The meeting of the Nevada Institute of Autonomous Systems was called to order by Chairman John White at 1:06 p.m. at the University of Nevada Las Vegas, Carol C. Harter Classroom Building Complex (CBC), Building B, Room 117, 4505 S. Maryland Parkway, Las Vegas, Nevada 89154, and the Truckee Meadows Community College, Red Mountain Room 255, 7000 Dandini Blvd., Reno, NV 89512 via video conference.

1. **ROLL CALL/CALL TO ORDER**

**BOARD MEMBERS PRESENT**

Mr. John White, Chairman  
Dr. Stephen Wells  
MajGen (R) Billy G. McCoy  
Ms. Nancy Wong  
Mr. James A. Barrett  
Mr. Scott Bensing

**BOARD MEMBERS ABSENT AND EXCUSED**

Dr. Greg Mosier, Dean, UNR

**STAFF MEMBERS PRESENT**

Mr. Steve Hill, Executive Director, Governor’s Office of Economic Development (GOED)  
Mr. Tom Wilczek, Aerospace and Defense Specialist, GOED  
Mr. Richard Jost, NIAS Counsel, Fennemore Craig Jones Vargas  
Mr. James Fleitz, Bowhead  
Mr. Chris Tunley, Bowhead  
Mr. J. Mitchell Brown, Bowhead  
Mr. Don Cunningham, Bowhead  
Mr. Peter Wallish, Regional Director, GOED  
Ms. Vera Adams, Executive Assistant, GOED

**GUESTS PRESENT**

Mr. Jonathan Daniels, Praxis Aerospace  
Mr. Steve Curtis, DRI  
Mr. Joseph Campos, MLIS  
Ms. Karen McCull, CRSD  
Ms. Kerry Ahearn, Boulder City Airport  
Mr. Dan Maluco, Wildland Intl.
Mr. Andrew Dionne, Barrett & Co., Inc.  
Mr. Michael Mohar, NSTEC  
Mr. Mike Maier, RRG & TBAN  
Mr. Mike Majewski, Boulder City EVC  
Mr. Reza Karamooz, NVBAA

2. **PUBLIC COMMENT**

Chairman White opened public comment. There were no comments.

3. **CHAIRMAN WHITE’S COMMENTS**

Chairman White welcomed three new Board members: Mr. Scott Bensing, MajGen (R) Billy McCoy, and Mr. Jay Barrett. Chairman White thanked everyone for coming.

4. **APPROVAL OF JANUARY 6, 2014, NIAS BOARD MEETING MINUTES:**

Chairman White opened discussion on the past minutes. There were no comments or changes.

*A MOTION WAS MADE BY DR. WELLS TO APPROVE THE MINUTES AS WRITTEN; THIS MOTION WAS SECONDED BY MS. WONG. THE MOTION PASSED UNANIMOUSLY.*

5. **GOED-NIAS GRANT:**

Mr. Wilczek stated GOED and Mr. Jost have a draft Grant Contract nearly ready for board review. The Grant Contract will be provided to the Board prior to the next meeting. Once approved, the Contract will be signed following execution of the NIAS – Bowhead Contract as that agreement is an attachment to the Grant Contract. will move forward under the current grant to NIAS until approval of the final Bowhead contract was awarded by the Board.

6. **NIAS-BOWHEAD CONTRACT:**

Mr. Hill said attorneys are working on updating the NIAS contract with Bowhead to provide provisions not in the original contract and to add provisions required by the FAA. Chairman White inquired about a timeline for approval of the contract and asked board members to provide comments to the Chair or Mr. Jost. Chairman White asked to have the current draft updated with comments from the board and return to the Board for review and approval.

7. **BOWHEAD BUDGET:**

Mr. Hill discussed the budget process and funding from the Nevada State Legislature. Mr. Hill stated the IFC had approved an additional $1,460,000 in December from the contingency fund and GOED will return in June or July for additional funding from the contingency fund to continue the effort. Mr. Hill stated the draft budget will be circulated for review with the contract. Chairman White asked all comments on the
budget and contract go to Mr. Jost. Mr. Hill suggested the budget be a standing item on the agenda in the event an issue arises.

8. **NIAS MANAGER:**

Chairman White thanked Mr. Wilczek for his service as Interim Director of NIAS and noted that the board will pursue hiring a full-time Manager. After board discussion regarding the potential duties of Manager, including coordinating the board function and facilitating board communication, working with attorneys and accountants, and being the main point of contact for Bowhead, the board asked Dr. Mosier and Mr. Hill to structure a draft job description for the position for review and discussion at the next board meeting.

Dr. Wells requested the Board Members interact in developing the specific duties and responsibilities by actively participating in the process. Board Members will begin forwarding their thoughts to Chairman White.

Chairman White inquired to whom the new position would report to and where it would be located. Mr. Hill stated the position would report to the board and the location had yet to be determined.

Ms. Wong asked if the Board Manager would have administrative support from GOED. Mr. Hill stated GOED is overtaxed at this time with the administrative aspect of NIAS. The goal of the new Manager will be to transfer all NIAS duties from GOED, and coordination of the Board Meetings. Chairman White and Mr. Hill will develop a job description and present it to the members at the next Board Meeting. The job can then be posted and the process of reviewing applicants can begin.

9. **PMO BANK ACCOUNT:**

Chairman White reiterated that the Board approved the separate bank account during the last meeting. Ms. Wong reported all necessary paperwork has been completed and is awaiting final approval and signatures. There were no additional questions for Ms. Wong.

10. **PROJECT MANAGEMENT OFFICE (“PMO”) UPDATE:**

Mr. Wilczek discussed the Atlantic City meeting and explained how the emphasis included Research and Development and Operational issues. Mr. Tunley of Bowhead provided the PMO Update (PowerPoint Presentation).

11. **DISCUSSION OF BOARD RESOLUTIONS:**
Chairman White stated there are no new board resolutions and all previous resolutions have been adopted and signed.
DISCUSSION OF PIPELINE REPORT:

Mr. Tunley gave an overview of the NIAS PMO Pipeline Report. Discussion centered around the level of Board involvement with companies interested in doing business in Nevada. Mr. Hill stated that according to current Board policy, Bowhead can sign vendor contracts up to and including $250,000. Mr. Tunley reported 22 out of 40 rural airports have indicated interest in participation in the program thus far.

Mr. Bensing asked how often the Pipeline Report is given to the Board and how often it is updated. Mr. Tunley said the Pipeline Report is updated regularly to include new, interested clients. Mr. Tunley stated the report will be updated and given to the Board at each meeting; however, it will never be propagated with names. Chairman White requested the PMO meet with individual board members to address outstanding questions on the pipeline.

Mr. Hill discussed the FAA COA requirements. Under the current FAA policy, a public entity must own the platform, which means the state leases for at least 91 days. Mr. Hill stated the costs associated with the insurance are estimated to be $400K and will be a line item in the budget.

CONSIDERATION OF BOOKKEEPING SERVICES:

Ms. Wong gave an overview of the three proposals submitted by L.L. Bradford; Hilburn & Lein, CPAs; and KG&R Bookkeeping Solutions. She indicated the main variable is the cost differentials.

A MOTION WAS MADE BY MR. BARRETT TO APPROVE AND ACCEPT THE PROPOSAL SUBMITTED BY HILBURN & LEIN, CPAs. THIS MOTION WAS SECONDED BY GEN. MCCOY. THE MOTION PASSED UNANIMOUSLY.

GOED COMMENTS:

Gen. McCoy inquired about the requirement of the open meeting law. Chairman White stated the NIAS Board is not subject to the open meeting laws but acts under the law at the request of the IFC. Chairman White stated the Board has adjusted the bylaws to operate in the spirit of open meeting law.

Mr. Hill also stated that the two primary goals of Bowhead are to position Nevada as the cornerstone of the UAS industry and to become financially self-sufficient before July 2015.

Mr. Jost said all copies of the Conflict of Interest forms have not been received but he will recirculate them shortly.

Gen. McCoy requested new board members be added to the E&O insurance policy, and the financial information and PMO Pipeline Report be standing items on the agenda.
15. PUBLIC COMMENTS

Chairman White opened public comment. Mr. Mike Maier of the Public Resources Group initiated questions to Mr. Hill regarding current budgets and costs. Mr. Hill stated he would be happy to meet and discuss his questions at some point after the meeting. There was no public comment from Northern Nevada.

16. ADJOURNMENT

A MOTION WAS MADE BY DR. WELLS TO ADJOURN THE BOARD MEETING; THIS MOTION WAS SECONDED BY GEN. McCoy. THE MOTION PASSED UNANIMOUSLY. THE MEETING ADJOURNED AT 3:22 P.M.
NEVADA GOVERNOR’S OFFICE OF ECONOMIC DEVELOPMENT

GRANT PROGRAM CONTRACT

THIS CONTRACT entered into this Day of , 2014, by and between the NEVADA GOVERNOR’S OFFICE OF ECONOMIC DEVELOPMENT, (hereinafter referred to as “GOED”), and the NEVADA INSTITUTE FOR AUTONOMOUS SYSTEMS (hereinafter referred to as the “NIAS”) (jointly “the Parties”).

WHEREAS, In 2011, Nevada embarked on an economic development and diversification strategy that includes the development of the autonomous unmanned systems (UAS) industry.

WHEREAS, In 2012, Nevada began an robust effort to secure the Federal Aviation Administration’s (FAA’s) designation as one of six UAS test sites established to assist the FAA with integration of Unmanned Aerial Vehicles (UAVs) in the National Air Space (NAS) by 2015.

WHEREAS, In 2013, NIAS was formed as an independent Nevada 501(c)(6). NIAS is governed by a board representing entities participating on the Nevada Autonomous Systems Panel and may, in the future, be expanded as appropriate.

WHEREAS, While Nevada’s response to the FAA presented a compelling description of Nevada’s UAS testing assets, in order to fully position Nevada as the front runner for test site designation, it was deemed necessary to establish and fund a UAS Program Management Office (PMO) to prepare the State to receive the FAA’s designation and, when successful, to serve as the centerpiece for the management of the testing and ranges across the State.

WHEREAS, NIAS selected Bowhead Business and Technology Services LLC (BBTS) selected to act as the PMO.

WHEREAS, The 2013 session of the Nevada legislature authorized $1,000,000 for the purpose of readying the State for designation as a UAS test site, and appropriated these funds to GOED’s grant budget category. Subsequently, an additional $4,000,000 was placed in the Interim Finance Committee’s (IFC) Contingency Account with the stated purpose of making these funds available to GOED in the event Nevada received the FAA’s designation and for the purpose of providing operating funding until the PMO could achieve financial self-sufficiency.

WHEREAS, In July of 2013, GOED entered into a Grant Agreement with NIAS to provide oversight of the PMO and to ensure its proper operation. The term of the Grant was from July 18, 2013 through December 31, 2013 and required the establishment of the PMO, management of the UAS General services and Support Schedule as the agent of the State of Nevada in preparation for fulfillment of the obligations of the FAA Other Transactional Agreement, verification and validation of Nevada UAS Test Range procedures primarily through
preparation of a Master Library of Policy & Procedures, and providing expert advice, assistance, guidance and/or counseling in support of the State’s efforts.

**WHEREAS**, In December of 2013, the IFC approved GOED’s request to allocate $1,496,000 of the $4,000,000 for operations, contingent upon receipt of the FAA’s designation, and upon NIAS operating in accordance with the State’s Open Meeting Law. Certain reporting requirements are also a condition of funding.

**WHEREAS**, On December 30, 2013, the FAA designated Nevada as one of six test sites for integrating UAS into the NAS. The performance of NIAS and the PMO was deemed by GOED to be a significant contributing factor to the State’s designation as an FAA test site.

**NOW, THEREFORE**, the Parties agree in exchange for valuable consideration as follows:

1. **GRANT:**

   GOED agrees to grant the monies contemplated by this Contract to NIAS in exchange for receipt of services provided by NIAS and BBTS acting as the PMO. The grant is to be used to provide funding for staffing and operation of the PMO, including personnel, facilities, travel, marketing, and insurance, among other potential expense categories. Additionally, the grant is to be used to provide funding for oversight of the PMO and associated activities, including necessary legal and accounting costs. The Grant is intended to provide funding to achieve the results outlined in Section 2 of this document, the grantee requirements and Scope of Work contained in the Grant Contract and successor agreements, and in professional services contracts between NIAS and BBTS.

2. **DUTIES OF NIAS:**

   NIAS agrees to continue to provide oversight of BBTS/PMO to ensure its proper operation and to pay BBTS for the PMO operations using the grant monies up until the time the PMO reaches financial self-sufficiency. NIAS and the PMO expressly agree to:

   a. Execute the requirements of the FAA OTA and the operations associated with those activities, including maintenance of all safety and privacy requirements on behalf of the industry, the citizens of Nevada, and other stakeholders.

   b. Achieve financial benchmarks—demonstrate adequate progress toward approved by GOED as the PMO works toward becoming financially self-sufficient prior to July 2015 and prior to full expenditure of the $4,000,000 available state funding.

   c. Position Nevada to be a cornerstone of the UAS industry by operating the test site in a superior manner in all respects, facilitating Nevada’s efforts to take a leading
position in areas of need and interest to the FAA, FTC, and industry, and providing superior service to customers of the PMO.

d. Provide monthly board updates.

e. Provide quarterly progress and activity reports by the end of the month following the end of each quarter.

f. Provide financial reports including monthly balance sheets and income statements and such other items as the NIAS board may request within 25 calendar days following the end of each month.

g. Provide monthly customer backlog information including anticipated revenue and expenses associated with each contract.

h. Submit a budget for each period of time identified by GOED for potential approval by GOED. The initial budget period is January 2014 through June 2014. NIAS may only incur expenses identified in a budget approved by GOED.

i. Ensure that all expenditures fall within the amounts and timeframes prescribed by approved budgets.

3. NOTICES

Communications and details concerning this Contract shall be directed to the following Contract representative:

**GOED:**
Governor’s Office of Economic Dev.
Steven D. Hill, Executive Director
808 West Nye Lane
Carson City, Nevada 89703
Phone: 775-687-9900
steve.hill@diversifynevada.com

**GRANTEE:**
NIAS
John Valery White, Chairman
c/o Nevada Governor’s Office of Economic Development
555 East Washington Avenue
Suite 5400
Las Vegas, NV 89101
Phone: 702-486-2700
John.v.white@niัส-uas.com

4. PERFORMANCE-BASED FUNDING

Performance Based Funding: GOED will compensate NIAS and authorize expenditure of a portion of, or all of, the approved funding for operations of the PMO to accomplish the goals as detailed in this Grant Contract, and in the Contract between BBTS and NIAS, as mutually agreed to by GOED and NIAS, based upon
BBTS' performance under the Professional Services Contract between NIAS and BBTS, as documented using the performance measures required under the Professional Services Contract between NIAS and BBTS.

5. PROCEDURAL REQUIREMENTS

a. The NIAS Board or its designee will monitor the performance of BBTS and the PMO against each of the performance-based elements listed in the Professional Services Contract between NIAS and BBTS.

b. Substandard performance as determined by the NIAS Board or its designee will constitute non-compliance with this Contract and with the Professional Services Contract between NIAS and BBTS. If action to correct such substandard performance is not taken by BBTS and the PMO within 60 days after being notified by the NIAS Board or its designee, compensation amounts may be withheld or reduced or the Professional Services Contract between NIAS and BBTS may be suspended, or the Contract may be terminated without further financial compensation to BBTS.

c. Expected Program outcomes may be modified by the NIAS Board or its designee if BBTS/the PMO provide sufficient justification in writing.

6. TERM

The term of this Contract shall be January 1, 2014 through December 31, 2014.

7. METHOD OF PAYMENT

BBTS, on behalf of the PMO, shall send a request to the NIAS Board for funding in whole or in part following the performance of the work contemplated by the Professional Services Contract between NIAS and BBTS. BBTS shall request all payments in writing via the Request for Disbursement Form attached hereto as “Exhibit A”.

8. TERMINATION
This grant may be terminated, at GOED's sole discretion, at any time upon 30 days written notice. Such notice must be sent certified mail/return receipt requested to the Chairman of NIAS as well as to the Attorney of record for NIAS.

IN WITNESS WHEREOF, the parties hereto have executed this Contract as of the date entered into on the first page hereof.

GOED

By: ____________________________
    Steven D. Hill, Executive Director

NIAS

By: ____________________________
    John Valery White, Chairman
EXHIBIT A
REQUEST FOR DISBURSEMENT FORM
Nevada Institute for Autonomous Systems

First Amended and Restated Professional Services Contract

Between

The Nevada Institute for Autonomous Systems

And

Bowhead Business and Technology Solutions, LLC
This First Amended and Restated Professional Services Contract (Contract) effective as of 01 January 2014 (Effective Date) is hereby established by and between the Nevada Institute for Autonomous Systems (hereinafter referred to as "NIAS"), a non-profit Nevada corporation formerly known as the Nevada Autonomous Systems Institute, of Las Vegas, Nevada, and Bowhead Business and Technology Solutions, LLC, 4900 Seminary Road, Suite 1200, Alexandria, VA 22311-1858 (hereinafter referred to as “BBTS” whose Taxpayer Identification Number is 45-4599069 (Collectively, the "Parties"; Individually, the “Party”).

WHEREAS, The Federal Aviation Administration (FAA) designated the State of Nevada (the State) as a UAS test site on December 30, 2013;

WHEREAS, The State entered into the certain Other Transactional Agreement (OTA) with the FAA on December 31, 2013;

WHEREAS, The mission of NIAS is to develop comprehensive Unmanned Aircraft Systems (UAS) standards and procedures for flight-testing and data collection on behalf of the FAA, which may be used to assist in the development of the safety case and standards to facilitate integration of UAS into the National Air Space (NAS) and other federal controlled airspace in the State of Nevada;

WHEREAS, NIAS will also develop plans for and implement Nevada’s operations of UAS infrastructure and operations;

WHEREAS, BBTS was awarded the contract for Professional Services by NIAS in 2013;

WHEREAS, BBTS was selected to provide technical support services to operate the NIAS Program Management Office (NIAS PMO);

WHEREAS, BBTS, acting as the NIAS PMO, will continue to provide technical support services and support new NIAS strategic initiatives, projects and functions.

WHEREAS, BBTS, acting as the NIAS PMO, will continue to provide integration of autonomous systems development within the State of Nevada in the areas of operations, education, research, manufacturing, testing, spectrum management, entrepreneurship, and integration of UAS into the NAS; and,

WHEREAS, NIAS and BBTS entered into an original agreement under which BBTS provided technical support services to operate the NAIS PMO, with an effective date of July 19, 2013, and a Maximum Value of $940,000.00; and they desire to continue the existing relationship;

Now therefore, in consideration of the mutual covenants, agreements and promises set forth herein, the Parties agree as follows:

The Parties agree to enter into this First Amended and Restated Professional Services Contract governing the terms under which BBTS will continue its provision of technical support services to operate the NIAS PMO, and perform related functions for NIAS. Under this Contract, BBTS will continue to act as the primary independent contractor for NIAS, providing contracting
support of the NIAS PMO in all aspects of Nevada’s operations involving the FAA certified UAS test site and other federal controlled airspace in the State of Nevada, and any additional Other Transactional Agreements (OTAs).

1. **CONTRACT TERM.** The term of this Contract begins on January 1, 2014 and ends on February 28, 2017.

2. **NOTICE.** The technical point of contact for each party to this contract shall be:

   **NIAS:**
   John Valery White  
c/o Nevada Governor's Office of Economic Development  
555 E. Washington Avenue  
Suite 5400  
Las Vegas, Nevada, 89101  
Phone: c/o 702-486-2700  
Email: john.v.white@niias-uas.com

   **BBTS:**
   Chris Tunley, General Manager  
777 North Rainbow Blvd.  
Suite 380  
Las Vegas, Nevada 89107  
Phone: 702-816-5099  
Email: Chris.Tunley@niias-uas.com

and the contractual point of contact who will serve as the Authorized Representative (AR) for each party shall be:

   **NIAS:**
   John Valery White  
c/o Nevada Governor's Office of Economic Development  
555 E. Washington Avenue  
Suite 5400  
Las Vegas, Nevada, 89101  
Phone: c/o 702-486-2700  
Email: john.v.white@niias-uas.com

   **BBTS:**
   Lori K. Schendel  
4900 Seminary Road  
Suite 1200  
Alexandria, VA 22311  
Phone: 540-604-1650  
Email: lori.schendel@bowheadsupport.com
Each party may change its points of contact and its contact information at any time by
providing written notice to the other party.

3. **INCORPORATED DOCUMENTS.** The Parties agree that the terms and
conditions listed on the following incorporated attachments of this Contract are also specifically
a part of this Contract:

   - Contract Administration – Data/Sample Invoice
   - Special Contract Requirements – Data Rights/Copyright/International Traffic
     in Arms Regulation
   - Contract Clauses
   - Reiteration of OTA section as required by the OTA

4. **CONSIDERATION.** The Parties agree that the value of this Contract is (a)
dependent on the total amount of work actually ordered by NIAS, (b) satisfactory performance of
work by BBTS in accordance with the terms and conditions of the Contract, and (c) subject to
the limitations of the budgets periodically approved by NIAS.

   The work to be performed by BBTS is specific within scope instructions, and relevant
conditions shall be defined on individually issued Task Orders. Each Task Order shall contain
(1) a detailed description of the work to be performed by BBTS, (2) a detailed breakdown of
costs to be paid by NIAS to BBTS for performance of the work, and (3) a schedule identifying
the timeframe under which the work is to be completed.

   BBTS shall only be paid under this contract for performance of Task Orders and
revisions to Task Orders issued in accordance with this Contract, which are within the budgets
periodically approved by NIAS.

   Budgets must be approved by NIAS prior to BBTS’ commencement of work. NIAS will
provide proposed expenditures by budget category and for specific time frames.

   NIAS budget approval must be in writing and must include the number of personnel,
their job titles and descriptions of responsibility, and the hourly rate for each person. Revisions
to budgets must be approved by NIAS in writing, prior to any expenditure of funds which is not
in compliance with the originally approved budget.

   BBTS may determine how funds are spent by the NIAS PMO, provided that expenditures
do not exceed the expenditure authority NIAS has previously approved for each budget category
and time frame. NIAS, in its discretion, may deny reimbursement for any expenditures by BBTS
and the NIAS PMO which do not conform to expenditure authority approved by NIAS.

   The total value of the Contract is the sum of the budgets periodically approved by NIAS
for BBTS, which shall not exceed the sum of $ 4.5 million.

5. **SCOPE OF WORK.** BBTS will provide the capability to perform a wide variety
of tasks (to be specified in detail in the individual Task Orders) to accomplish the following
objectives:  develop comprehensive UAS standards and procedures for flight-testing and data
collection on behalf of the FAA and used to assist in the development of the safety case and standards to facilitate integration of UAS into the National Air Space (NAS); ensure Nevada is a cornerstone of the national UAS industry and achieve financial sufficiency for NIAS and the NIAS PMO by July 1, 2015, prior to exhausting the funds set aside for this effort by the State of Nevada. BBTS will provide the personnel, organization, and administrative control necessary to ensure that the services performed meet all requirements specified in Task Orders. BBTS must provide flexible, responsive, and high quality support services relating to the missions of the Nevada Institute for Autonomous Systems, including, but not limited to, the following:

A. BBTS shall operate and manage the NIAS PMO to support the successful pursuit of UAS development within the state, to include:

1) Operation of the NIAS PMO office at 777 North Rainbow Boulevard, Suite 380, Las Vegas, NV 89107, or at such other location designated by the NIAS Board of Directors, and establishment and operation of satellite NIAS PMO offices as required to support test site activities. These offices shall support execution of the OTA, and shall perform functions including but not limited to the following:
   a. Perform all work required under this contract and the OTA;
   b. Procure staffing for the work required under this Contract;
   c. Provide interim progress reports, forecast expenditure reports, and final progress reports;
   d. Prepare drafts of briefings for NIAS reviews, State Officials, and other high-level visitors;
   e. Prepare posters, charts, and PowerPoint presentations for meetings;
   f. Organize NIAS meetings and workshops;
   g. Seek out, develop, and maintain effective working relationships with internal and external customers; and,
   h. Maintain awareness of opportunities via literature searches and attendance (in a non-representational capacity) at appropriate meetings and conferences.

2) In support of the mission statement of NIAS, the NIAS PMO will:
   a. Develop comprehensive UAS standards and procedures for flight-testing and data collection on behalf of the FAA and used to assist in the development of the safety case and standards to facilitate integration of UAS into the National Air Space (NAS).
   b. Manage and operate the NIAS PMO to support the State of Nevada's UAS Test Site initiative.
   c. Identify customer requirements, ranges, airspace, vendors' resources, and projects for the State of Nevada's UAS Test Site.
   d. Develop concepts, plans, procedures, guidance, a customer base, projects, and contracts leading to the State of Nevada's UAS Test Site being self-sustainable.
   e. Verify and validate Nevada UAS Test Range policies and procedures to standardize them into reliable and repeatable processes, and policies and procedures at other test ranges as directed by NIAS.
f. Utilize and execute the policies and procedures for flight operations and collect the data from such testing.

g. Accumulate the data of the flight operation policies and procedures and perform analysis summarizing results into corresponding reports.

h. Establish and build a UAS customer base.

i. Establish and maintain a UAS business backlog for UAS business operations.

j. Pursue all UAS business development opportunities in order for NIAS to attain a sufficient revenue stream to become economically self-sustainable by July 2015.

k. Collaborate with other selected test sites, other available sites, and international partners to bolster Nevada’s position as a leader in the UAS industry.

l. Act as agent for NIAS and the State of Nevada in fulfillment of the obligations of the OTA. The NIAS PMO:

1) Shall have the authority, subject to the approval by the NIAS Board of Directors, or its designee, to execute, negotiate, and administer any contracts which will be developed to assist customers and vendors who wish to operate within the Nevada UAS Test Site. Such contracts shall contain pre-negotiated prices, delivery terms, and other terms and conditions including the conditions required by the OTA.

2) Shall be responsible for day to day operations;

3) Shall have basic contract signature authority for all customer and vendor agreements. The ceiling for the BBTS’ contract signature authority is $500,000.00 for a single sales transaction with a UAS customer, and $250,000 for a single payment transaction with a vendor providing services to the NIAS PMO to support UAS sales contracts.

m. Ensure that its activities comply with all applicable legal and regulatory requirements regarding privacy.

n. Comply with the provisions regarding treatment of data, copyright and software, and comply with international regulations of traffic in arms, as set forth in Exhibit B.

n. Comply with the OTA provisions set forth in Exhibit C and as may be amended.
6. **REPORTING REQUIREMENTS.**

BBTS will provide status reports to NIAS as follows:

<table>
<thead>
<tr>
<th>Deliverable</th>
<th>Frequency</th>
<th>Number of Copies</th>
<th>Submitted to</th>
</tr>
</thead>
<tbody>
<tr>
<td>Update to the NIAS Board</td>
<td>At each NIAS board of directors meeting, or monthly in months in which NIAS board does not meet</td>
<td>One (1) electronic copy in a Microsoft format, or a format mutually agreed to by the Parties</td>
<td>NIAS</td>
</tr>
<tr>
<td>Financial Reports</td>
<td>Monthly</td>
<td>One (1) electronic copy in a Microsoft format, or a format mutually agreed to by the Parties</td>
<td>NIAS</td>
</tr>
<tr>
<td>Quarterly Progress Reports</td>
<td>Due quarterly on the last day of the month following the quarter in which the work is performed</td>
<td>One (1) electronic copy in a Microsoft format, or a format mutually agreed to by the Parties</td>
<td>NIAS</td>
</tr>
<tr>
<td>Trip Reports</td>
<td>To be submitted five (5) workdays after the completion of any TDY trip</td>
<td>One (1) electronic copy in a Microsoft format, or a format mutually agreed to by the Parties</td>
<td>NIAS</td>
</tr>
</tbody>
</table>

7. **INVOICING AND PAYMENT.**

BBTS shall submit monthly invoices to NIAS. NIAS shall pay BBTS monthly, following NIAS’ review and approval of BBTS’s monthly invoice.

BBTS must submit a monthly customized invoice that is consistent with the status reports and within the budget approved by NIAS. The invoice must show: the Task Order number, the services performed, the hours worked, the hourly rate, labor category, the period of performance and must identify the budget category that the expenditure relates to. Invoices must be submitted in arrears on a monthly basis, and will be submitted for payment no later than 30 days from the end of the prior month’s service.

In support of each invoice pertaining to a Task Order, BBTS shall provide cost data for each category identified in the budget. A sample invoice is attached to this Contract as Exhibit A. The form of the invoice may be revised as agreed upon in writing by the Parties, and the
revised version of the invoice will be initialed and dated by the Parties and attached to this Contract in Exhibit A.

When BBTS is requesting reimbursement for any other direct costs (ODC), including travel expenses, BBTS shall provide supporting documentation. Supporting documentation shall include, at a minimum, legible photocopies of all bills and receipts. Employee personal information such as credit card numbers, frequent flyer numbers, etc. will not be disclosed to any outside entities and will be redacted prior to submittal. NIAS reserves the right to withhold reimbursement until supporting documentation has been provided to the satisfaction of NIAS.

NIAS shall make payment to BBTS using the following information:

Bowhead Business and Technology Solutions, LLC  
4900 Seminary Road, Suite 1200  
Alexandria, VA 22311  
Attn: Paula Harrison  
Phone No.: 540-644-1651

8. **DEFAULT AND TIME TO CORRECT.** If either Party fails to perform any material term under this Contract, and then does not cure such failure to perform within 10 days after receiving notice of the breach from the other party, such party shall be deemed in default under this Contract. In this event, the non-defaulting party shall be entitled to pursue any and all remedies available under this Contract, at law or in equity including termination of this Contract. If any non-monetary default cannot be cured within the 10-day period, an event of default does not occur if the defaulting party commences to cure the default within the 10-day period and diligently completes the cure as soon as reasonably practicable, but in any event within sixty (60) days after receiving the default notice. Failure to declare a breach or the actual waiver of any particular breach of the Contract or its material or nonmaterial terms by either party shall not operate as a waiver by such party of any of its rights or remedies as to any other breach.

9. **PERFORMANCE REVIEWS AND REPORTS.** BBTS will provide NIAS with the following report within 30 days of its completion of each task order. Below are the areas or categories in which NIAS will measure BBTS’s performance:

A. BBTS will document its performance in:
   1) Fully understanding and meeting the requirements of this Contract, including but not limited to the requirements of paragraph 5;
   2) Providing accurate, thorough, and fully complete work products, deliverables, and technical support which were negotiated and expected;
   3) Promptly responding to Task Order requirements and technical direction; and,
   4) Furnishing original, creative, and/or productive solutions beneficial to NIAS in performance of this Contract.

B. BBTS will also document its performance in timeliness of performance, including:
1) Presenting deliverables, work product, and technical support timely and in accordance with the negotiated schedule;
2) Identifying and resolving problems and providing timely problem notification; and,
3) Anticipating schedule impacts and taking necessary action to benefit the NIAS.

C. BBTS will document its performance in Cost Control/Resource Management including:
   1) Managing Task Order resources effectively;
   2) Effectively managing subcontractors;
   3) Remaining within the negotiated budget for cost and labor hours;
   4) Assigning appropriate personnel for Task Orders;
   5) Using resources in an economic and effective manner; and,
   6) Assigning lower labor category resources to replace departures, when possible.

D. BBTS will submit a proposed rating of its performance in each area or category using the following adjectival ratings, and NIAS will utilize this information to provide Bowhead with performance ratings within thirty (30) days of the Board meeting following BBTS' submission of its performance report and proposed ratings:

   SUPERIOR – Quality of products and services exceeds expectations, requirements, and standards of the task. Responses to inquiries and technical/administrative issues are always effective and responsive. Schedules are exceeded. Cost and labor savings are realized.

   SUCCESSFUL – Quality of products and services meets expectations, requirements, and standards of the task. Responses to inquiries and technical/administrative issues are usually effective and responsive. Schedules are met. Cost and labor expended are within budget. Some performance improvement is possible.

   MARGINAL – Quality of products and services seldom or barely meets expectations, requirements, and standards of the task. Responses to inquiries and technical/administrative issues are often not sufficiently effective and responsive. Schedules are sometimes not met. Cost and labor issues have impact on achievement of requirements. Performance improvement is needed.

   UNSATISFACTORY – Quality of products and services do not meet expectations, requirements, and standards of the task. Responses to inquiries and technical/administrative issues are not sufficiently effective and responsive. Schedules are not met. Cost and labor issues prevent achievement of requirements. Performance improvement is mandatory to continue contract.
10. **TERMINATION.**

A. **Termination Without Cause.** Any discretionary or vested right of renewal notwithstanding, this Contract may be terminated upon written notice by mutual consent of the Parties.

B. **NIAS Termination for Non-appropriation.** The continuation of this Contract is subject to and contingent upon sufficient funds being appropriated, budgeted, and otherwise made available by the State Legislature, the United States government and other sources. NIAS may terminate this Contract, and BBTS waives any and all claim(s) for damages, effective immediately upon receipt of written notice (or any date specified therein) if for any reason the NIAS’s funding from State, federal and other sources is not appropriated or available, or is withdrawn, limited, or impaired.

C. **Actions following Termination.** If this Contract is terminated by BBTS in whole or in part, NIAS may acquire supplies or services similar to those terminated, and BBTS will be liable to NIAS for any excess costs for those supplies or services. However, BBTS shall continue the work not terminated.

D. **Actions following Termination for Default.** If this contract is terminated for default, NIAS may require BBTS to transfer title and deliver to NIAS any completed supplies, partially completed supplies, materials, parts, tools, dies, jigs, fixtures, plans, drawings, information, and contract rights that BBTS has specifically produced or acquired for the terminated portion of this contract. BBTS shall also protect and preserve property in its possession in which NIAS has an interest.

E. **Payment Upon Termination.** NIAS agrees to pay for completed services delivered and accepted prior to the time of the termination. BBTS and NIAS shall agree on the amount of payment for services delivered and accepted and for the protection and preservation of the property. Failure to agree will be a dispute under the Disputes clause in paragraph 15 herein. NIAS may withhold from these amounts any sum NIAS determines to be necessary to protect NIAS or the State of Nevada against loss because of outstanding liens or claims of former lien holders.

F. **Effect of Determination of Non-default or Excusable Default.** If, after termination, it is determined that BBTS was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the termination had been issued for the convenience of NIAS.
G. Rights and Remedies in the Event of Default: The rights and remedies of NIAS in this clause are in addition to any other rights and remedies provided by law or under this contract.

11. **FORCE MAJEURE.** Neither Party shall be deemed to be in violation of this Contract if it is prevented from performing any of its obligations hereunder due to strikes, failure of public transportation, civil or military authority, act of public enemy, accidents, fires, explosions, or acts of God, including without limitation, earthquakes, floods, winds, or storms. In such an event the intervening cause must not be through the fault of the Party asserting such an excuse, and the excused Party is obligated to promptly perform in accordance with the terms of the Contract after the intervening cause ceases.

12. **REMEDIIES.** Except as otherwise provided for by law or this Contract, the rights and remedies of the parties shall not be exclusive and are in addition to any other rights and remedies provided by law or equity, including, without limitation, actual damages, and to a prevailing party reasonable attorneys' fees and costs.

13. **LIMITED LIABILITY.** If NIAS is determined to be a State Entity, NIAS will not waive and intends to assert available NRS chapter 41 liability limitations in all cases. Contract liability of both Parties shall not be subject to punitive damages. Damages for any NIAS breach shall never exceed the amount of funds appropriated for payment under this Contract, but not yet paid to BBTS, for the fiscal year budget in existence at the time of the breach. Damages for any BBTS breach shall not exceed one hundred and fifty percent (150%) of the contract value. BBTS’s tort liability shall not be limited.

14. **INDEMNIFICATION.** To the fullest extent permitted by law BBTS shall indemnify, hold harmless and defend, not excluding NIAS's right to participate, NIAS, from and against all liability, claims, actions, damages, losses, and expenses, including, without limitation, reasonable attorneys' fees and costs, arising out of any alleged negligent or willful acts or omissions of BBTS, its officers, employees and agents.

15. **DISPUTES.** Where possible, disputes will be resolved by informal discussion between the Parties' Authorized Representatives. To the extent any dispute is not resolved by such informal discussion, the dispute shall be escalated to the General Manager of each Party. In the event that such escalation does not resolve the dispute, the Parties agree to engage the services of the FAA's Office of Dispute Resolution for Acquisitions to provide mediation and other ADR services in a non-binding manner to assist the parties toward resolution.

16. **INDEPENDENT CONTRACTOR.** BBTS is associated with NIAS only for the purposes and to the extent specified in this Contract, and in respect to performance of the contracted services pursuant to this Contract. BBTS is and shall be an independent contractor and, subject only to the terms of this Contract, shall have the sole right to supervise, manage, operate, control, and direct performance of the details incident to its duties under this Contract. Nothing contained in this Contract shall be deemed or construed to create a partnership or joint venture, to create relationships of an employer-employee or principal-agent, or to otherwise create any liability for NIAS or the State whatsoever with respect to the indebtedness, liabilities, and obligations of BBTS or any other party. BBTS shall be solely responsible for, and neither NIAS
nor the State shall have any obligation with respect to: (1) withholding of income taxes, FICA or any other taxes or fees; (2) industrial insurance coverage; (3) participation in any group insurance plans; (4) participation or contributions by BBTS to any retirement System; (5) accumulation of vacation leave or sick leave; or (6) unemployment compensation coverage. BBTS shall indemnify and hold NIAS and the State harmless from, and defend NIAS and the State against, any and all losses, damages, claims, costs, penalties, liabilities, and expenses arising or incurred because of, incident to, or otherwise with respect to any such taxes or fees. Neither BBTS nor its employees, agents, nor representatives shall be considered employees, agents, or representatives of NIAS or the State.

17. INSURANCE. BBTS must carry policies of insurance and pay all taxes and fees associated with such policies. Policies shall meet the terms and conditions as specified within this Contract. Neither NIAS nor the State shall have any liability except as specifically provided in the Contract.

A. BBTS shall not commence work before:

1) BBTS has provided the required evidence of insurance to NIAS and to the Governor’s Office of Economic Development (GOED), and
2) NIAS has approved the insurance policies provided by BBTS.

B. Prior approval of the insurance policies by NIAS shall be a condition precedent to any payment of consideration under this Contract and NIAS’s approval of any changes to insurance coverage during the course of performance shall constitute an ongoing condition subsequent to this Contract. Any failure of NIAS to timely approve shall not constitute a waiver of the condition.

C. BBTS shall procure, maintain and keep in force for the duration of the Contract, insurance conforming to the minimum limits specified below. Unless specifically stated herein or otherwise agreed to by NIAS, the required insurance shall be in effect prior to the commencement of work by BBTS and shall continue in force as appropriate until:

1) Final acceptance by NIAS of the completion of this Contract; or
2) Such time as the insurance is no longer required by NIAS under the terms of this Contract,

Whichever occurs later.

D. Any insurance or self-insurance available to NIAS shall be in excess of, and non-contributing with, any insurance required from BBTS. BBTS’s insurance policies shall apply on a primary basis. Until such time as the insurance is no longer required by NIAS, BBTS shall provide NIAS with renewal or replacement evidence of insurance no less than thirty (30) days before the expiration or replacement of the required insurance. If at any time during the period when insurance is required by the Contract, an insurer or surety shall fail to comply with the requirements of this Contract, as soon as
BBTS has knowledge of any such failure, BBTS shall immediately notify NIAS and immediately replace such insurance or bond with an insurer meeting the General Requirements set forth below.

E. General Requirements:

1) Additional Insured: By endorsement to BBTS's general liability insurance policy, NIAS and the State of Nevada, and their officers, employees and immune contractors as defined in NRS 41.0307, and they shall be named as additional insureds for all liability arising from the Contract.

2) Waiver of Subrogation: Each insurance policy shall provide for a waiver of subrogation against NIAS and the State of Nevada, their officers, employees and immune contractors as defined in NRS 41.0307, for losses arising from work/materials/equipment performed or provided by or on behalf of BBTS.

3) Cross-Liability: All required liability policies shall provide cross-liability coverage as would be achieved under the standard ISO separation of insureds clause.

4) Deductibles and Self-Insured Retentions: Insurance maintained by BBTS shall apply on a first dollar basis without application of a deductible or self-insured retention unless otherwise specifically agreed to by NIAS. Such approval shall not relieve BBTS from the obligation to pay any deductible or self-insured retention. Any deductible or self-insured retention shall not exceed fifty thousand dollars ($50,000.00) per occurrence, unless otherwise approved by NIAS.

5) Policy Cancellation: Except for ten (10) days' notice for non-payment of premium, each insurance policy shall be endorsed to state that without thirty (30) days prior written notice to NIAS and to the State of Nevada, c/o GOED, the policy shall not be canceled, non-renewed or coverage and/or limits reduced or materially altered, and shall provide that notices required by this paragraph shall be sent by certified mail to the address shown in paragraph 2 of this Contract.

6) Approved Insurer: Each insurance policy shall be issued by insurance companies authorized to do business in the State of Nevada or eligible surplus lines insurers acceptable to NIAS and to the State and having agents in Nevada upon whom service of process may be made; and, currently rated by A.M. Best as "A-VII" or better.

F. Evidence of Insurance: Prior to the start of any Work, BBTS must provide the following documents to NIAS and GOED:

1) Certificate of Insurance: The Acord 25 Certificate of Insurance form or a form substantially similar must be submitted to GOED to evidence the insurance policies and coverages required of BBTS. The certificate must name NIAS and its officers, employees and immune contractors as defined in NRS 41.0307 as the certificate holder. The certificate should be signed by a person authorized by the insurer to bind coverage on its behalf. The title and date of this contract; description and contract
effective dates shall be noted on the certificate, and upon renewal of the policies listed, BBTS shall furnish NIAS and the State with replacement certificates.

2) Additional Insured Endorsement: An Additional Insured Endorsement (CG 20 10 11 85 or CG 20 26 11 85), signed by an authorized insurance company representative, must be submitted to NIAS and the State to evidence the endorsement of NIAS and the State.

3) Schedule of Underlying Insurance Policies: If Umbrella or Excess policy is evidenced to comply with minimum limits, a copy of the underlying Schedule from the Umbrella or Excess insurance policy may be required.

G. The documents specified above must be submitted for review and approval by NIAS prior to the commencement of work by BBTS. Neither approval by NIAS nor failure to disapprove the insurance furnished by BBTS shall relieve BBTS of BBTS’s full responsibility to provide the insurance required by this Contract. Compliance with the insurance requirements of this Contract shall not limit the liability of BBTS or its sub-contractors, employees or agents to NIAS, the State or others, and shall be in addition to and not in lieu of any other remedy available to NIAS and the State under this Contract or otherwise.

H. BBTS and its subcontractors shall, at their sole cost and expense, procure and maintain the following insurance coverage in the minimum limits indicated:

1) Aviation General Liability - Combined Single Limit $5,000,000 $2,000,000 bodily injury and property damage. Coverage shall include but not necessarily be limited to, premises and operations, products and completed operations and contracts.

2) Automobile Liability - Combined Single Limit $1,000,000 bodily injury and property damage covering all owned, hired and non-owned vehicles.

18. BBTS' Responsibility for Safety. BBTS shall be responsible for ensuring the safety of all its employees, other working personnel, and property of NIAS and the State. BBTS is solely responsible for compliance with Nevada Revised Statutes Chapter 618, and with the Occupational Safety and Health Act (OSHA) (Public Law 91-596) and the resulting standards, OSHA Standard 29 CFR 1910, and for the protection, safety, and health of its employees and any subcontractors assigned to the tasks under this contract. It is BBTS's responsibility to ensure that all safety requirements are met and are documented. BBTS shall immediately report to NIAS any accidents occurring in its performance under this Contract.

19. ASSIGNMENT/DELEGATION. BBTS shall not assign, transfer or delegate any rights, obligations or duties under this Contract without the prior written consent of the State.
20. **GOVERNING LAW; JURISDICTION.** This Contract and the rights and obligations of the parties hereto shall be governed by, and construed according to, the laws of the State of Nevada, without giving effect to any principle of conflict of laws that would require the application of the law of any other jurisdiction. The parties consent to the exclusive jurisdiction of the Eighth Judicial District Court, Las Vegas, Nevada for enforcement of this Contract.

In Witness Whereof, the parties by their duly authorized representatives have executed this Agreement on the Effective Date of January 1, 2014.

**NEVADA INSTITUTE FOR AUTONOMOUS SYSTEMS**

By: ________________________________

Printed Name: ________________________________

Title: ________________________________

**BOWHEAD BUSINESS AND TECHNOLOGY SOLUTIONS, LLC.**

By: ________________________________

Printed Name: ________________________________

Title: ________________________________
EXHIBIT A

SAMPLE INVOICE
EXHIBIT B

DATA RIGHTS, COPYRIGHT, DATA MARKING,
DATA AND SOFTWARE PROTECTION, TREATMENT OF CONFIDENTIAL
INFORMATION

1. DATA RIGHTS. Data rights under this contract shall be interpreted in accordance with
terms defined in the OTA.

A. Allocations of rights.
   1) Except as provided in paragraph (B) of this clause, the State must have unlimited
      rights in:
   2) Data first produced in the performance of this contract;
   3) Form, fit, and function data delivered under this contract;
   4) Data delivered under this contract (except for restricted computer software) that
      constitute manuals or instructional and training material for installation, operation, or
      routine maintenance and repair of items, components, or processes delivered or
      furnished for use under this contract; and
   5) All other data delivered under this contract unless provided otherwise for limited
      rights data or restricted computer software in accordance with paragraph (G) of this
      clause.

B. NIAS must have the right to—
   1) Assert copyright in data first produced in performance of this contract to the extent
      allowed in paragraph (A) of this clause;
   2) Use, release to others, reproduce, distribute, or publish any data first produced or
      specifically used by NIAS in the performance of this contract, unless provided
      otherwise in paragraph (B)(4) of this clause;
   3) Substantiate use of, add or correct limited rights, restricted rights, or copyright notices
      and to take other appropriate action; and,
   4) Protect from unauthorized disclosure and use those data which are limited rights data
      or restricted computer software;

2. COPYRIGHT.
   A. Data first produced in the performance of this contract.
   B. Unless provided otherwise in paragraph (1) of this Exhibit B, NIAS may assert copyright
      in scientific and technical articles based on or containing data first produced in the
      performance of this contract and published in academic, technical or professional
      journals, symposia proceedings or similar works.
   C. When authorized to assert copyright to the data, NIAS must affix the applicable copyright
      notices of 17 U.S.C. 401 or 402 and acknowledgment of Government sponsorship
      (including contract number).
   D. For data other than computer software, NIAS grants to the State and others acting on its
      behalf, a paid-up, nonexclusive, irrevocable worldwide license in such copyrighted data
      to reproduce, prepare derivative works, distribute copies to the public, and perform
      publicly and display publicly, by or on behalf of the State. For computer software, NIAS
grants to the State and others acting in its behalf, a paid-up nonexclusive, irrevocable worldwide license in such copyrighted computer software to reproduce, prepare derivative works, and perform publicly and display publicly (but not to distribute copies to the public) by or on behalf of the State.

E. Data not first produced in the performance of this contract. NIAS must not, without prior written permission of the State, incorporate in data delivered under this contract any data not first produced in the performance of this contract unless NIAS

1) Identifies such data, and

2) Grants to the State, or acquires on its behalf, a license of the same scope as set forth in subparagraph (____) of this clause or, if such data are computer software, the State must acquire a copyright license as set forth in subparagraph (____) of this clause (if included in this contract) or as otherwise may be provided in a collateral agreement incorporated in or made part of this contract.

F. Removal of copyright notices. The State will not remove any authorized copyright notices placed on data pursuant to this paragraph (____), and will include such notices on all reproductions of the data.

G. Release, publication and use of data. NIAS must have the right to use, release to others, reproduce, distribute, or publish any data first produced or specifically used by NIAS in the performance of this contract, except:

1) As prohibited by Federal law or regulation (e.g., export control or national security laws or regulations);

2) As expressly set forth in this contract; or,

3) If NIAS receives or is given access to data necessary for the performance of this contract that contain restrictive markings, NIAS must treat the data in accordance with such markings unless specifically authorized in writing by the State.

4. UNAUTHORIZED MARKING OF DATA.

A. Notwithstanding any other provisions of this contract concerning inspection or acceptance, if any data delivered under this contract are marked with the notices specified in paragraph (____)(____) or (____)(____) if included in this clause, and use of the notices is not authorized by this clause, or if the data bears any other restrictive or limiting markings not authorized by this contract, the State may at any time either return the data to NIAS, or cancel or ignore the markings. While the FAA is not subject to the requirements of 41 U.S.C. 253d, nor to the procedures of the Contract Disputes Act at 41 U.S.C. 601-613, the following procedures must apply prior to canceling or ignoring the markings.

B. The State must make written inquiry to NIAS afford NIAS 60 days from receipt of the inquiry to provide written justification to substantiate the propriety of the markings;

C. If NIAS fails to respond or fails to provide written justification to substantiate the propriety of the markings within the 60-day period (or a longer time approved in writing by the State for good cause shown), the State must have the right to cancel or ignore the markings at any time after said period and the data will no longer be made subject to any disclosure prohibitions.

D. If NIAS provides written justification to substantiate the propriety of the markings within the period set in paragraph (____)(____)(____) of this clause, the State will consider such written justification and determine whether or not the markings are to be canceled or
ignored. If the State determines that the markings are authorized, NIAS will be so notified in writing. If the State determines, with concurrence of the Chief of the Contracting Office [COCO], that the markings are not authorized, the State must provide a written determination to NIAS. If NIAS disagrees with the State determination, NIAS may seek adjudication of that determination under AMS 3.9.1-1 "Contract Dispute." The decision of the Office of Dispute Resolution [ODRA] must be final regarding the appropriateness of the markings unless NIAS files an appeal pursuant to 49 U.S.C. 46110 in a court of competent jurisdiction within 90 days of receipt of the ODRA decision. This is NIAS's sole remedy to an adverse decision of the ODRA. The State must continue to abide by the markings under this paragraph (__)(__)(__) until final resolution of the matter either by ODRA (in which instance the State will thereafter have the right to cancel or ignore the markings at any time and the data will no longer be made subject to any disclosure prohibitions), or by final disposition of the matter by court decision if the ODRA's decision is appealed.

E. The time limits in the procedures set forth in paragraph (__)(__) of this clause may be modified in accordance with agency regulations implementing the Freedom of Information Act (5 U.S.C. 552) if necessary to respond to a request thereunder.

F. Omitted or incorrect markings.
1) Data delivered to the State without any restrictive markings must be deemed to have been furnished with unlimited rights. The State is not liable for the disclosure, use, or reproduction of such data.
2) If the unmarked data has not been disclosed without restriction outside the State, NIAS may request, within 6 months (or a longer time approved by the State for good cause shown) after delivery of such data, permission to have authorized notices placed on the data at NIAS's expense. The State may agree to do so if NIAS-
   a. Identifies the data to which the omitted notice is to be applied;
   b. Demonstrates that the omission of the notice was inadvertent; and,
   c. Establishes that the use of the proposed notice is authorized;
3) Acknowledges that the State has no liability for the disclosure, use, or reproduction of any such data made prior to the addition of the notice or resulting from the omission of the notice.

G. If data has been marked with an incorrect notice, the State may:
1) Permit correction of the notice at NIAS's expense if NIAS identifies the data and demonstrates that the correct notice is authorized, or
2) Correct any incorrect notices.

5. PROTECTION OF LIMITED RIGHTS DATA AND RESTRICTED COMPUTER SOFTWARE.

A. NIAS may withhold from delivery qualified limited rights data or restricted computer software that are not identified in paragraphs (____), (____), and (____)of this clause. As a condition to this withholding, NIAS must:
1) Identify the data being withheld; and
2) Furnish form, fit, and function data instead.

B. Limited rights data that are formatted as a computer database for delivery to the State are to be treated as limited rights data and not restricted computer software.
C. Subcontracting. NIAS must obtain from its subcontractors all data and rights therein necessary to fulfill NIAS's obligations to the State under this contract. If a subcontractor refuses to accept terms affording the State those rights, NIAS must promptly notify the State of the refusal and must not proceed with subcontract award without authorization in writing from the State.

D. Relationship to patents or other rights. Nothing contained in this clause must imply a license to the State under any patent or be construed as affecting the scope of any license or other right otherwise granted to the State.

6. TREATMENT OF CONFIDENTIAL INFORMATION

A. Access to and Use of Information:
   1) If BBTS, in the performance of this contract or by any other means, obtains access to information, such as NIAS's plans, policies, reports, studies, financial plans, or data, which has not been released to the public, BBTS agrees not to:
      a. Use such information for any private purposes, unless the information has been released to the public;
      b. Compete for work at NIAS not already covered by the exclusion in paragraph ( ) above based on such information for a period of six (6) months after completion release of such information to the public, whichever is first;
      c. Submit an unsolicited proposal to the State which is based on such information until one (1) year after release of such information to the public; or
      d. Release such information without prior written approval by the NIAS-AR.
   B. In addition, BBTS agrees that to the extent it receives, or is given access to, any proprietary data or other confidential technical, business, or financial information under this contract, it shall treat such information in accordance with any restriction imposed on such information.
   C. BBTS shall have, subject to the Rights in Data and security provisions/ clauses of this contract, the right to use the technical data it first produces under this contract for its private purposes, provided that as of the date of such use, all data requirements of this contract have been met.
   D. Remedies: For breach of the above restrictions, or for failure to disclose or misrepresentation of any relevant interest required to be disclosed concerning this contract, NIAS may, at no cost, terminate this contract, disqualify BBTS for subsequent related contractual efforts, and pursue other remedies as may be permitted by law or this contract.
   E. Waiver: Any request for waiver under this clause shall be directed in writing to the NIAS-AR and shall include a full description of the waiver request and the reasons in support thereof. If it is determined to be in the best interest of NIAS, the NIAS-AR may grant such waiver in writing.
7. INTERNATIONAL TRAFFIC IN ARMS REGULATIONS

A. NIAS and BBTS shall comply with all U.S. export control laws and regulations, including the International Traffic in Arms Regulations (ITAR), 22 CFR Parts 120 through 130, and the Export Administration Regulations (EAR), 15 CFR Parts 730 through 799, in the performance of this contract. In the absence of available license exemptions/exceptions, they shall be responsible for obtaining the appropriate licenses or other approvals, if required, for exports of hardware, technical data, and software, or for the provision of technical assistance.

B. They shall be responsible for obtaining export licenses, if required, before utilizing foreign persons in the performance of this contract, including instances where the work is to be performed on-site at any UIC Technical Services, LLC installation, where the foreign person will have access to export-controlled technical data or software.

C. They shall be responsible for all regulatory record keeping requirements associated with the use of licenses and license exemptions/exceptions.

D. They shall be responsible for ensuring that the provisions of this clause apply to its subcontractors.
Exhibit C

OTA PROVISIONS

These sections of the OTA are required to be incorporated into all lower tier agreements.

1. INTELLECTUAL PROPERTY

A. Definitions

1) “Computer software” means:
   a. Computer programs that comprise a series of instructions, rules, routines, or
      statements, regardless of the media in which they are recorded, that allow or cause
      a computer to perform a specific operation or series of operations; and,
   b. Recorded information comprising source code listings, design details, algorithms,
      processes, flow charts, formulas, and related material that would enable the
      computer program to be produced, created, or compiled.

2) Computer software does not include computer databases or computer software
   documentation.

3) “Computer software documentation” means owner's manuals, user's manuals,
   installation instructions, operating instructions, and other similar items, regardless of
   storage medium, that explain the capabilities of the computer software or provide
   instructions for using the software.

4) “Data” means recorded information, regardless of form or the media on which it may
   be recorded. The term includes technical data and computer software. The term does
   not include information incidental to contract administration, such as financial,
   administrative, cost or pricing, or management information.

5) “Government Purpose” means any activity in which the United States Government is
   a party, including cooperative agreements with international or multi-national defense
   organizations, or sales or transfers by the United States Government to foreign
   governments or international organizations. Government purposes include
   competitive acquisition by or on behalf of the Government but do not include the
   rights to use, modify, reproduce, release, perform, display, or disclose data for
   commercial purposes or authorize others to do so.

6) “Government Purpose Rights” means the rights to:
   a. Use, modify, reproduce, release, perform, display, or disclose data within the
      Government without restriction; and,
   b. Release or disclose technical data outside the Government and authorize persons
      to whom release or disclosure has been made to use, modify, reproduce, release,
      perform, display, or disclose that data for government purposes.

7) “Proprietary Data” means data developed exclusively at private expense and outside
   of any Government contract, grant, or cooperative agreement.

8) “Technical data” means recorded information (regardless of the form or method of
   the recording) of a scientific or technical nature (including computer databases and
   computer software documentation). This term does not include computer software or
financial, administrative, cost or pricing, or management data or other information incidental to contract administration. The term includes recorded information of a scientific or technical nature that is included in computer databases.

9) "Unlimited rights" means the rights of the Government to use, disclose, reproduce, prepare derivative works, distribute copies to the public, and perform publicly and display publicly, in any manner and for any purpose, and to have or permit others to do so.

2. RIGHTS IN DATA

A. Rights in Proprietary Data. The Government will have only such rights in properly marked Proprietary Data that have been negotiated and agreed to in writing prior to delivery of that Proprietary Data. A legend identifying the Proprietary Data must be placed by the Contractor on that data that states the rights agreed to between the Government and the Contractor prior to delivery to the Government. The Government will have unlimited rights in all data delivered under this OTA that does not bear the legend agreed to between the parties.

B. Rights in Data First Produced Under this OTA. The Government will have Government Purpose Rights in all data developed by the Contractor with mixed funding, or exclusively at Government expense. All data delivered with Government Purpose Rights will be marked with an appropriate legend identifying the data prior to delivery to the Government. The appropriate legend identifying data delivered with Government Purpose Rights will be negotiated between the parties prior to delivery. The Government will have unlimited rights in all data delivered under this OTA that does not bear the legend agreed to between the parties.

C. Rights in Inventions (Patent Rights--Ownership by the Contractor) are applicable to this OTA.

D. Definitions as used in this clause:

1. "Invention" means any invention or discovery that is or may be patentable or otherwise protectable under title 35 of the United States Code, or any variety of plant that is or may be protectable under the Plant Variety Protection Act (7 U.S.C. 2321, et seq.).

2. "Made" means:
   a. When used in relation to any invention other than a plant variety, the conception or first actual reduction to practice of the invention; or
   b. When used in relation to a plant variety, that the Contractor has at least tentatively determined that the variety has been reproduced with recognized characteristics.

3. "Nonprofit organization" means a university or other institution of higher education or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)) and exempt from taxation under section 501(a) of the Internal Revenue Code (26 U.S.C. 501(a)) or any nonprofit scientific or educational organization qualified under a State nonprofit organization statute.

4. "Practical application" means to manufacture, in the case of a composition of product; to practice, in the case of a process or method; or to operate, in the case of a machine
or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are, to the extent permitted by law or Government regulations, available to the public on reasonable terms

5. "Subject invention" means any invention of the Contractor made in the performance of work under this contract.

3. CONTRACTOR'S RIGHTS

A. Ownership. The Contractor may retain ownership of each subject invention throughout the world in accordance with the provisions of this clause.

B. License. The Contractor must retain a nonexclusive royalty-free license throughout the world in each subject invention to which the Government obtains title, unless the Contractor fails to disclose the invention within the times specified in paragraph (__) of this clause. The Contractor's license extends to any domestic subsidiaries and affiliates, within the corporate structure of which the Contractor is a part, and includes the right to grant sublicenses to the extent the Contractor was legally obligated to do so at contract award. The license is transferable only with the written approval of the agency, except when transferred to the successor of that part of the Contractor's business to which the invention pertains. The Contractor's license may be revoked or modified by the agency to the extent necessary to achieve expeditious practical application of subject invention in a particular country, in accordance with procedures at 37 CFR Part 404.

4. CONTRACTOR'S OBLIGATIONS

A. The Contractor must disclose in writing each subject invention to the Contracting Officer within 2 months after the inventor discloses it in writing to Contractor personnel responsible for patent matters.

B. The disclosure must identify the inventor(s) and this contract under which the invention was made.

C. It must be sufficiently complete in technical detail to convey a clear understanding of the subject invention.

D. The disclosure must also identify any publication, on sale (i.e. sale or offer for sale), or public use of the subject invention or whether a manuscript describing the invention has been submitted for publication and, if so, whether it has been accepted for publication.

E. In addition, after disclosure to the agency, the Contractor must promptly notify the Contracting Officer of the acceptance of any manuscript describing the invention for publication, and any on sale or public use.

F. The Contractor must elect in writing whether or not to retain ownership of any subject invention by notifying the Contracting Officer within 2 years of disclosure to the agency. However, in any case where publication, on sale, or public use has initiated the 1-year statutory period during which valid patent protection can be obtained in the United States, the period for election of title may be shortened by the agency to a date that is no more than 60 days prior to the end of the statutory period.

G. The Contractor must file either a provisional or non-provisional patent application or a Plant Variety Protection Application on an elected subject invention within 1 year after election. However, in any case where a publication, sale, or public use has initiated the
1-year statutory period during which valid patent protection can be obtained in the United States, the Contractor must file the application prior to the end of the statutory period.

H. If the Contractor files a provisional application, it must file a non-provisional application within 10 months of the filing of the provisional application.

I. The Contractor must file patent applications in additional countries or international patent offices within either 10 months of the first filed patent application (whether provisional or non-provisional) or 6 months from the date permission is granted by the Commissioner of Patents to file foreign patent applications where such filing has been prohibited by a Secrecy Order.

J. The Contractor may request extensions of the time for disclosure, election, or filing under subparagraphs (___), (___), and (___) of this clause.

5. GOVERNMENT RIGHTS

A. Ownership. The Contractor must assign to the agency, upon written request, title to any subject invention.

1) If the Contractor fails to disclose or elect ownership to the subject invention within the times specified in paragraph (___) of this clause, or elects not to retain ownership; provided, that the agency may request title only within 60 days after learning of the Contractor's failure to disclose or elect within the specified times.

2) In those countries in which the Contractor fails to file patent applications within the times specified in paragraph (___) of this clause; provided, however, that if the Contractor has filed a patent application in a country after the times specified in paragraph (___) of this clause, but prior to its receipt of the written request of the agency, the Contractor must continue to retain ownership in that country.

3) In any country in which the Contractor decides not to continue the prosecution of any application for, to pay the maintenance fees on, or defend in reexamination or opposition proceeding on, a patent on a subject invention.

4) License. If the Contractor retains ownership of any subject invention, the Government must have a nonexclusive, nontransferable, irrevocable, paid-up license to practice, or have practiced for or on its behalf, the subject invention throughout the world.

B. Contractor action to protect the Government's interest. The Contractor must execute or to have executed and promptly deliver to the agency all instruments necessary to:

1) Establish or confirm the rights the Government has throughout the world in those subject inventions in which the Contractor elects to retain ownership; and

2) Assign title to the agency when requested under paragraph (d) of this clause and to enable the Government to obtain patent protection and plant variety protection for that subject invention in any country.

C. The Contractor must require, by written agreement, its employees, other than clerical and nontechnical employees, to disclose promptly in writing to personnel identified as responsible for the administration of patent matters and in the Contractor's format, each subject invention in order that the Contractor can comply with the disclosure provisions of paragraph (___) of this clause, and to execute all papers necessary to file patent applications on subject inventions and to establish the Government's rights in the subject invention.
inventions. The disclosure format should require, as a minimum, the information required by subparagraph (___) of this clause.

D. The Contractor must instruct such employees, through employee agreements or other suitable educational programs, as to the importance of reporting inventions in sufficient time to permit the filing of patent applications prior to U.S. or foreign statutory bars.

E. The Contractor must notify the Contracting Officer of any decisions not to file a non-provisional patent application, continue the prosecution of a patent application, pay maintenance fees, or defend in a reexamination or opposition proceeding on a patent, in any country, not less than 30 days before the expiration of the response or filing period required by the relevant patent office.

F. The Contractor must include, within the specification of any United States non-provisional patent or plant variety protection application and any patent or plant variety protection certificate issuing thereon covering a subject invention, the following statement, "The invention was made with Government support under (identify the contract) awarded by (identify the agency). The Government has certain rights in the invention."

6. REPORTING ON UTILIZATION OF SUBJECT INVENTIONS.

A. The Contractor must submit, on request, periodic reports no more frequently than annually on the utilization of a subject invention or on efforts at obtaining utilization of the subject invention that are being made by the Contractor or its licensees or assignees.

B. The reports must include information regarding the status of development, date of first commercial sale or use, gross royalties received by the Contractor, and such other data and information as the agency may reasonably specify.

C. The Contractor also must provide additional reports as may be requested by the agency in connection with any march-in proceeding undertaken by the agency in accordance with paragraph (___) of this clause.

D. The Contractor must also mark any utilization report as confidential/proprietary to help prevent inadvertent release outside the Government.

E. As required by 35 U.S.C. 202(c)(5), the agency will not disclose such information to persons outside the Government without the Contractor's permission.

7. PREFERENCE FOR UNITED STATES INDUSTRY.

Notwithstanding any other provision of this clause, neither the Contractor nor any assignee must grant to any person the exclusive right to use or sell any subject invention in the United States unless such person agrees that any products embodying the subject invention or produced through the use of the subject invention will be manufactured substantially in the United States. However, in individual cases, the requirement for an agreement may be waived by the agency upon a showing by the Contractor or its assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States, or that under the circumstances domestic manufacture is not commercially feasible.

8. MARCH-IN RIGHTS.
A. The Contractor acknowledges that, with respect to any subject invention in which it has retained ownership, the agency has the right to require licensing pursuant to 35 U.S.C. 203 and 210(c), and in accordance with the procedures in 37 CFR 401.6 and any supplemental regulations of the agency in effect on the date of contract award.

B. Special provisions for contracts with nonprofit organizations. If the Contractor is a nonprofit organization, it must:

1) Not assign rights to a subject invention in the United States without the written approval of the agency, except where an assignment is made to an organization that has as one of its primary functions the management of inventions, provided, that the assignee will be subject to the same provisions as the Contractor;

2) Share royalties collected on a subject invention with the inventor, including Federal employee co-inventors (but through their agency if the agency deems it appropriate) when the subject invention is assigned in accordance with 35 U.S.C. 202(e) and 37 CFR 401.10;

3) Use the balance of any royalties or income earned by the Contractor with respect to subject inventions, after payment of expenses (including payments to inventors) incidental to the administration of subject inventions for the support of scientific research or education; and,

4) Make efforts that are reasonable under the circumstances to attract licensees of subject inventions that are small business concerns, and give a preference to a small business concern when licensing a subject invention if the Contractor determines that the small business concern has a plan or proposal for marketing the invention which, if executed, is equally as likely to bring the invention to practical application as any plans or proposals from applicants that are not small business concerns; provided, that the Contractor is also satisfied that the small business concern has the capability and resources to carry out its plan or proposal. The decision whether to give a preference in any specific case will be at the discretion of the Contractor.

5) Allow the Secretary of Commerce to review the Contractor's licensing program and decisions regarding small business applicants, and negotiate changes to its licensing policies, procedures, or practices with the Secretary of Commerce when the Secretary's review discloses that the Contractor could take reasonable steps to more effectively implement the requirements of paragraph (___) of this clause.

9. Communications. [Complete according to agency instructions]

10. Reserved
PROPOSAL OF INSURANCE

Prepared for

Nevada Institute of Autonomous Systems

Presented by

Thomas J. Burns

Cragin & Pike
2603 W. Charleston Blvd.
Las Vegas, NV 89102
(702) 877-1111
ACCOUNT MANAGEMENT TEAM

Cragin & Pike
2603 W. Charleston Blvd., Las Vegas, NV 89102
(702)877-1111         FAX (702) 258-3394

No matter how comprehensive or competitively priced your insurance program is, you still need people to provide ongoing service. The individuals who make up your account management team include some of the industry’s finest professionals. Our insurance staff knows that you expect and deserve the best. These are the individuals who will be servicing your account:

INSURANCE QUESTIONS or POLICY CHANGES
In the event you have a question on insurance coverage provided by your current insurance program, possible future or projected business endeavors, or if you need to make a policy change or request a certificate of insurance, you should contact your producer, or:

Kimberly Pilcher, CIC
Account Manager

CLAIMS
In the event you have a claim which needs to be reported to your insurance company, you should contact:

Kate Gilbert
Cathee Nin
Claim Representative

BONDS
In the event you require a bond for a specific project or service, you should contact:

Rena Casprowitz
Bond Representative

LOSS CONTROL
In the event you have a question or need assistance with loss control, you should contact your producer, or:

Steve Walker
Brad Nolan

ACCOUNT EXECUTIVE

Thomas Burns
As an independent insurance agency, Cragin & Pike represents numerous major insurance companies. A diverse selection of products is available to our clients. As part of our comprehensive range of client services, we offer Loss Control and Risk Management services tailored to the specific needs of our Commercial customers.

In preparing your proposal, we have worked hard to build an insurance program that delivers superior protection at a reasonable cost. Our recommendations are based on careful analysis of exposures unique to your operation and our knowledge of the quality insurance products available in today’s marketplace.

We appreciate the opportunity to evaluate your company’s needs and provide a sound, competitively priced, comprehensive insurance program. We look forward to working with you in the future.

All possible care was taken in preparing this brief description of the policy coverages, however it is not a legal contract. Please refer to the actual policies for contract language relating to complete terms, conditions, limitations, definitions, and exclusions. If there is any discrepancy between the policy and this description, the provisions of the policy shall determine coverage. Specimen copies of all policies are available for review prior to the binding of coverage.

In evaluating your exposures to loss, we have been dependent upon information provided by you. If there are other areas that need to be evaluated prior to binding of coverage, please bring them to our attention. Should any of your business operations or exposures to loss change after coverage is bound, please let us know promptly so proper coverage(s) can be discussed.

Cragin & Pike retains copies of insurance policies as required by Nevada Revised Statutes. Depending on the type of policy, this requirement can be from three (3) to five (5) years.

As the Insured policy holder, you should determine how long you should retain your original insurance policies. Cragin & Pike assumes no responsibility to keep records longer than required by statute.

In addition to a commission for the sale of insurance policies, this agency may be eligible for contingent/profit sharing income based upon the amount and profitability of all business placed with a particular insurance company.
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Liability &amp; Professional Coverages</td>
<td>7</td>
</tr>
<tr>
<td>Premium Summary &amp; Payment Options</td>
<td>9</td>
</tr>
</tbody>
</table>
Listed are the insurance companies approached to obtain quotations on your insurance program:

<table>
<thead>
<tr>
<th>Type of Insurance</th>
<th>Insurance Company</th>
<th>Current Best’s Rating</th>
<th>Results</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional Liability and General Liability</td>
<td>Hiscox</td>
<td>A XII</td>
<td>See Proposal – $8,870.98</td>
</tr>
<tr>
<td>Professional Liability and General Liability</td>
<td>Arch</td>
<td>A+XV</td>
<td>Quoted- $10,000 combined premium</td>
</tr>
<tr>
<td>Professional Liability and General Liability</td>
<td>Admiral</td>
<td>A+XV</td>
<td>Quoted - $21,000</td>
</tr>
<tr>
<td>General Liability Only</td>
<td>Burlington</td>
<td>A IX</td>
<td>Quoted $25,750</td>
</tr>
<tr>
<td>Professional Only</td>
<td>Admiral</td>
<td>A+ XV</td>
<td>Quoted $10,000</td>
</tr>
<tr>
<td>Professional Only</td>
<td>Markel</td>
<td>A XIV</td>
<td>Quoted $9,781</td>
</tr>
</tbody>
</table>
Important information about Named Insureds

The first named insured is given certain rights and responsibilities by the policy contract language. If more than one insured is named, the one intended to receive these rights and responsibilities should be named first.

All legal entities or individuals owning property or involved in the business operations to be insured must be specifically named to be covered. All changes in ownership must be reported to us immediately. The coverages outlined in the proposal apply only to those entities identified below.

First Named Insured:  Nevada Institute of Autonomous Systems

Other Named Insureds:
COMBINED GENERAL LIABILITY & PROFESSIONAL INSURANCE

This insurance protects your business from third party claims arising from alleged Bodily Injury, Property Damage liability, or Professional Services subject to all policy terms, conditions and exclusions. It provides coverage for services you render or products you sell. Damage payments can include judgments, attorney fees, court costs, and other related expenses.

EXPOSURE

PROFESSIONAL LIABILITY-CLAIMS MADE AND REPORTED

<table>
<thead>
<tr>
<th>COVERAGE</th>
<th>LIMIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional - General Aggregate</td>
<td>$2,000,000.</td>
</tr>
<tr>
<td>Professional – Each Claim</td>
<td>$2,000,000.</td>
</tr>
<tr>
<td>Defense of Licensing Proceedings Aggregate</td>
<td>$10,000</td>
</tr>
<tr>
<td>Subpoena Assistance Aggregate Limit</td>
<td>$10,000</td>
</tr>
<tr>
<td>Bodily Injury/Property Damage Aggregate Limit</td>
<td>$50,000</td>
</tr>
<tr>
<td>Retention-each claim</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

GENERAL LIABILITY-CLAIMS MADE AND REPORTED

<table>
<thead>
<tr>
<th>COVERAGE</th>
<th>LIMIT</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Liability - General Aggregate</td>
<td>$2,000,000.</td>
</tr>
<tr>
<td>Each Occurrence – Each Claim</td>
<td>$2,000,000.</td>
</tr>
<tr>
<td>Products- Completed Operations</td>
<td>Excluded</td>
</tr>
<tr>
<td>Personal &amp; Advertising Injury</td>
<td>$1,000,000.</td>
</tr>
<tr>
<td>Damage to Premises</td>
<td>$50,000</td>
</tr>
<tr>
<td>Medical Payments</td>
<td>$5,000</td>
</tr>
<tr>
<td>Retention</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

DEFENSE: Inside the limit of liability General Liability and Professional Liability

RETRO ACTIVE DATE Inception of Policy
TERMS AND CONDITIONS:

Combined General Liability and Professional Liability Coverage form
Service of Suit
Nuclear Incident Exclusion Clause
Applicable Law Endorsement
War & Civil War Exclusion
Financial Services Exclusion Endorsement
Contingent Bodily Injury/Property Damage Carveback Endorsement
Sexual Misconduct Exclusion
Products/Completed Operations Exclusion
Privacy Exclusion Endorsement
Covered Professional Service-Management Consultant for others for a fee
**PREMIUM SUMMARY**

<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>GENERAL LIABILITY/PROFESSIONAL LIABILITY</td>
<td>$8,438.00</td>
</tr>
<tr>
<td>POLICY FEE</td>
<td>$100.00</td>
</tr>
<tr>
<td>SURPLUS LINES TAX</td>
<td>$298.83</td>
</tr>
<tr>
<td>SURPLUS LINES FEE</td>
<td>$34.15</td>
</tr>
<tr>
<td><strong>TOTAL ESTIMATED ANNUAL PREMIUM</strong></td>
<td><strong>$8,870.98</strong></td>
</tr>
</tbody>
</table>

*The above premium is a minimum and deposit premium which is 100% earned. The premium is also subject to a 30% minimum earned in the event of cancellation of the policy.*

**SUBJECT TO:** Signed Application at binding
PAYMENT OPTIONS

I. Total Annual Premium paid at policy inception.

II. Finance Company financing available on request, subject to finance charge.
Privacy Policy Notice

(as of July 1, 2001)

Title V of the Gramm-Leach-Bliley Act (GLBA) generally prohibits any financial institution, directly or through its affiliates, from sharing nonpublic personal information about you with a non-affiliated third party unless the institution provides you with a notice of its privacy policies and practices, such as the type of information that it collects about you and the categories of persons or entities to whom it may be disclosed. In compliance with GLBA, we are providing you with this document, which notifies you of the privacy policies and practices of Cragin & Pike, Inc.

Collecting Information:

We collect nonpublic personal information about you from the following sources:
- Information we receive from you on applications or other forms
- Information about your transactions with us, our affiliates or others
- Information we receive from a consumer reporting agency

Disclosing Information:

We do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law.

Confidentiality and Security

We restrict access to nonpublic personal information about you to those employees who need to know that information to provide products or services to you. We maintain physical electronic and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

Changes in Privacy Policy

We may choose to modify this policy at any time. If we make material changes, we will provide current customers with a revised notice that describes our new practices on an annual basis.
Nevada Institute for Autonomous Systems  
Balance Sheet  
As of February 28, 2014

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Feb 28, 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Assets</td>
<td></td>
</tr>
<tr>
<td>Checking/Savings</td>
<td></td>
</tr>
<tr>
<td>Bank of Nevada Checking</td>
<td>183,180.80</td>
</tr>
<tr>
<td>Total Checking/Savings</td>
<td>183,180.80</td>
</tr>
<tr>
<td>Total Current Assets</td>
<td>183,180.80</td>
</tr>
<tr>
<td>TOTAL ASSETS</td>
<td>183,180.80</td>
</tr>
</tbody>
</table>

| LIABILITIES & EQUITY       |            |
| Equity                     |            |
| Unrestricted Net Assets    | 999,895.67 |
| Net Income                 | -816,714.87|
| Total Equity               | 183,180.80 |
| TOTAL LIABILITIES & EQUITY | 183,180.80 |
Nevada Institute for Autonomous Systems  
Profit & Loss  
June 14, 2013 through February 28, 2014

<table>
<thead>
<tr>
<th>Ordinary Income/Expense</th>
<th>Jun 14, '13 - Feb 28, 14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
</tr>
<tr>
<td>Nevada - GOED</td>
<td>1,092,000.00</td>
</tr>
<tr>
<td>Total Revenue</td>
<td>1,092,000.00</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>1,092,000.00</td>
</tr>
<tr>
<td><strong>Cost of Goods Sold</strong></td>
<td></td>
</tr>
<tr>
<td>Direct Costs</td>
<td></td>
</tr>
<tr>
<td>AUVi Conference and Travel</td>
<td>55,000.00</td>
</tr>
<tr>
<td>Direct Labor</td>
<td>567,333.52</td>
</tr>
<tr>
<td>DOE-NNSS Test Flight Range</td>
<td>92,000.00</td>
</tr>
<tr>
<td>Facilities</td>
<td>22,083.35</td>
</tr>
<tr>
<td>Group 1 UAS</td>
<td>20,000.00</td>
</tr>
<tr>
<td>Office Support Services</td>
<td>15,000.00</td>
</tr>
<tr>
<td>SME Support</td>
<td>55,000.00</td>
</tr>
<tr>
<td>Travel</td>
<td>20,000.00</td>
</tr>
<tr>
<td><strong>Total Direct Costs</strong></td>
<td>846,416.87</td>
</tr>
<tr>
<td><strong>Total COGS</strong></td>
<td>846,416.87</td>
</tr>
<tr>
<td><strong>Gross Profit</strong></td>
<td>245,583.13</td>
</tr>
<tr>
<td><strong>Expense</strong></td>
<td></td>
</tr>
<tr>
<td>Administration</td>
<td></td>
</tr>
<tr>
<td>Bank Charges</td>
<td>32.00</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>72.33</td>
</tr>
<tr>
<td><strong>Total Administration</strong></td>
<td>104.33</td>
</tr>
<tr>
<td>Contract Services</td>
<td></td>
</tr>
<tr>
<td>Legal Fees</td>
<td>60,230.00</td>
</tr>
<tr>
<td><strong>Total Contract Services</strong></td>
<td>60,230.00</td>
</tr>
<tr>
<td><strong>Other Types of Expenses</strong></td>
<td></td>
</tr>
<tr>
<td>Insurance - Liability, D and O</td>
<td>2,068.00</td>
</tr>
<tr>
<td><strong>Total Other Types of Expenses</strong></td>
<td>2,068.00</td>
</tr>
<tr>
<td><strong>Total Expense</strong></td>
<td>62,402.33</td>
</tr>
<tr>
<td><strong>Net Ordinary Income</strong></td>
<td>183,180.80</td>
</tr>
<tr>
<td><strong>Net Income</strong></td>
<td>183,180.80</td>
</tr>
</tbody>
</table>
Nevada Institute for Autonomous Systems  
Profit & Loss  
January through February 2014

<table>
<thead>
<tr>
<th>Ordinary Income/Expense</th>
<th>Jan - Feb 14</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Income</strong></td>
<td></td>
</tr>
<tr>
<td>Revenue</td>
<td></td>
</tr>
<tr>
<td>Nevada - GOED</td>
<td>92,000.00</td>
</tr>
<tr>
<td><strong>Total Revenue</strong></td>
<td>92,000.00</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>92,000.00</td>
</tr>
</tbody>
</table>

| Cost of Goods Sold      |             |
| Direct Costs            |             |
| AUUVS! Conference and Travel | 55,000.00 |
| Direct Labor            | 667,333.52  |
| DOE-NNSS Test Flight Range | 92,000.00 |
| Facilities              | 22,083.35   |
| Group 1 UAS             | 20,000.00   |
| Office Support Services | 15,000.00   |
| SME Support             | 55,000.00   |
| Travel                  | 20,000.00   |
| **Total Direct Costs**  | 846,416.87  |
| **Total COGS**          | 846,416.87  |

| **Gross Profit**        | -754,416.87 |

| Expense                 |             |
| Contract Services       |             |
| Legal Fees              | 60,230.00   |
| **Total Contract Services** | 60,230.00 |
| **Other Types of Expenses** |       |
| Insurance - Liability, D and O | 2,068.00  |
| **Total Other Types of Expenses** | 2,068.00  |
| **Total Expense**       | 62,298.00   |

| **Net Ordinary Income** | -816,714.87 |
| **Net Income**          | -816,714.87 |
Nevada Institute for Autonomous Systems
Reconciliation Summary
Bank of Nevada Checking, Period Ending 02/28/2014

<table>
<thead>
<tr>
<th>Transaction Type</th>
<th>Feb 28, 14</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>0.00</td>
</tr>
<tr>
<td>Cleared Transactions</td>
<td></td>
</tr>
<tr>
<td>Checks and Payments - 15 items</td>
<td>-816,819.20</td>
</tr>
<tr>
<td>Deposits and Credits - 3 items</td>
<td>1,092,100.00</td>
</tr>
<tr>
<td>Total Cleared Transactions</td>
<td>275,280.80</td>
</tr>
<tr>
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Nevada Institute for Autonomous Systems  
Reconciliation Detail  
Bank of Nevada Checking, Period Ending 02/28/2014

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CHECK DEPOSIT AND REQUEST PROCEDURES

A Guide for NIAS UAS PMO Banking Practices

Introduction

The Nevada Institute for Autonomous Systems (NIAS) Unmanned Aircraft Systems (UAS) Program Management Office (PMO) must clearly communicate the accounting standards and procedures used to perform our functions as the trusted agent and support contractor for the NIAS.

Purpose

This document will provide PMO staff with guidance for the procedures of requesting a check from NIAS Board Treasurer and the procedures for depositing a check into the NIAS bank account within the PMO.

Scope

This guide must be used for all check requests and deposits and provides a method to ensure all PMO tasks are executed in a standard manner.

General

This guide will be reviewed annually as a minimum to ensure the PMO adapts to changes in the referenced material and remains current as we develop further accounting practices.

NIAS General Ledger Account Reconciliation

The PMO uses NIAS Board Treasurer support to process the recordkeeping of NIAS and NIAS PMO financial transactions. To ensure regulatory and legal compliance and aggregate financial information to produce financial statements NIAS and NIAS PMO will maintain their own separate ledger records of deposits, withdraw requests, and payments, which can be compared at any time to ensure accurate records of both parties.

0 | The NIAS PMO is Managed and Operated by Bowhead, a wholly owned subsidiary of the Ukpeagvik Inupiat Corporation, under contract to the Nevada Institute for Autonomous Systems.
NIAS Deposit Procedures (Unrevised)

Start → Check/ Payment is Received → Contracts Manager Verifies Amount → Check is Signed and prepared for deposit → Check is Deposited into NIAS Bank Account → Check amount is entered into PMO Ledger → Board Treasurer is Notified → Check amount is entered into NIAS Board Ledger → Finish

Revised NIAS Deposit Procedures

Start → Back up Docs & Check for Payment is Received → Contracts Manager Verifies Amount with proper docs → Check is restrictively endorsed and prepared for deposit → Check is Deposited into NIAS Main Bank Account → Check amount is entered into PMO acctg. system → Board Treasurer and accountant notified & sent supporting docs → Check amount is entered into NIAS acctg. system → Finish

1 | The NIAS PMO is Managed and Operated by Bowhead, a wholly owned subsidiary of the Ukpengvik Inupiat Corporation, under contract to the Nevada Institute for Autonomous Systems.
NIAS Deposit Procedures (Continued):

1. A check or payment (with supporting documentation) is received from a customer based on the NIAS Invoice sent out for project services.
2. The Contracts Manager will verify the payment is in the correct amount as either a full payment or an agreed upon partial payment (partial payments must have approval by Program Manager and NIAS Board Treasurer or President) using the NIAS Invoice Reconciliation Form.
3. The check will be restrictively endorsed “for deposit only” and prepared for deposit into the NIAS Main Bank account.
4. The check is deposited into the NIAS Main Bank Account within 3 business days of receiving payment.
5. The deposit amount and payment information is recorded in the PMO accounting system by the PMO office manager.
6. The NIAS Board Treasurer and accountant is notified of the deposit and supporting documentation is to be provided in electronic format (PDFs via Dropbox or other secure online platform). Supporting documentation will include the NIAS Invoice, the NIAS Invoice Reconciliation Form, various project documentation, a copy of the check, a copy of the deposit slip, and a copy of the deposit receipt.
7. The NIAS Board Treasurer and accountant will record the deposit into the NIAS accounting system.

---

2 | The NIAS PMO is Managed and Operated by Bowhead, a wholly owned subsidiary of the Inupiat Corporation, under contract to the Nevada Institute for Autonomous Systems.
NIAS Check Request Procedures (Unrevised)

Start

Invoice for Payment received

NIAS PMO Check Request List and Form Completed

Request and documentation sent to NIAS Board Treasurer

No

Yes

Check is prepared and signed by NIAS Board Treasurer

Check is entered into NIAS Board Ledger

Check Sent To

Vendor

Payment sent to Vendor

PMO notified of payment sent out

Check received at PMO and forwarded to Vendor

Payment entered into PMO Ledger

Finish

Revised NIAS Check Request Procedures

Start

Invoice for Payment received*  

Is invoice over $250,000?

Yes

No

Special check request

NIAS PMO cash flow req, submitted to Board Treasurer and accountant bi-monthly

Check is prepared and signed by NIAS Board Treasurer

Check Sent To

Vendor

Payment sent to Vendor

PMO notified of payment sent out

PMO General Manager approves

Submit docs to NIAS Board Treasurer and accountant

Within 2 days, request will be either approved or rejected. If approved, funds will be transferred to the PMO bank account

If approved, NIAS PMO will proceed to process

Check received at PMO and forwarded to Vendor

Payment entered into PMO accounting system

Finish

*Bowhead PMO contract service invoices will be processed outside of the above system

The NIAS PMO is Managed and Operated by Bowhead, a wholly owned subsidiary of the Ukpeagvik Inpiot Corporation, under contract to the Nevada Institute for Autonomous Systems.
NIAS Check Request Procedures (Continued):

1. An invoice related to a project or deliverable is received and payment is due.
2. If the invoice is over $250,000, proceed to step 3. If the invoice is under $250,000, the NIAS PMO will submit a cash flow/summary request bi-monthly to the NIAS Board Treasurer and accountant in electronic format (PDFs via Dropbox or other secure online platform). Within 2 days of submittal of the cash flow/summary request, either funds will be transferred electronically to the NIAS PMO bank account or a request for supporting documentation will be sent to NIAS PMO. Once the electronic transfer of funds is made, NIAS PMO will proceed to process checks.
3. NIAS PMO will complete the Check Request Checklist, related Check Request Form*, and compile related documents including the RFP (when applicable), the Purchase Order Form, and the Invoice or other supporting documentation such as registration forms, order forms, remittance advice, receipts, invoices, etc.). Reimbursement claims must show proof of payment. *On the Check Request Form, provide clear and concise instructions on who is to receive the remittance and where the check should be sent.
4. The Request documentation listed in the previous step is sent to the NIAS Board Treasurer and accountant in electronic format (PDFs via Dropbox or other secure online platform). Board will approve. If the request is not approved a detailed reasoning is provided to NIAS PMO within 10 days.
5. If the request is approved, a check is prepared by the accountant and signed by the NIAS Board Treasurer and other applicable signers.
6. The check and payment amount is entered into the NIAS accounting system by the accountant.
7. The check is sent to either the vendor or the NIAS PMO. If the check is sent to the Vendor, the NIAS PMO is notified of the payment including the check number, the amount, and date mailed. If the NIAS PMO received the check, they will forward it to the Vendor.
8. The NIAS PMO will enter the check information into the PMO accounting system.
9. The NIAS PMO will upload copies of checks and supporting documents into the Dropbox folder bi-monthly.

Summary

The PMO Banking Guide provides our staff with information, guidance and tools to assist in daily accounting acting activities. By detailing the process we can ensure compliance to accounting principles.

4 The NIAS PMO is Managed and Operated by Bowhead, a wholly owned subsidiary of the Ukpungvik Inupiat Corporation, under contract to the Nevada Institute for Autonomous Systems.
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Net Revenue - Vendor Expense

Revenue

May, June, July, August, September, October, November, December

Jan-Feb

April 23, 2014 Revision

Below is the budget for the period January 1, 2014 through August 31, 2014.
NIAS UAS PMO Update

23 April, 2014

NIAS Board of Directors

Don Cunningham

Chris Tunley
Overview

- FAA Request for Visit
- AVSI 2014
- Flight Operations Update
- PMO Business Development
- IST UAS Test Site Technical Interchange Mitg
NIAS US PMO
NIAS US PMO
DRI
UNR
UNR
GEO

- Will Williams
- Don Cunningham
- Dr. Alan Gerster
- Dr. George Bebiss
- Dr. Mridul Gautam
- Dr. Rama Venkata
- Tom Wilczek

- Attended by

Meeting (TIM) 18—20 March, Atlantic City, NJ
FAA US Test Site Technical Interchange Meeting

Test Sites Technical Interchange Mtg
Separate UAS Test Sites collaboration meeting

- Data and Information Exchange
- Pathway to Civil Operations for Test Sites
- Test Site roles in UAS Integration into NAS
- R&D collaboration

Changed to:

Original agenda was only R&D coordination

Test Sites TIM (cont)
Pipeline update

PMO Business Development

- AUVSI May 2014

- Full participation planning in progress

- Several promising large efforts being developed to develop future projects

- Multiple vendor and potential customer meetings

- Four teammates signed on to participate in the booth (NSTec, Sensurion, RTAA, and Boulder City)
Flight Operations Update

- Timing = mid-June but may slide right due to COA processing
  - COA submitted 25 March into R-4808
  - Next major effort is large OEM ops from DRA with COA and transition
  - Projects that may be brought to Nevada UAS Test Site
  - Customer is extremely happy with effort and is speaking about five other
  - Does not count as a first FAA Test Site mission due to use of SUA
  - Not publicized due to highly proprietary developmental system

- Mission on 15 Apr at NNSS, R-48085
  - Successfully large OEM developmental testing operations and first flight
  - Charge for commercial R&D missions
  - Do not count as FAA Test Site missions but gives us ability to conduct and
  - Efforts to fly in the NAS
  - Gives an ability to fly quickly without COA or SAC while working those
  - Reality on schedule for Group 1 UAS ops in late May)
  - Cooperative, non-interference use of NTR Range 63B becoming a
weather

or Government-owned land, 270–320 days per year of flyable

The Future Begins in Nevada: >80% sparsely populated public

Come Fly The Nevada FAA UAS Test Site

Multiple FAA-approved Operating locations

Accommodation, Integration, Evolution

From the Silver State... The Gold Standard

As a whole, all entities will be communicating:

booth.

Boulder City AP will showcase their areas of expertise in a 20x20

NIAS together with Sensuron, NS Tec, RTA (Reno Stead), and

NIAS Messenger

August 2014
Nevada Institute for Autonomous Systems

- Vision: Transform Nevada into a global leader in autonomous systems.
- Mission: Accelerate innovation, foster collaboration, and drive economic growth.
- Goals: Establish Nevada as a national hub for autonomous systems research, education, and deployment.

From the Silver State... The Gold Standard

May Issue Full Page ad ($2,800 value)

Unmanned Systems Magazine:

Advertisement:

As AVUSI Platinum Members, NIAS
A 20x20 booth allows NIAS to display all companies equally.

Booth Layout

AVSI 2014
and processes.

If they have suggestions on how to improve our programs, especially airworthiness procedures would be productive, especially.

Visit from FAA to review and comment on our safety and:

- unless we wish to do so
- Repeated that FAA is not looking to distribute our programs
- Utilized to guide the FAA VAS Test Site Program
- FAA hoping that we have the "gold standard" that can be
- Release of NIAS PMO-developed Master Document Library
- Intellectual property concerns voiced by Tom Wilczek on
- FAA Unmanned Aircraft System and Airworthiness processes
- Requesting visit to NIAS PMO to review and collaborate on
- FAA Request for Visit
Questions?
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**Date:** 4/24/2014

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Revised April 23, 2014

January through August 2014 Budget

Nevada Institute for Autonomous Systems