

Settlement Agreement and Release

This Settlement Agreement and Release ("Agreement") is entered into by and between Nightingale Intelligent Systems, Inc., a Delaware corporation ("Nightingale") and the City of San Pablo, a California municipal corporation and the San Pablo Police Department (together, the "City"). Nightingale and the City may be referred to individually as a "Party" and collectively as the "Parties."

RECITALS

WHEREAS, Nightingale, a Delaware corporation, is in the business of manufacturing and selling unmanned aircraft (a.k.a., drones);

WHEREAS, Nightingale and the City entered into an August 17, 2021 Customer Agreement ("2021 Agreement") for, *inter alia*, the purchase of Goods (as such term is defined in the 2021 Agreement) and the provision of services related to the Goods;

WHEREAS, Nightingale and the City entered into an August 2, 2023 Customer Agreement ("2023 Agreement") which, *inter alia*, (i) terminated the 2021 Agreement, (ii) provided for the continued support and maintenance of Goods previously purchased by the City from Nightingale, and (iii) provided for the purchase of additional goods and services by the City from Nightingale;

WHEREAS, the City maintains that certain services and equipment were not satisfactorily rendered by Nightingale in accordance with the 2023 Agreement ("Dispute") and

WHEREAS, to resolve the Dispute, Nightingale and the City desire to enter into this Agreement.

AGREEMENT

NOW, THEREFORE, the Parties intending to be legally bound hereby and in consideration of the mutual promises and covenants contained herein and for other good and valuable consideration, agree as follows:

1. Recitals

The foregoing Recitals are true and correct and are hereby incorporated by reference into this Agreement.

2. Settlement Payment

In full and final settlement and resolution of the Dispute identified and contemplated by this Agreement, Nightingale shall pay to the City the total sum of One Hundred Ninety-Five Thousand Dollars (\$195,000.00) (the "Settlement Payment"). The Settlement Payment shall be due and payable upon execution of this Agreement by all Parties.

3. Full Release of Claims

Upon receipt of the Settlement Payment, each Party fully, finally, and forever releases and discharges the other Party and its officers, officials, employees, agents, representatives, successors, and assigns from any and all claims, demands, causes of action, liabilities, damages, costs, expenses, attorneys' fees, obligations, or rights of any kind, whether known or unknown, suspected or unsuspected, arising out of or relating to the 2023 Agreement, and the goods and services contemplated by the 2023 Agreement on or before the Effective Date of this Agreement.

Each Party waives as against the other all rights that each of them have under section 1542 of the California Civil Code, which provides:

A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.

The Parties represent and warrant that they have read Civil Code section 1542, and they understand the effect of waiving Civil Code section 1542, and that they knowingly and intentionally waive all rights under Civil Code section 1542 as part of the consideration in this Agreement.

4. Equipment, Materials, and Packaging Removal

The Parties agree to coordinate reasonably and in good faith regarding the resources necessary to remove all equipment, materials, and packaging materials. All such equipment, materials, and packaging materials shall belong to Nightingale, and all costs associated with removal shall be borne solely by Nightingale.

5. No Admission of Liability

This Agreement is a compromise of disputed matters. Nothing in this Agreement shall be construed as an admission of liability, wrongdoing, fault, or violation of law by any Party, all of which are expressly denied.

6. No Effect on Termination of 2023 Agreement

This Agreement shall not affect or modify the termination provisions in Section 14 of the 2023 Agreement.

7. Representations and Authority

Each Party represents that it has the full right, power, and authority to enter into this Agreement and that the individual signing on its behalf is authorized to bind that Party to the terms of this Agreement.

8. Effective Date

This Agreement shall become effective on the date it has been signed by all Parties ("Effective Date").

9. Entire Agreement

This Agreement constitutes the entire agreement between the Parties concerning the subject matter addressed herein and supersedes all prior or contemporaneous discussions, negotiations, representations, or agreements, whether written or oral. This Agreement may be amended only by a written instrument signed by all Parties.

10. Governing Law & Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of California, without regard to conflict-of-law principles. Any action to interpret and/or enforce this Agreement shall be venued in the Superior Court of California for Contra Costa County.

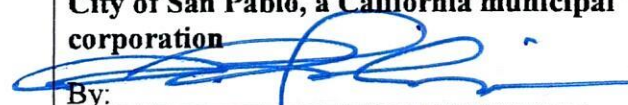
11. Counterparts and Electronic Signatures

This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument. Signatures transmitted electronically shall be deemed to have the same legal effect as original signatures.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

12. Signatures

IN WITNESS WHEREOF, the Parties have executed this Settlement Agreement as of the dates set forth below.

Nightingale Intelligent Systems, Inc., a Delaware corporation	City of San Pablo, a California municipal corporation
By: 	By: 
Name: <u>Michael S. Tschiderer</u>	Name: <u>Matt Rosencranz</u>
Title: <u>CFO</u>	Title: <u>City Manager</u>
Date: <u>06.29.26</u>	Date: <u>06-29-26</u>
	Approved as to form:
	By: 
	City Attorney <u>Brian P. Hickey</u>
	Attest:
	By: 
	Deputy City Clerk <u>Casey Erlenheim</u>