

August 7, 2012

Tom Madigan Alameda County Police

Tom,

As has been discussed, I am sending you a quotation for our Aeryon Scout system. I believe you would be an excellent addition to our customer list as we continue to expand our market into the US market.

As you're aware, the Aeryon Scout is the world's most advanced vertical takeoff and landing (VTOL) aerial intelligence gathering platform in its class, providing sophisticated, high-end aerial intelligence to precisely where it's needed – the operator in the field. System highlights include:

- Aeryon's touch-screen, map based interface allows the system to dynamically manage wind, fly beyond
  line of sight or at night. It is extremely easy to learn and snaps together in seconds, providing any operator
  with instant access to high quality aerial intelligence.
- Advanced safety features such as intelligent fault handling the system will automatically fly home and
  land if the communication link is broken, if battery levels get too low or if pre-defined wind thresholds are
  exceeded and automated pre-flight checks make the Aeryon Scout the best system for both urban and
  non-urban environments.
- Sophisticated, high-end UAV functionality such as pre-planned flight paths, intelligent camera targeting and real-time video multi-casting provides operators in the field with the capabilities to ensure all missions will be a success.

Please let me know if you have any questions or require further information. I look forward to hearing from you soon.

Sincerely,

Cameron Waite Aeryon Labs, Inc.



## Option 1

Quantity	Product Description	Unit Price	<b>Total Price</b>
1	Aeryon Scout PRO System including:  - 1 Scout Aerial Vehicle - 1 Rugged Tablet with Software - 1 Scout Base Station - 1 Photo 3S 3 axis stabilized payload - 4 Smart Batteries - 1 Three-Bay Battery Charger - 1 Scout Mission Carrying Case	\$100,000	\$100,000
	One Year Technical Support including:  - Telephone support (Aeryon business hours)  - Email support  - Software upgrades  - Diagnostics support	\$7,500	\$7,500
	Total		<u>\$107,500</u>
Option 2			<del></del>
Quantity	Product Description	Unit Price	Total Price
1	Aeryon Scout CIVILIAN System including: - 1 Scout Aerial Vehicle - 1 Rugged Tablet with Software - 1 Photo 3S 3 axis stabilized payload	\$60,000	\$60,000
	<ul> <li>4 Smart Batteries</li> <li>1 Three-Bay Battery Charger</li> <li>1 Scout Mission Carrying Case</li> </ul>		
1	<ul><li>4 Smart Batteries</li><li>1 Three-Bay Battery Charger</li></ul>	\$7,500	\$7,500



## **Accessories / Additional Options**

1	<ul> <li>Aeryon Scout Spares Kit includes</li> <li>2 additional Smart Batteries</li> <li>Full set (4 individual arms) of spare motor arms with propellers</li> <li>Full set (4 individual legs including antenna leg) of spare legs</li> <li>1 Scout support case</li> </ul>	\$15,000
1	Aeryon Scout FLIR Thermal IR Camera Payload	\$30,000
1	Aeryon Scout VideoZoom 10x Optical Zoom Camera Payload	\$15,000
1	2 Day Training Session - @ Aeryon Labs, Waterloo, Ontario (price per person)	\$2,000

## Additional Terms:

- Above prices are exclusive of taxes and in US Dollars
- Payment terms are 30% at time of order, 70% prior to shipment
- Quotation valid for 30 days from date of issue
- FOB Waterloo
- All pricing must remain confidential between customer and Aeryon Labs, Inc.
- See Terms and Conditions www.aeryon.com/terms



## Public Unmanned Aircraft Operations in the National Airspace System

The Federal Aviation Administration (FAA) is responsible for processing and approving all requests for Unmanned Aircraft Systems (UAS) operations in the National Airspace System (NAS). For UAS operators, this authorization is granted via the issuance of a Certificate of Waiver or Authorization (COA). Typically, Law Enforcement Agency (LEA) UAS flight operations are considered as "public aircraft" operations. The guidelines for operating as a "public aircraft" entity are described in the FAA's Interim Guidance Document 08-01, which may be found on the FAA web site: http://www.faa.gov/about/initiatives/uas/

When the FAA receives a COA application through the FAA's COA Online portal, the Agency initiates a rigorous program review and application assessment. Included in this review and assessment are 1) the type of mission 2) launch/recovery/operations location(s) 3) operational altitudes 4) flight procedures 5) communications 6) emergency procedures such as lost communication and loss-of-control link and 7) Pilot in Command (PIC), flight crew, and observer qualifications and training requirements. The typical COA application approval process is completed within 60 business days of receipt, provided there are no submittal errors, missing information, or safety or airspace issues.

Before the FAA grants access to the *COA Online* application process, the Proponent will be asked to provide preliminary information that includes, but is not limited to:

- · The Proponent's address and contact information, including the accountable executive's name
- The name and manufacturer of the UAS technology to be used
- How the Proponent anticipates using the UAS technology (Concept of Operations)
- The level of aviation experience of the Proponent (e.g. does any member of the Proponent's organization hold a private or advanced FAA pilot certificate? or an FAA Airman Medical Certificate?, etc.)
- Will the Proponent be developing the UAS program "in house" or utilizing a third party to develop and/or implement its UAS program?
- A letter from the LEA's State Attorney General formally acknowledging that the Proponent is recognized as a subdivision of the government of the State under Title 49 of the United Stated Code (USC) section (§) 40102 and that the proponent will operate its Unmanned Aircraft in accordance with 49 USC. § 40125 (not for Commercial Purposes)

The FAA believes that the safest and most successful jurisdiction-wide deployment of UAS technology that supports public safety agencies is accomplished through a two-phase process. The *initial* COA (Phase I) is generally restricted to training and evaluation activities at a specific training site that is confined to Class G airspace, and remains well clear of housing areas, roads, any persons, and watercraft. This permits LEA's to conduct necessary ground and flight training to bring pilots, observers and ground crewmembers to a high level of UAS flight proficiency and also enables them to develop and conduct training exercises to ensure efficient, standardized coordination amongst other supporting LEA elements (e.g. SWAT or SRT team coordination for operational missions, search and rescue, disaster control, etc.).