

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (“**Agreement**”) is between **PARK CITY MUNICIPAL CORPORATION**, a Utah municipal corporation (“**PCMC**”), and **SKYWORX DRONE SHOWS LLC**, a Delaware limited liability company, (the “**Service Provider**”).

PCMC and the Service Provider want to enter into an agreement for the Service Provider to perform the services and tasks as specified below.

The parties therefore agree as follows:

ARTICLE 1 – SCOPE OF SERVICES.

Scope of Services. Service Provider shall perform the services and tasks identified and designated as Service Provider responsibilities throughout this Agreement and as outlined in **Schedule A** attached to this Agreement (“**Scope of Services**”).

Service Provider Representative. Service Provider designates **Taylor Woodall** as the authorized representative vested with the authority to act on behalf of the Service Provider. The Service Provider may change its designated representative by providing written notice to PCMC.

PCMC Representative. PCMC designates **Jenny Diersen, the Special Event Manager**, or their designee, as its representative, who has the authority to act on behalf of PCMC.

ARTICLE 2 – TERM.

This Agreement will become effective as of the date the last party signed it, as indicated by the date associated with that party’s signature. The term of this Agreement ends at midnight on 09/30/2026, unless the Agreement is extended for an additional two (2) years for 2027 and 2028, provided both parties execute written notice of consent to renew by September 30, 2026.

ARTICLE 3 – COMPENSATION, INVOICING, AND PAYMENT.

Compensation. For the performance of the Scope of Services, PCMC shall pay a total fee not to exceed **\$45,000.00** the first year, and **\$46,000.00** annually for the duration of the Agreement. Service Provider will also be responsible for all lodging, booking, and costs for the first year of this Agreement and PCMC shall pay up to \$1,000 in lodging costs, however, the Service Provider is responsible for booking lodging starting the second year and through the duration of this Agreement, resulting in a total not to exceed contract price of **\$139,000.00**. Any work performed beyond the defined Scope of Services requires a written request from PCMC. Compensation for such additional work shall adhere to the terms outlined in **Schedule B** if

attached. In the absence of a **Schedule B**, any compensation for extra work shall be determined based on a mutually agreed-upon written agreement between both parties.

Invoicing and Payment. Service Provider shall invoice PCMC on an annual basis for services completed during that year. PCMC will pay for 80% of the service costs with an annual approved flight plan and upon receipt of the pre-event invoice after the signing of this Agreement and the remaining 20% at the completion of the show with receipt of invoice during the first year. Starting the second year, PCMC will pay for 50% of services with an annual approved flight plan upon receipt of the pre-event invoice and 50% of services at the completion of the show with receipt of an invoice from the Service Provider. PCMC shall pay the Service Provider within 30 days of receipt of each invoice. Requests for earlier payment will be considered if a discount is offered for the earlier payment. For services that remain unpaid for a period exceeding 60 days, interest will accumulate at a rate of six percent per annum.

ARTICLE 4 – FLIGHT PLAN AND REPRESENTATIONS AND WARRANTIES.

Flight Plan. Service Provider shall prepare a written or verbal flight plan before operating any unmanned aerial vehicles (“UAV”) on this Project. Such flight plan shall include the operational objective, surrounding buildings and other topography, weather patterns, time of day or special events, safeguards for privacy, and notification of nearby third parties potentially impacted by the Service Provider’s operation of a UAV.

Representations and Warranties. Service Provider represents and warrants the following:

A. Service Provider has obtained all permits or exceptions required by law to operate any UAV in connection with the services and its operators have received the necessary training, certifications, and licenses as required by the applicable jurisdiction. PCMC retains the right to request proof of applicable certifications and licenses from the Service Provider.

B. Service Provider shall observe all applicable laws, regulations, and rules in connection with the Services, including but not limited to those related to UAV operation, privacy, trespass, and safety.

C. Any UAV operated by the Service Provider in the performance of the services shall be properly maintained and airworthy.

ARTICLE 5 – SERVICE STANDARDS AND COMPLIANCE WITH LAWS.

Service Standards. Service Provider shall be responsible for the quality of all services performed by its employees, agents, subcontractors, and all other persons (collectively, “Subcontractors”) performing any services under this Agreement. All services shall be executed with competence and in conformity with the standard of care, diligence, and skill typically exercised by professionals within the Service Provider’s field.

Conformance to Laws. In providing services under this Agreement, the Service Provider and its Subcontractors shall comply with all applicable federal, state, PCMC, and other local laws, regulations, and ordinances, including applicable licensure and permit requirements, regulations for certification, operation of facilities, and accreditation, employment laws, and any other standards or criteria described in this Agreement.

E-Verify. Service Provider shall register and participate in E-Verify or an equivalent program for each employee employed within the state of Utah if this Agreement is entered into for the physical performance of services within Utah unless exempted by Utah Code § 63G-12-302. Service Provider shall require that each of its Subcontractors, at every tier, certify under penalty of perjury that each Subcontractor has registered and is participating in E-Verify or an equivalent program, to the extent applicable.

ARTICLE 6– RECORDS AND INSPECTIONS.

Records. Service Provider shall keep any records, documents, invoices, reports, data, information, and all other material regarding matters covered, directly or indirectly, by this Agreement for six years after the expiration of this Agreement. This includes everything necessary to properly reflect all expenses related to this Agreement and records of accounting practices necessary to assure proper accounting of all expenses under this Agreement.

Inspection of Records. Service Provider shall make all of the records referenced in this section available for inspection to PCMC, its authorized representatives, the State Auditor, and other government officials authorized to monitor this Agreement by law. Service Provider must permit PCMC or its authorized representative to audit and inspect any data or other information relating to this Agreement. PCMC reserves the right to initiate an audit of the Service Provider's activities concerning this Agreement, at the expense of PCMC, utilizing an auditor selected by PCMC.

Government Records Access and Management Act. PCMC is subject to the requirements of the Government Records Access and Management Act, Title 63G, Chapter 2 of the Utah Code (“GRAMA”). All materials submitted by the Service Provider related to this Agreement are subject to disclosure unless the materials are exempt from disclosure under GRAMA. The burden of claiming an exemption from disclosure rests solely with the Service Provider. Any materials for which the Service Provider claims an exemption from disclosure based on business confidentiality as provided in Utah Code § 63G-2-309 (or successor provision) must be marked as “Confidential” and accompanied at the time of submission by a statement from the Service Provider explaining the basis for the claim. Generally, GRAMA only protects against the disclosure of trade secrets or commercial information that could reasonably be expected to result in unfair competitive injury. PCMC will make reasonable efforts to notify the Service Provider of any requests made for disclosure of documents submitted under a claim of confidentiality. Service Provider specifically waives any claims against PCMC related to disclosing any materials pursuant to GRAMA.

ARTICLE 7 – RELATIONSHIP OF PARTIES.

Independent Contractor. The parties intend that the Service Provider is an independent contractor and not an employee of PCMC. Except as specifically provided in this Agreement, the parties intend that the Service Provider has no authority to act on behalf of PCMC.

Subcontractor Relationship. The Service Provider shall have full control and authority over the performance and activities of its Subcontractors throughout the execution of this Agreement. It is the sole responsibility of the Service Provider to ensure that its Subcontractors adhere to the terms and conditions outlined in this Agreement. Furthermore, the Service Provider shall bear full responsibility for any actions or omissions of its Subcontractors.

Treatment of Assets. Neither party will have an interest in the intellectual property owned or licensed by the other party unless otherwise agreed by the parties in writing. PCMC will become the owner of all deliverables, work products, and other materials specifically created by the Service Provider and its Subcontractors under this Agreement.

ARTICLE 8 – INDEMNIFICATION.

Definitions. In this Agreement, the following definitions apply:

“Indemnifiable Losses” means the aggregate of Losses and Litigation Expenses.

“Litigation Expense” means any reasonable out-of-pocket expense incurred in defending a Proceeding or any related investigation or negotiation, including court filing fees, court costs, arbitration fees, witness fees, and attorneys’ and other professionals’ fees and disbursements.

“Loss” means any amount awarded in, or paid in settlement of, any Proceeding, including any interest but excluding any Litigation Expenses.

“Proceeding” means any investigation, claim, judicial, administrative, or arbitration action or lawsuit, or other cause of action of every kind or character, brought by third parties against PCMC, its agents, employees, or officers that arises out of this Agreement or the performance of this Agreement by Service Provider or its Subcontractors or sub-consultants of any tier, or anyone acting under Service Provider’s direction or control, including after the expiration or termination of this Agreement.

Indemnification. Service Provider shall indemnify PCMC and its agents, employees, and officers against all Indemnifiable Losses arising out of a Proceeding, except to the extent the Indemnifiable Losses were caused by the negligence or willful misconduct of PCMC.

Obligation to Defend. Service Provider shall, at its sole cost and expense, defend PCMC and its agents, employees, and officers from and against all Proceedings, provided that Service

Provider is not required to defend PCMC from any Proceeding arising from the sole negligence of PCMC or its agents, employees, or officers.

Tender. The service Provider's obligation to defend will arise upon PCMC's tender of defense to the Service Provider in writing. If PCMC fails to timely notify the Service Provider of a Proceeding, the Service Provider will be relieved of its indemnification obligations to the extent that the Service Provider was prejudiced by that failure. Upon receipt of PCMC's tender of defense, if the Service Provider does not promptly notify PCMC of its acceptance of the defense and thereafter duly and diligently defend PCMC and its agents, employees, and officers, then the Service Provider shall pay and be liable for the reasonable costs, expenses, and attorneys' fees incurred in defending the Proceeding and enforcing this provision.

Legal Counsel. To assume the defense, the Service Provider must notify PCMC of their intent to do so. Promptly thereafter, the Service Provider shall retain independent legal counsel reasonably acceptable to PCMC.

Settlement. After Service Provider assumes the defense of a Proceeding, Service Provider may contest, pay, or settle the Proceeding without the consent of PCMC only if that settlement (1) does not entail any admission on the part of PCMC that it violated any law or infringed the rights of any person, (2) provides as the claimant's sole relief monetary damages that are paid in full by Service Provider, and (3) requires that the claimant release PCMC and its agents, employees, and officers from all liability alleged in the Proceeding.

Waiver. Service Provider expressly agrees that the indemnification provision herein constitutes the Service Provider's waiver of immunity under Utah Code § 34A-2-105 for the purposes of this Agreement. This waiver has been mutually negotiated by the parties. The provisions of this section shall survive the expiration or termination of this Agreement. No liability shall attach to PCMC by reason of entering into this Agreement except as expressly provided herein.

No Limitation. The indemnification obligations of this Agreement shall not be reduced by a limitation on the amount or type of damages, compensation, or benefits payable by or for the Service Provider or Subcontractor under workers' compensation acts, disability benefits acts, or other employee benefit acts.

Interpretation. The parties intend that the indemnity and defense provisions in this Article shall be interpreted so as to be enforceable to the fullest extent permitted by law, but nothing herein shall be interpreted to violate public policy.

Environmental Indemnity. Service Provider shall indemnify PCMC, its agents, employees, and officers for any Indemnifiable Losses from a Proceeding arising out of Service Provider's violation of federal, state, or local environmental laws or regulations, and shall include but not be limited to all cleanup and remedial costs, diminution in value of property, and any fines or fees imposed as a result.

ARTICLE 9 – INSURANCE.

At its own cost and expense, Service Provider shall maintain the following mandatory insurance coverage to protect against claims for injuries to persons or property damage that may arise from or relate to the performance of this Agreement by Service Provider, its agents, representatives, employees, or Subcontractors for the entire duration of this Agreement or for such longer period of time as set forth below. Prior to commencing any work, Service Provider shall furnish a certificate of insurance as evidence of the requisite coverage. The certificate of insurance must include endorsements for additional insured, waiver of subrogation, primary and non-contributory status, and completed operations.

Commercial General Liability Insurance. Service Provider shall maintain commercial general liability insurance on a primary and non-contributory basis in comparison to all other insurance, including PCMC's own policies of insurance, for all claims against PCMC. The policy must be written on an occurrence basis with limits not less than \$2,000,000 per occurrence and \$4,000,000 aggregate for personal injury and property damage. Upon request of PCMC, Service Provider must increase the policy limits to at least the amount of the limitation of judgments described in Utah Code § 63G-7-604, the Governmental Immunity Act of Utah (or successor provision), as calculated by the state risk manager every two years and stated in Utah Admin. Code R37-4-3 (or successor provision).

Automobile Liability Coverage. Service Provider shall maintain automobile liability insurance with a combined single limit of not less than \$2,000,000 per accident for bodily injury and property damage arising out of the ownership, maintenance, and use of owned, hired, and non-owned motor vehicles. This policy must not contain any exclusion or limitation with respect to loading or unloading of a covered vehicle.

Unmanned Aircraft Liability coverage. Service provider shall maintain Unmanned Aircraft Liability coverage with minimum limits of at least Two Million Dollars (\$2,000,000) per occurrence with a waiver of subrogation in favor of Park City Municipal Corporation and Park City Mountain Resort. (Legal please confirm language is adequate).

Workers' Compensation Insurance and Employer's Liability. Service Provider shall maintain workers' compensation insurance with limits not less than the amount required by statute, and employer's liability insurance limits of at least \$1,000,000 each accident, \$1,000,000 for bodily injury by accident, and \$1,000,000 each employee for injury by disease. The workers' compensation policy must be endorsed with a waiver of subrogation in favor of "Park City Municipal Corporation" for all work performed by the Service Provider, its employees, agents, and Subcontractors.

Umbrella/Excess Coverage. The insurance limits required by this section may be met by either providing a primary policy or in combination with an umbrella / excess liability policy(ies). To the extent that umbrella/excess coverage is used to satisfy the limits of coverage required hereunder, the terms of such coverage must be following form to, or otherwise at least as

broad as, the primary underlying coverage, including amending the "other insurance" provisions as required so as to provide additional insured coverage on a primary and non-contributory basis, and subject to vertical exhaustion before any other primary, umbrella/excess, or any other insurance obtained by the additional insureds will be triggered.

Insured Parties. Each policy and all renewals or replacements, except those policies for Professional Liability, and Workers Compensation and Employer's Liability, must name PCMC (and its officers, agents, and employees) as additional insureds on a primary and non-contributory basis with respect to liability arising out of work, operations, and completed operations performed by or on behalf of Service Provider.

Waiver of Subrogation. Service Provider waives all rights against PCMC and any other additional insureds for recovery of any loss or damages to the extent these damages are covered by any of the insurance policies required under this Agreement. Service Provider shall cause each policy to be endorsed with a waiver of subrogation in favor of PCMC for all work performed by Service Provider, its employees, agents, and Subcontractors.

Quality of Insurance Companies. All required insurance policies must be issued by insurance companies qualified to do business in the state of Utah and listed on the United States Treasury Department's current Department of Treasury Fiscal Services List 570 or having a general policyholders rating of not less than "A-" in the most current available A.M. Best Co., Inc.'s, Best Insurance Report, or equivalent.

Cancellation. Should any of the Service Provider's required insurance policies under this Agreement be canceled before the termination or completion of this Agreement, the Service Provider must deliver notice to PCMC within 30 days of cancellation. PCMC may request and Service Provider must provide within 10 days certified copies of any required policies during the term of this Agreement.

Additional Coverage. Notwithstanding anything to the contrary, if the Service Provider has procured any insurance coverage or limits (either primary or on an excess basis) that exceed the minimum acceptable coverage or limits set forth in this Agreement, the broadest coverage and highest limits actually afforded under the applicable policy(ies) of insurance are the coverage and limits required by this Agreement and such coverage and limits must be provided in full to the additional insureds and indemnified parties under this Agreement. The parties expressly intend that the provisions in this Agreement will be construed as broadly as permitted to be construed by applicable law to afford the maximum insurance coverage available under Service Provider's insurance policies.

No representation. In specifying minimum Service Provider's insurance requirements, PCMC does not represent that such insurance is adequate to protect Service Provider from loss, damage or liability arising from its work. Service Provider is solely responsible to inform itself of types or amounts of insurance it may need beyond these requirements to protect itself.

ARTICLE 10 – NONDISCRIMINATION.

Nondiscrimination. Service Provider shall not discriminate against any employee or applicant for employment because of race; ethnicity; color; pregnancy, childbirth, or pregnancy-related conditions; age, if the individual is 40 years of age or older; religion; national origin; disability; sexual orientation; gender identity; or military status.

Policy. Service Provider shall implement an employment nondiscrimination policy, if Service Provider does not already have such a policy, to effectuate the prohibition in this section; and

Subcontractor Flow-Through. Service Provider shall incorporate the foregoing non-discrimination provisions in all subcontracts or assignments under this Agreement and take action as required to ensure full compliance with the provisions of this non-discrimination policy.

ARTICLE 11 – ASSIGNMENT/SUBCONTRACTING.

Assignment. Service Provider shall not assign any portion of its performance under this Agreement without PCMC's written consent. Consent must be sought in writing by the Service Provider not less than 30 days before the date of any proposed assignment. PCMC reserves the right to reject assignment without cause. Any purported transfer in violation of this section will be void.

Subcontracting. Service Provider shall obtain advance written consent from PCMC for any Subcontractor not identified in the Scope of Services.

ARTICLE 12 – TERMINATION.

Convenience. Either party may terminate this Agreement for any reason or no reason by giving the other party at least 30 days prior written notice. This Agreement will terminate at midnight at the end of the 30th day after that notice is effective. Service Provider must be paid its costs, including contract close-out costs and profit on work performed up to the time of termination, according to the provisions of this Agreement.

For Cause. If the Service Provider fails to comply with any provision of this Agreement and fails to correct noncompliance within three days of receiving written notice, PCMC may immediately terminate this Agreement for cause by providing a notice of termination to the Service Provider.

ARTICLE 13 – NOTICES.

Notice Addresses. For a notice or other communication to a party under this Agreement to be valid, it must be addressed using the information specified below for that party or any other information specified by that party in a notice delivered in accordance with this section.

To PCMC: Park City Municipal Corporation
P.O. Box 1480
Park City, UT 84060-1480
Attn: City Attorney's Office
PCMC_Notices@parkcity.org

With a copy to:
PCMC's Representative, pursuant to Article 1.C.
PCMC's City Recorder at
michelle.kellogg@parkcity.org.

To Service Provider: Skyworx Drone Shows, LLC
106 N. 6th St., #226
Boise, ID 83702
taylor@skyworx.com

Delivery. A notice or other communication under this Agreement will be effective if it is in writing and received by the party to which it is addressed. It will be deemed to have been received as follows: (1) upon receipt as stated in the tracking system of a delivery organization that allows users to track deliveries; (2) when the intended recipient signs for the delivery; (3) when delivered by email to the intended recipient with a read receipt, an acknowledgment of receipt, or an automatic reply.

Refusal or Inability to Deliver. If the intended recipient rejects or otherwise refuses to accept delivery, or if it cannot be delivered because of a change of address for which no notice was given, then delivery is effective upon that rejection, refusal, or inability to deliver.

Time of Delivery. If a notice or other communication addressed to a party is received after 5:00 p.m. on a business day at the location specified in the address for that party or on a day that is not a business day, then the notice will be deemed received at 9:00 a.m. on the next business day.

ARTICLE 14 – MISCELLANEOUS PROVISIONS.

Entire Agreement. This Agreement constitutes the entire understanding between the parties regarding the subject matter of this Agreement.

Modification and Waiver. To be effective, any modification to this Agreement or to the Scope of Services must be in writing and signed by both parties. No waiver under this Agreement will be effective unless it is in writing and signed by the party granting the waiver (in the case of PCMC, by an individual authorized by PCMC to sign the waiver). A waiver granted on one occasion will not operate as a waiver on other occasions.

Timely Performance. Service Provider shall complete the Scope of Services by any applicable deadline stated in this Agreement. Service Provider is liable for all reasonable damages to PCMC incurred as a result of Service Provider's failure to timely perform the Scope of Services required under this Agreement.

SHOW SAFETY, WEATHER, GPS, AND COMMUNICATION

Skyworx shall pilot and operate the drones and its other related Show obligations in a safe and secure manner, and will take all reasonable precautions to prevent any damage to property, personal injury or death by the drones and Skyworx's other equipment. The Pilot in Command (PIC) is, in the PIC's commercially reasonable discretion, the ultimate authority regarding flight safety. SKYWORX will only operate a show under safe conditions. Shows operating in excess of 25 miles per hour winds can be canceled at the pilot's commercially reasonable discretion in reasonable consultation with Customer. Occasionally, drone sensors detect abnormalities and for safety reasons, the flight controller may instruct affected drones to land or not take off. It is possible that all drones may not participate in a show. SKYWORX supplies spare drones in order to maximize the number of drones available for flight.

GPS is critical to the operation of the Drone Show. If GPS is interrupted or degraded during show operation, the Drone Show may come to an immediate end with no liability to Skyworx. SKYWORX communications technologies operate in the 902-928MHz radio frequency (RF) band in North America. Skyworx will reasonably assist Customer with respect to the selection of the Show location and Skyworx will (prior to final designation of the Show location) inspect the Show location to confirm that there is a stable electromagnetic environment, a strong and clear and GPS signal, a clear radio communications frequency, and access to power sufficient for the safe and proper execution of the Show.

Customer agrees that Skyworx shall have no liability for any damages resulting from the weather, the electromagnetic environment, the GPS signal, radio communications frequency and/or access to sufficient power, or other Force Majeure Event (collectively referred to as a "Force Majeure Event" defined in the Cancellation provision herein).

CANCELLATION

In the event that the Show is canceled due to Poor Weather Conditions or a Force Majeure Event or due to the cancellation of the Event or relevant portion thereof (as determined by Customer in reasonable consultation with its client and Skyworx), Customer shall have the option to either:

- (a) Reschedule the Show to a future date within one (1) year of the original Show date (such rescheduled date to be mutually agreed upon by the Parties in writing); or
- (b) Receive a refund of the Deposit except for the amount of the Deposit attributable to hard costs and other commitments which cannot be cancelled (e.g., air permits) ("Hard Costs"). Upon request by Customer, Skyworx shall provide reasonable back-up (e.g., receipts) for such Hard Costs.

For purposes of this Section (“Cancellation”), (i) “Poor Weather Conditions” means (A) precipitation, excessive winds or lightning which prevents the safe operation of the drones or which prevents the drones from operating in substantial compliance with the design of the Show as approved by Customer and its client, or (B) fog, cloud or smoke or similar conditions which substantially impair the Show from being viewed as intended and legally flown per FAA regulations; and (ii) “Force Majeure Event” means: (A) acts of God; (B) flood, fire, earthquake, or explosion; (C) war, invasion, hostilities (whether war is declared or not), terrorist threats or acts, riot, or other civil unrest; (D) government order, law, or actions; (E) embargoes or blockades in effect on or after the date of this Agreement; (F) pandemic; (G) telecommunications carrier, wireless network provider or satellite provider outages; or (H) utility provider outages, which prevents the safe operation of the drones, or which prevents the execution of the Show or the execution of the Show in substantial compliance with the design of the Show as approved by Customer and its client.

A cancellation of the Show due to a technical or equipment failure within the reasonable control of Skyworx, or other failure of Skyworx or its agents, contractors or employees to perform as required hereunder which is not due to a Force Majeure or Customer’s failure to provide the material Responsible Items which it is obligated to provide hereunder, shall be a material breach of the Agreement, and in such event, Customer shall, in addition to its other rights and remedies under this Agreement and applicable law, be entitled to a full refund of all amounts paid to Skyworx.

Governing Law, Jurisdiction, Venue. Utah law governs all adversarial proceedings arising out of this Agreement or the subject matter of this Agreement. As the exclusive means of bringing adversarial proceedings to resolve any dispute arising out of this Agreement or the subject matter of this Agreement, a party may bring such a proceeding in courts of competent jurisdiction in Summit County, Utah.

Severability. The parties acknowledge that if a dispute between the parties arises out of this Agreement or the subject matter of this Agreement, it would be consistent with the wishes of the parties for a court to interpret this Agreement as follows: (1) with respect to any provision that it holds to be unenforceable, by modifying that provision to the minimum extent necessary to make it enforceable or, if that modification is not permitted by law, by disregarding that provision; (2) if an unenforceable provision is modified or disregarded in accordance with this section, by holding that the rest of the Agreement will remain in effect as written; (3) by holding that any unenforceable provision will remain as written in any circumstances other than those in which the provision is held to be unenforceable; and (4) if modifying or disregarding the unenforceable provision would result in failure of an essential purpose of this Agreement, by holding the entire Agreement unenforceable.

No Non-Party Rights. Nothing in this Agreement is intended to grant rights of any kind to any non-party or create third-party beneficiary rights of any kind.

Force Majeure. For purposes of this Agreement, a Force Majeure Event means any event or circumstance, regardless of whether it was foreseeable, that was not caused by that party and that prevents a party from complying with any of its obligations under this Agreement, but a Force Majeure Event will not include any strike or labor unrest, an increase in prices, a change in general economic conditions, or a change of law. A party that is prevented by the occurrence of a Force Majeure Event from performing any one or more obligations under this Agreement will not be liable for any failure or delay in performing those obligations, on condition that the non-performing party uses reasonable efforts to perform. The non-performing party shall promptly notify the other party of the occurrence of a Force Majeure Event and its effect on performance. Thereafter, the nonperforming party shall update the other party as reasonably necessary regarding its performance. The nonperforming party shall use reasonable efforts to limit damages to the other party and to complete its full performance under this Agreement.

Each party is signing this Agreement on the date stated opposite that party's signature.

PARK CITY MUNICIPAL CORPORATION, a Utah municipal corporation

Date: 6/27/2024

By:

DocuSigned by:
Matt Dias
Matt Dias
11519128586E246E...
City Manager

Attest:

DocuSigned by:
[Signature]
City Recorder's Office

Approved as to form:

DocuSigned by:
Margaret Plane
City Attorney's Office

SKYWORKS DRONE SHOWS, LLC, a Delaware
limited liability company

Tax ID #: 88-4266639

Date: 06/26/24

By:

DocuSigned by:



Taylor Woodall

Chief Executive Officer

An authorized signer

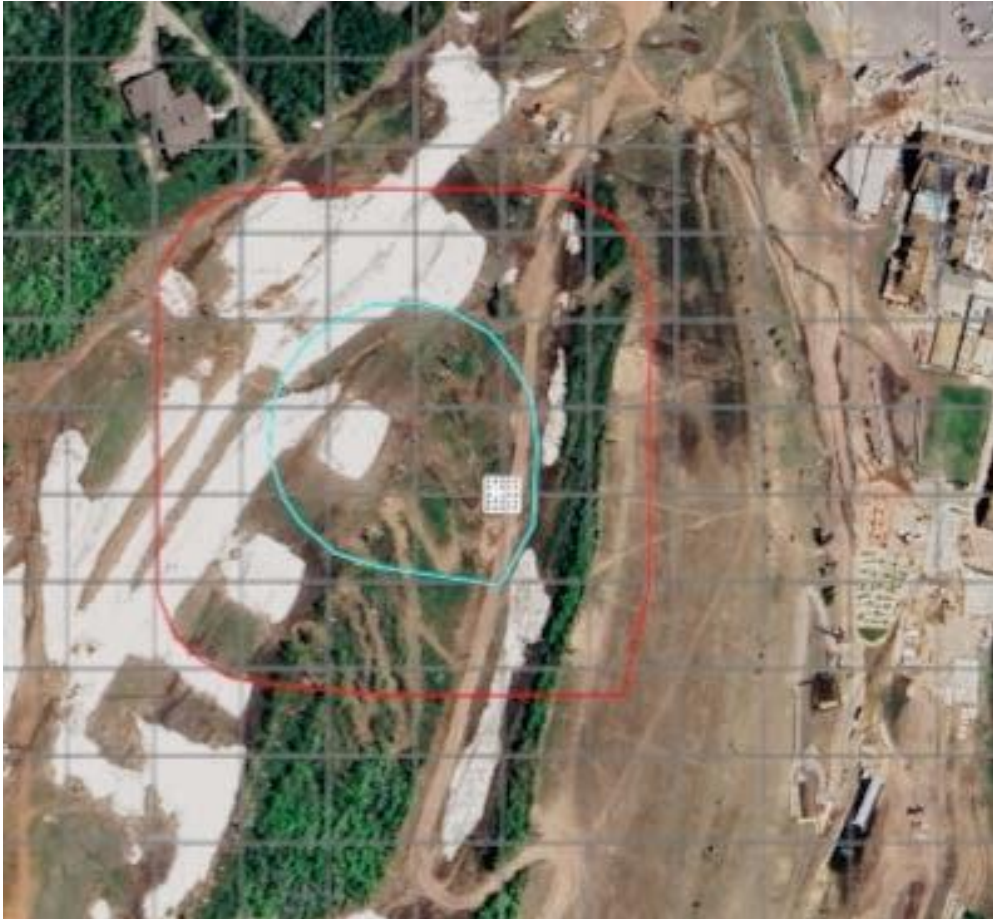
SCHEDULE A – SCOPE OF SERVICES

OPERATING AREA

On July 4, 2024, Service Provider shall conduct the operation of a 200-drone show performance for PCMC.

Location: 40°39'05"N 111°30'38"W

Safety perimeter map including the launch location provided below:
Park City Municipal Corporation Safety Perimeter Diagram



Launch location: The location is provided in the form of longitudinal and latitudinal coordinates and displayed in the site map above. By limiting the number of walkways and high traffic areas, along with eliminating the chance of nearby residence buildings from existing within the safety perimeter, the previous

SECTION 1 OPERATIONS: FLIGHT PLAN

1.1 Event Details

Project: Park City 4th of July Celebration

Date: 7/4/24

Location: 40°39'05"N 111°30'38"W

Time Frame: 9:30PM - 10:30PM

Altitude: 0-400 ft AGL

NM Radius: < .10

Operations Overview: Service Provider will operate 200 sUAS simultaneously under waiver 107W-2022-02084 on the date, time frame, and location specified above. The purpose of the operation is to provide a night-time drone light show for the attendees of the Park City 4th of July Event. Only when the operating area is clear of and secure of all bystanders will the operation commence. All appropriate fail safes will be programmed prior to the operation. These include max altitude, dual layer geofencing, battery voltage, etc. The Remote Pilot in Command (RPIC) will count into the takeoff sequence of the fleet. All Visual Observers (VO's) will be monitoring takeoff to notify the RPIC of any unforeseen issues. Once airborne, the operation will last approximately 12 minutes, making various designs, shapes, and text. At the end of the show, all sUAS will return to the grid formation before initiating their return to launch sequence. Once landed they will automatically disarm. No less than 72 hours prior to operation, the local Flight Standards District Office (FSDO) will be notified. No less than 24 hours prior to the operation a Notice to Airmen will be published listing the location and timing details mentioned above.

SECTION 2 SAFETY OPERATING PROTOCOLS

2.1 Operating Area Requirements

2.1.1 Sterile Environment

All flights will be conducted in a unique and restricted environment. Prior to each flight, the RPIC and the VO must become familiar with the boundaries and topography of the site operating area and the RPIC must take caution not to exceed those boundaries during flight. sUAS operations personnel will sweep and secure the operations area to ensure that the environment remains free of nonparticipating persons and vehicles. Service Provider will coordinate with local jurisdictions to ensure compliance with all local permitting and regulatory requirements.

The operating area consists of any property in which the sUAS are operating directly over top of. Service Provider's personnel will ensure that no nonparticipating persons are allowed within the operating area except those consenting to be involved and necessary for operation.

2.2 Failsafe Procedures

2.2.1 Lost Link Landing Sequence

In the event that the sUAS loses its data link signal, the aircraft will initiate its Land procedure. Once initiated, the sUAS will enter a hover in its current position and begin to descend slowly. The aircraft is programmed to disarm itself once it reaches the ground and detects that it is no longer descending.

2.2.2 Lost GPS Signal Landing Sequence

In the event that the sUAS loses its GPS signal, the aircraft will initiate its landing procedure. During the landing procedure, the sUAS will enter a stabilized hover and begin to descend slowly. The aircraft is programmed to disarm itself once it reaches the ground and detects that it is no longer descending.

2.2.3 Aircraft Failure Procedure

In the event that an individual or multiple sUAS have an in-flight failure, the FFDS will immediately detect the issue and disarm the aircraft allowing it to fall safely within the sterile operating area.

In the unlikely event that the FFDS does not trigger the sUAS to disarm, the RPIC has the ability to manually disarm any sUAS from the Ground Station. If the RPIC or any of the VOs notice an in-flight failure the RPIC will identify which sUAS in the swarm are having a failure by using all available flight data. The GCS provides the RPIC with a 3D visual representation of all aircrafts in flight which includes the aircraft's position, orientation, vibration, speed, and other critical flight data. Using this data the RPIC can pinpoint which sUAS are having a failure.

Once all the sUAS with the failures are identified, the PIC has the following abilities:

- Hold the sUAS in its current position;
- Land the sUAS;
- Put the sUAS into Return to Home; and
- Disarm the aircraft.

The RPIC will use his or her best judgment to remedy the failure and safely fly the sUAS(s) with the failures away from the swarm and land it in a safe area.

2.2.4 Ground Control Station Failure

The GCS will consist of at least two computers to control the sUAS swarm. One computer will be the primary GCS and the second computer will be used as a backup GCS. Both the primary and backup GCS will be running the GCS software simultaneously. In addition, both the primary and backup GCS will have secondary GCS software installed to control the drones in the event that there is a software failure.

In the event that the primary GCS fails, the RPIC will use the backup GCS to regain control of the sUAS swarm and land safely. If the RPIC determines that the GCS failure is not caused by the computer and that the failure is due to the GCS software, the RPIC can use either the primary or backup GCS computer to run the secondary GCS software to regain control of the sUAS swarm and land safely.

2.2.5 Flight Operation Boundary Recovery Sequence

In the event that a sUAS comes in contact with any part of the first layer of the Fly Fence during a mission, the sUAS will immediately hold position and land in a safe and controlled manner.

In the event that a flyaway aircraft is experiencing a severe in-flight failure causing the aircraft to quickly fly out of the first layer of the Fly Fence, the second layer of the Fly Fence will immediately disarm the aircraft when it crosses through the boundary causing the drone to fall to the ground safely within the sterile environment.

2.2.6 Intruding Personnel Procedure

In the event that a person is detected within the operating area, the VOs will immediately notify the RPIC of the intruding person and their location. The RPIC, using the ground station controls and information, will then navigate any and all sUAS away from the intruding person and to a safe area to land as quickly and safely as possible.

2.2.7 Intruding Aircraft Procedure

In the event that an aircraft is detected in the sterile operating area, the RPIC will immediately navigate any or all sUAS away from the detected aircraft and land the sUAS as quickly and safely as possible.

In the unlikely event that an aircraft does enter the sterile operating area during a loss link Land procedure, the RPIC, with the help of any and all VOs, will determine which sUAS pose a threat to the detected aircraft. Once determined, the RPIC, will kill power to the threatening sUAS and allow them to fall within the sterile operating area to get them out of harm's way of the detected aircraft intruding on the operating area.

SECTION 3 AIRCRAFT DETAILS AND LIMITATIONS

3.1. Model - X1 Quadcopter. Service Provider's drones have been designed specifically for the purpose of drone light displays.

3.2. Aircraft Specifics

- Model: X1 or X7
- Altitude: up to 400 ft
- Wind Resistance: 35 mph gusts
- Brightness: 990 lumens
- Weather Tolerance: Can fly in light rain and/or moderate winds.
-

SECTION 4 PRODUCTION TIMELINE

Action Item	Date Completed
Initial Creative Call	June 5, 2024
Initial Design Preview Presented	June 17, 2024
Creative Finalized	June 24, 2024
Rehearsal at Test Field	July 2-3, 2024
Safety Call	July 3, 2024
Logistics Finalized	July 3, 2024
Load-in Onsite	July 4, 2024 3:00pm
Sound Check	July 4, 2024 5:00pm
Sunset	July 4, 2024 9:00pm

Safety Perimeter Secured	July 4, 2024 9:00pm
Showtime	July 4, 2024 9:30pm
Safety Perimeter Lifted	July 4, 2024 9:45pm
Load-out	July 4, 2024 11:00pm

***Please Note:** This timeline serves as an estimate for lead time and planning purposes. However these are set dates and times above, Skyworx is capable of accommodating our client's desired production timeline to the best of our ability.*



Great American Insurance Company, Inc.
2 Tower Center Boulevard, Suite 1605
East Brunswick, NJ 08816
contactus@gaig.com

Aircraft Certificate of Insurance

AV 11 00 (Ed. 04 14)

Certificate Holder: Park City Municipal Corporation
PO Box 1480
Park City, UT 84060

Named Insured: Skyworx Drone Shows, LLC
1011 N 23rd St
Boise, ID 83702

Policy Period From: August 31, 2023 To: August 31, 2024

Policy Number: AH F068148-00

Issuing Company: Great American Insurance Company

APPROVED

This is to certify that the policy(ies) listed herein have been issued providing coverage for the listed insured as further described. This certificate of insurance is not an insurance policy and does not amend, extend, or alter the coverage afforded by the policy(ies) listed herein. Notwithstanding any requirement, term or condition of any contract, or other document with respect to which this certificate of insurance may be concerned or may pertain, the Insurance afforded by the policy(ies) listed on this certificate is subject to all the terms, exclusions, and conditions of such policy(ies).

Aircraft:

Reg. No.	Year	Make	Model	Insured Value	Deductible In Motion	Deductible Not In Motion	Liability Limit	Passenger Liability Limit
On File	2022	Aero	X1				\$5,000,000	

The Certificate Holder is included as an Additional Insured, Primary Non-Contributory with Waiver of Subrogation, but only as respects operations of the Named Insured.
Premises Liability: \$5,000,000 Each Occurrence
The Company will provide the Certificate Holder with 30 days (10 days for non-payment of premium) advance notice of cancellation or material change.

Certificate Number:

Date:

(Authorized Representative)

AV 11 00 (Ed. 04 14)

PROGRESSIVE
PO BOX 94739
CLEVELAND, OH 44101

Policy Holder:

Skyworx Drone Shows LLC
106 N 6TH ST
SUITE 226
BOISE, ID 83702

The attached endorsements listed below applies to policy number: **975622760**

Form 2366 (02/11) Blanket Additional Insured Endorsement
Form 2367 (06/10) Blanket Waiver of Subrogation Endorsement

Endorsement effective: **December 12, 2023**

Endorsements listed above are effective until policy cancellation date.

Form 2366 (02/11) M_CL

Blanket Additional Insured Endorsement

This endorsement modifies insurance provided by the Commercial Auto Policy, Motor Truck Cargo Legal Liability Coverage Endorsement, and/or Commercial General Liability Coverage Endorsement, as appears on the **declarations page**. All terms and conditions of the policy apply unless modified by this endorsement.

If **you** pay the fee for this Blanket Additional Insured Endorsement, **we** agree with **you** that any person or organization with whom **you** have executed a written agreement prior to any **loss** is added as an additional **insured** with respect to such liability coverage as is afforded by the policy, but this insurance applies to such additional **insured** only as a person or organization liable for **your** operations and then only to the extent of that liability. This endorsement does not apply to acts, omissions, products, work, or operations of the additional **insured**.

Regardless of the provisions of paragraph a. and b. of the "Other Insurance" clause of this policy, if the person or organization with whom **you** have executed a written agreement has other insurance under which it is the first named **insured** and that insurance also applies, then this insurance is primary to and non-contributory with that other insurance when the written contract or agreement between **you** and that person or organization, signed and executed by **you** before the **bodily injury** or **property damage** occurs and in effect during the policy period, requires this insurance to be primary and non-contributory.

In no way does this endorsement waive the "Other Insurance" clause of the policy, nor make this policy primary to third parties hired by the **insured** to perform work for the **insured** or on the **insured's** behalf.

ALL OTHER TERMS, LIMITS, AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.

Form 2367 (06/10)M_CL

Blanket Waiver of Subrogation Endorsement

This endorsement modifies insurance provided by the Commercial Auto Policy, **Motor Truck Cargo Legal Liability Coverage Endorsement**, and/or **Commercial General Liability Coverage Endorsement**, as appears on the **declarations page**. All terms and conditions of the policy apply unless modified by this endorsement.

If **you** pay the fee for this Blanket Waiver of Subrogation Endorsement, **we** agree to waive any and all subrogation claims against any person or organization with whom a written waiver agreement has been executed by the named insured, as required by written contract, prior to the occurrence of any **loss**.

ALL OTHER TERMS, LIMITS AND PROVISIONS OF THE POLICY REMAIN UNCHANGED.



WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

1. Waiver Type Blanket

A blanket waiver of subrogation is granted for all projects and contracts for the below named insured and its subsidiaries for all jobs requiring such a waiver in writing in all states excluding Texas listed under section 3A of your information page.

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

Endorsement Effective	01/09/2024	Policy No.	4056110	Endorsement No.
Insured	Skyworx Drone Shows, LLC			Premium
	1011 N 23rd St			
	Boise, ID 83702-3227			
Insurance Company	WCF Select Insurance Company			

Countersigned by _____