000,000

Sky Elements also agrees to include Customer as additional insured under the terms of this coverage. Sky Elements will provide a Certificate of Insurance. All entities listed on the certificate will be deemed an additional Insured per this contract.

CANCELLATION: Sky Elements shall determine what weather conditions, safety, or security concerns prohibit Sky Elements from proceeding with the Display(s); in the case of weather conditions, Sky Elements agrees to conduct the Display(s) on a mutually agreed upon rain/postponement date within one year from the original event date. Should Sky Elements be unable to perform the Display(s) at the Event due to safety concerns, security concerns, or in the case of cancellation by the customer, Sky Elements shall be entitled to 33% of the contract price for each of the workflow processes completed. For example, if Sky Elements has completed the Show Programming workflow, Sky Elements shall be entitled to 66% of the display price (33% for Storyboard, 33% for Show Programming and Animation). Final delivery is deemed to have occurred upon Sky Elements' arrival at the display location on the display date. Customer also acknowledges

that damages corresponding to lost opportunity by reason of cancellation are inherently difficult to calculate, and that the liquidated damages amounts set forth above are a reasonable attempt to measure and liquidate those highly speculative damages.

[Signatures to follow on next page]

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

SKY ELEMENTS, LLC

BY: _____

Date: _____

Preston Ward, Manager / General Counsel

CUSTOMER

BY: _____

Date: _____

Printed Name: _____

Company: _____

Title: _____

Addendum "A"
Content Capture

Sky Elements offers the following content capture services for the Customer's drone show:

1. SOCIAL MEDIA RECAP:

- Duration: 30-60 seconds
 - Content: A recap of the setup, takeoff, and the full show.
 - Intended Use: For social media platforms.
 - Client has the ability to send 2 rounds of edits/notes of the recap.
2. RAW FOOTAGE:
- Availability: Raw footage of the drone show will be provided on a hard drive upon request.
3. EDIT TURNAROUND:
- Timeline: The edited recap video will be delivered within 24 Hours after the show.
4. FEE:
- Amount: \$12,000 (Included in contract price)
 - Inclusions: The fee covers all expenses related to travel, videographer rates, hotel accommodations, and equipment rentals necessary for capturing the content.
5. PERSONNEL ON-SITE:
- Videographer
 - Drone Operator – birds eye view of the show (mavic 3 cine)
 - FPV Operator
 - Photographer

The Customer may request additional specifications or discuss specific requirements for the content capture services. Sky Elements will make reasonable efforts to accommodate such requests, subject to additional costs if applicable. The terms and conditions outlined in this Addendum are supplementary to the main contract and shall be considered an integral part thereof.

**Addendum “B”
In Kind Trade**

Sky Elements offers the following In Kind Trade for the Customer's drone show:

1. Sky Elements will provide client with an 100 extra drones for the show.
2. Client agrees to supply Sky Elements with a variety of it's products to match the estimated amount of value for the costs associated with the additional drones. In kind value is equal to (\$20,000).
3. The client may provide any flavor(s) of any / all of the following product types: bags, lunch packs, sticks, strips, and bars.
4. Client is expected to deliver the products to an address provided no later than (90) days after the execution of this contract.

The terms and conditions outlined in this Addendum are supplementary to the main contract and shall be considered an integral part thereof.

EXHIBIT "B"

PAYMENT RATES AND SCHEDULE

The City of Agoura Hills agrees to pay Sky Elements, LLC, a fee of \$16,000 as detailed in attached invoices for the services listed above. The deposit for booking as requested is 50% (\$8,000) and is due upon completion and execution of the contract. The second installment will be due the prior to the display. Please see attached Drone Display Contract – Custom Display.