



Contract Number: 012670

MASTER SUBSCRIPTION AGREEMENT

This Master Subscription Agreement (this “**Agreement**”) is dated as of _____ (the “**Execution Date**”), effective as of _____ (the “**Effective Date**”), and is made by (i) Rekor Recognition Systems, Inc. (“**Rekor**” or “**Provider**”), with an address of 6721 Columbia Gateway Drive, Suite 400, Columbia, MD 21046 and (ii) Croton Village Police Department- NY (“**User**”), with an address of 1 Van Wyck St Croton-on-Hudson, NY 10520. Each of Rekor and User is referred to herein as a “**Party**” and collectively, the “**Parties**”.

A. Provider provides the following equipment and services and offers the following programs (each a “**Service**” and together the “**Services**”).

B. User desires to engage Provider to implement, operate and provide the following Services to User, as User has selected and indicated below, in accordance with the terms and conditions associated and applicable to each Service.

For and in consideration of, and conditioned on, the covenants, terms and conditions stated and incorporated herein, and for other good and valuable consideration, the receipt and sufficiency of which the Parties hereby acknowledge, the Parties agree as follows:

1. **SOFTWARE LICENSE SUBSCRIPTION.** Rekor licenses software to be installed and operated on User’s equipment (the “**Software License**”), which includes a collection of computer object code, documentation, precompiled binaries, software libraries, APIs, Software Development Kits (SDK) and run time data used by the application code (the “**Software**”) to end-users in order to analyze video stream data and perform various calculations and outputs. Specific software applications are further described on each schedule executed from time to time by Provider and User in a form acceptable to Provider (each a “**Software License Subscription Schedule**”), the form of such Software License Subscription Schedule attached hereto as **Exhibit A**.



By checking this box, User desires to license from Rekor, and Rekor shall grant to User, solely for User’s own internal use, a non-transferable, non-assignable, non-exclusive license to use the Software in accordance with the commercial specifications as noted in **Exhibit A**, and the common terms and conditions set forth in **Exhibit C** and those specifically noted in **Exhibit B** as Software License Terms and Conditions.

By licensing the Software and executing this Agreement, User acknowledges receipt of the Software License Terms and Conditions and agrees to the Software License Terms and Conditions, which are hereby incorporated into this Agreement in their entirety.

2. **COMMON TERMS AND CONDITIONS.** Terms and conditions that are common to all Services within this Agreement are further described in **Exhibit C**.

EXHIBIT A

SOFTWARE LICENSE SUBSCRIPTION SCHEDULE

Software License Subscription Schedule dated as of _____ (the “**Software License Subscription Schedule**”) to Master Subscription Agreement, effective as of _____, between Rekor Recognition Systems, Inc. (“**Rekor**”) with an address of 6721 Columbia Gateway Drive, Suite 400, Columbia, MD 21046 and Croton Village Police Department- NY (“**User**”), with an address of 1 Van Wyck St Croton-on-Hudson, NY 10520, to be effective as of _____ (the “**Effective Date**”).

1. This Software License Subscription Schedule is entered into pursuant to the Agreement. Except to the extent expressly modified hereby, the Parties hereto by their execution and delivery hereof, reaffirm and incorporate herein by reference all of the terms, covenants and conditions of said Agreement as if such terms, covenants and conditions were fully set forth in this Software License Subscription Schedule. All of the capitalized words used herein shall have the meanings ascribed to them in the Agreement unless otherwise expressly stated herein or therein.
2. Term: Permanent
3. Expiration Date: Permanent
4. Software Description: Rekor Scout Perpetual with annual maintenance
5. Quantity of Licenses: 7
6. Payment: \$9,716.00
7. Additional Notes/Conditions: Years 2-5 maintenance to renew at \$2716.00
8. Counterparts. This Software License Subscription Schedule may be executed in counterparts, each of which is deemed an original, but all of which together is deemed to be one and the same agreement. A signed copy of this Software License Subscription Schedule delivered by facsimile, e-mail or other means of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of this Software License Subscription Schedule.

The Parties have caused this Software License Subscription Schedule to be executed by their duly authorized representatives as of the date first written above.

PROVIDER:

REKOR RECOGNITION SYSTEMS, INC.

By: _____

Printed name: Robert Berman

Title: CEO

Email: rberman@rekor.ai

Phone: 410-762-0800

USER:

By: _____

Printed name: _____

Title: _____

Email: _____

Phone: _____

EXHIBIT B

SOFTWARE LICENSE TERMS AND CONDITIONS

1. **Term.** The term of the Software License Subscription Schedule shall begin on the Effective Date, and unless earlier terminated in accordance with Exhibit C, Section 13, shall continue until the Expiration Date set forth in Exhibit A-3.
2. **Software License Grant.** Provider hereby grants to User, solely for User's own internal use, a non-transferable, non-assignable, non-exclusive license to use the software described herein (the "Software") and provided by Provider to User. The User shall use the Software exclusively for the operation of the Equipment and shall not copy the Software in any form, whether in whole or in part, and shall not incorporate the Software, whether in whole or in part, or the Software's code, into any product for distribution or use by any third party. Except for the rights enumerated in the Agreement, the license hereby granted to User does not include a grant to User of any other rights to, title, ownership, security interest, or other interest, in any intellectual property of Provider. The Software includes a collection of computer object code, documentation, precompiled binaries, and run time data used by the application code in order to analyze video stream data and perform various calculations and outputs.
3. **Title to Software.** The Software and all programs developed hereunder are proprietary to Provider. Provider shall retain exclusive right, ownership, title and interest in and to the Software, including all intellectual property rights. All applicable rights to patents, copyrights, trademarks and trade secrets in the Software or any modifications made at User's request are and shall remain in Provider. User agrees to secure and protect each module, software product and documentation thereof in a manner consistent with the maintenance of Provider's rights therein and to take appropriate action by instruction or agreement with its employees or consultants who are permitted access to each program or software product to satisfy its obligations hereunder. User agrees not to modify the software or create derivative products. Violation of any provision of this Section 3 shall be the basis for immediate termination of the Agreement.
4. **Software Ownership.** Provider represents that it is the owner of the Software and all portions thereof and that it has the right to modify same and to grant User a license for its use.
5. **Updates and Use.** Provider may provide User, from time to time, with updates (including minor adaptations, patches and bug fixes). User hereby warrants to keep the Software up-to-date and install all relevant updates. However, nothing in the Agreement shall require Provider to provide updates, fixes or upgrades. User shall limit the use of the Software to its employees who have been appropriately trained.
6. **Equipment Use Restriction.** User agrees not to use the Software on a camera manufactured by companies headquartered in the People's Republic of China ("Prohibited Camera"). User agrees that Provider is not responsible for damages and losses arising out of User's use of the Software on a Prohibited Camera. Violation of any provision of this Section (6) shall be the basis for immediate termination of this Agreement.
7. **Warranty.**

- a. Provider warrants that the Software will conform, as to all substantial operational features, to Provider's current published specifications when installed and will be free of defects which substantially affect system performance.
- b. User must notify Provider in writing, within 7 days of delivery of the Software to the User (not including delivery of any subsequent modifications to the Software), of its claim of any such defect. If the Software is found defective by Provider, Provider's sole obligation under this warranty is to remedy such defect in a manner consistent with Provider's regular business practices.
- c. THE ABOVE IS A LIMITED WARRANTY AND IT IS THE ONLY WARRANTY MADE BY PROVIDER. PROVIDER MAKES AND USER RECEIVES NO WARRANTY EXPRESS OR IMPLIED AND THERE ARE EXPRESSLY EXCLUDED ALL WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. PROVIDER SHALL HAVE NO LIABILITY WITH RESPECT TO ITS OBLIGATIONS UNDER THE AGREEMENT FOR CONSEQUENTIAL, EXEMPLARY, OR INCIDENTAL DAMAGES EVEN IF IT HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE STATED EXPRESS WARRANTY IS IN LIEU OF ALL LIABILITIES OR OBLIGATIONS OF PROVIDER FOR DAMAGES ARISING OUT OF OR IN CONNECTION WITH THE DELIVERY, USE, OR PERFORMANCE OF THE SOFTWARE. EXCEPT AS PROVIDED FOR IN THIS SECTION (7), THE USER ACCEPTS THE SOFTWARE AS-IS AND WITH ALL FAULTS.
- d. Modifications to the Software are strictly prohibited as is the creation of any derivative product. If any modifications are made to the Software by User during the warranty period, this warranty shall immediately be terminated. Correction for difficulties, defects or damages traceable to User's errors or systems changes shall be billed at Provider's standard time and material charges.
- e. User shall provide Provider details regarding any bug, defect or failure in the Software promptly and with no delay from such event. User shall also comply with Provider's request for information regarding bugs, defects or failures and furnish with information and try to reproduce such bugs, defects or failures.

EXHIBIT C

COMMON TERMS AND CONDITIONS

The following terms apply to all Services noted within the Agreement. Terms specific to individual Services are noted within the associated exhibits as defined above.

1. **Data Rights:** The data, images, and video produced from using the Services is the “Operational Data.” Except as may be stated to the contrary in the Rekor Privacy Policy, User retains all rights and ownership in your Operational Data, and we do not claim any ownership rights in your Operational Data. User acknowledges and agrees that Provider may use the Operational Data for: a) facilitating sharing of the Operational Data with other governmental or quasi-governmental agencies, and b) training and performance enhancement of Provider’s AI system. The data, images, and video produced from using the Services, where the license plate characters have been removed, is the “De-Identified Data”. User acknowledges and agrees that Provider may use the De-Identified Data for: a) statistical, volume, and flow analysis, and b) sharing with other governmental or quasi-governmental agencies, or commercial entities. User must inform Provider in writing before using the Services if the laws of the jurisdiction in which you use the Services restrict the use of Operational Data or De-Identified Data for the purposes defined in this Section 1.
2. **Term:** The term of the Agreement shall begin on the Effective Date, and unless earlier terminated in accordance with Section 12, shall continue until the latest expiration date of all schedules (each, a “Schedule” and collectively, the “Schedules”) in effect, (the “Term”).
3. **Payments.** During the period in which the Agreement and each Schedule is effective, the User shall deliver to the Provider payments of the amount and frequency set forth in the related Schedule (the “Payments”). The first Payment shall be due on the Effective Date. The Payments are due whether or not the User has received notice that a Payment is due.
4. **Notices:** All notices, requests, consents, claims, waivers and other communications (collectively, “Notices”) hereunder shall be sent to the addresses set forth in the preamble of the Agreement and/or email set forth on the signature page to the Agreement or such other addresses and/or email as a Party gives from time to time. All Notices shall be deemed to have been given (a) when delivered by hand; (b) when received by the addressee if sent by a nationally recognized overnight courier (receipt requested); (c) on the date sent by facsimile or email, if sent during normal business hours of recipient, and on the next business day if sent after normal business hours of recipient or (d) on the third day after the date mailed, by certified or registered mail, return receipt requested, postage prepaid. All Notices hereunder may be given by any other means, but shall not be deemed to have been duly given unless and until it is actually received by the intended recipient.
5. **Entire Agreement and Modification:** The Agreement (including the Schedules, Annexes and Exhibits hereto, and the provisions incorporated by reference herein) constitutes the entire agreement and understanding among the Parties hereto with respect to the subject

matter hereof and supersedes all prior agreements and understandings, whether written or oral, relating to such subject matter in any way to the subject matter hereof or thereof. No modification, waiver or amendment of the Agreement shall be effective unless in writing and signed by both Parties. The Agreement replaces any and all prior agreements between the Parties with respect to its subject matter. Waiver by a Party of any provision of the Agreement does not constitute, and is not to be construed as constituting, a waiver of such provision (or any other provision) at any other time.

6. Governing Law: The Agreement shall be governed and construed in accordance with the laws of the State of Maryland, without application of any principle of Maryland law which would require that the Agreement be governed and construed by the laws of any other jurisdiction.
7. Press Release and User List Reference: Rekor and its subsidiaries (collectively, “**Rekor**”) are each permitted to issue a press release announcing that User has retained Rekor to provide the Services. Rekor may reference User and generally describe the nature of the Agreement in Rekor’s promotional materials, presentations, and proposals to current and prospective Users.
8. Service Charge; Fees: If any payment is not paid within five (5) days after the due date, User shall pay to Provider a service charge of 5% of the payment due per month which shall accrue each month until the outstanding balance is paid in full. User acknowledges that its ability to access the Services may require the payment of third party fees and that User is responsible for paying such fees.
9. Collection Costs: If User fails to make any payments due under the Agreement and Provider retains the services of a collection agency or an attorney to collect such amounts, User agrees to promptly pay to Provider all reasonable costs of collection, including, but not limited to, any collection agency fees, reasonable attorney’s fees, and court costs.
10. Tax. User shall pay all taxes, including any applicable sales or use tax, and all other fees or charges on or arising out of the Provider’s delivery of Services or Equipment to the User; however, the User will not pay any federal or state income taxes, franchise taxes, or any other taxes imposed on the Provider’s net income.
11. Confidentiality: User agrees that it shall not disclose to any third party any information concerning the trade secrets, methods, processes or procedures or any other confidential, financial or business information of Provider which should be reasonably understood to be confidential or non-public, whether or not such information is marked confidential, which User learns, directly or indirectly, or which is made available to User, as a result of the Agreement, without Provider’s prior written consent. User shall promptly notify Provider in the event User becomes aware of any actual or purported loss or disclosure of any information covered by the prior sentence. If User is required by a legal or administrative process, including but not limited to, applicable law, regulation, order, or similar process, to disclose any information covered by the first sentence of this Section 11, User shall promptly notify Provider of such requirement (if such notification can be made without violating the terms of such required disclosure), so that Provider may seek an appropriate protective order or waive compliance with the Agreement. User agrees not to oppose any

effort by Provider to resist or narrow such requirement or to seek a protective order or other appropriate remedy. If, in the absence of a protective order or the receipt of a waiver hereunder, User is, in the opinion of its legal counsel, required to disclose such information, Recipient may disclose only such information to the party requiring disclosure as is required by law, regulation, order, or similar process. In connection with such required disclosure, User shall use its reasonable efforts, at Provider's request and expense, to obtain from the party to whom disclosure is made written assurance that confidential treatment will be accorded to such portion of the information as is disclosed.

12. Default: The occurrence of any of the following shall constitute an event of default under the Agreement ("Event(s) of Default"):

- a. The failure to make a required payment under the Agreement and each related Schedule when due.
- b. The violation of any provision or requirement under the Agreement (other than making required payments) that is not corrected within ten (10) days after notice of the violation is given.
- c. The insolvency of User.
- d. The voluntary or involuntary commencement of a proceeding in bankruptcy or receivership against User or its property; a general assignment for the benefit of creditors by User or if User enter into an agreement or composition with its creditors; if User is dissolved or otherwise discontinued; or if User ceases doing business as a going concern.
- e. The subjection of any of User's property to any levy, seizure, assignment, application or sale for or by any creditor or government agency.
- f. The existence of any encumbrance on the Equipment or Software that has not been approved by Provider in writing.
- g. If any application, certificate, statements, trade references, representations and/or financial reports furnished by User and submitted to Provider proves to be false in any material respect.

13. Rights on Default: Upon the occurrence of any Event of Default, Provider may, after any applicable cure period, without further notice to User, and in Provider's sole discretion, exercise any one or more of the following remedies:

- a. Declare User's obligations hereunder immediately due and payable and recover as liquidated damages and not as a penalty an amount equal to: (i) reasonable attorneys' fees; plus (ii) in the event of damage or destruction and loss of the Equipment, either the cost of all repairs needed to correct the damage; less (iii) net proceeds of the disposition of the Equipment, if any; plus (iv) all expenses as are incurred in repossession, repair, refurbishment, seizure, storage, sale or reletting of the Equipment or of other collateral and any charges, costs, expenses, interest or penalties properly assessable against User pursuant to the provisions of the Agreement or any other agreement(s) between the parties;

- b. enforce performance by User of the applicable covenants and terms of the Agreement or recover damages for the breach thereof;
- c. terminate the Agreement and each related Schedule, terminate the licenses and take possession of the Equipment and Software and associated documentation, with or without demand or notice to User and without order of court or other legal process, and without incurring any liability to User for any damages incurred by reason of such taking, USER HEREBY WAIVES ANY AND ALL RIGHTS TO PRIOR NOTICE AND TO A JUDICIAL HEARING WITH RESPECT TO REPOSSESSION OF THE EQUIPMENT BY PROVIDER; and/or
- d. any other remedies available in law or at equity.

No failure or delay on the part of Provider to exercise any remedy hereunder shall operate as a waiver. No express or implied waiver by Provider of any default shall constitute a waiver of any other default by User or waiver of Provider's rights. No remedy is intended to be exclusive, but each shall be cumulative and concurrent to the extent permitted by law and shall be in addition to any other remedy otherwise available to Provider at law or in equity.

14. Effect of Termination: Expiration, termination or cancellation of the Agreement and related Schedules shall not affect rights, obligations or liabilities of the parties which accrue prior to such expiration, termination or cancellation. Upon expiration, termination or cancellation of the Agreement, all rights, licenses and authorizations granted to User hereunder will immediately terminate and User will (a) immediately cease all use of and other activities with respect to the Equipment and Software; (b) within 15 days deliver to Provider all Equipment and Software at User's expense, or upon request by Provider destroy the Software, and permanently erase from all devices and systems User directly or indirectly controls, the Software, including all documents, files, and tangible materials containing, reflecting, incorporating, or based on any of the foregoing, whether or not modified or merged into other materials; and (c) certify to Provider in a signed written instrument that it has complied with the requirements of this Section 14. The provisions of Sections 1, 4 – 6, 7, 9 – 11, 14 – 22 of this Exhibit C shall survive termination of the Agreement and related Schedules.
15. Log-In Information; Individual Use: To gain access to and use the Services, User may be required to create a username and password or other log-in ID and password ("Log-In Information"). User is responsible for all activity occurring under its Log-In Information, and User must keep its Log-In Information confidential and not share such Log-In Information with other individuals or third parties other than those with a business need to know. Provider has no obligation or responsibility with regard to User's use, disclosure, or management of Log-In Information. Provider may require User to change its Log-In Information if such Log-In Information is inconsistent with the terms of the Agreement. Notwithstanding anything set forth in the Agreement to the contrary, Provider makes Services available to User for only its use and not for use by any third party.
16. No Assignment, Sublease or Sublicense by User: User shall not assign, sublet or sublicense any interest in the Agreement, the Equipment or Software, or permit the Equipment or

Software to be used by anyone other than User or User's employees, without Provider's prior written consent.

17. Investigations: If Provider becomes aware of any possible violations by User of any provision of the Agreement, Provider reserves the right to investigate such violations. If, as a result of such investigation, Provider believes that criminal activity has occurred, Provider reserves the right to refer the matter to, and to cooperate with, any and all applicable law enforcement authorities. Except to the extent prohibited by applicable law, Provider is entitled to disclose any information in Provider's possession in connection with User's use of the Equipment and Software, and under any provision of the Agreement, to (a) comply with applicable law, legal process or governmental request; (b) enforce the Agreement; (c) respond to any claims or rights of third parties; (d) respond to User's requests for customer services; or (e) protect the rights, property or personal safety of Provider, its users or the public, and law enforcement or other government officials, as Provider in its sole discretion believes to be necessary or appropriate. User is solely responsible for its familiarity and compliance with any laws that may prohibit User from participating in or using any part of the Services
18. Submission to Jurisdiction; Consent to Service of Process; Waiver of Jury Trial: Each Party hereby irrevocably submits to the exclusive jurisdiction of the state and federal courts of the State of Maryland for the purposes of any suit, action or other proceeding arising out of or relating to the Agreement and agrees that all claims in respect of the suit, action or other proceeding may be heard and determined in any such court. Each Party agrees to commence any such suit, action or other proceeding either in the state or federal courts of the State of Maryland. Each Party waives any defense of improper venue or inconvenient forum to the maintenance of any action or proceeding so brought and waives any bond, surety or other security that might be required of any other party with respect thereto. Any Party may make service on any other Party by sending or delivering a copy of the process to the Party to be served in the manner provided for the giving of notices in Section 4. Nothing in this Section 18, however, shall affect the right of any Party to serve legal process in any other manner permitted by law or at equity. Each Party agrees that a final judgment in any action or proceeding so brought shall be conclusive and may be enforced by suit on the judgment or in any other manner provided by law or at equity. EACH OF THE PARTIES HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY ACTION ARISING OUT OF OR RELATING TO THE AGREEMENT.
19. Severability: If any portion of the Agreement shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of the Agreement is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited.
20. Exhibits; Schedules: Except to the extent expressly modified by the Agreement, the Parties by their execution and delivery hereof, affirm and incorporate herein by reference all of the terms, covenants and conditions of the Exhibits, Schedules and terms and conditions expressly referenced herein as if such terms, covenants and conditions were fully set forth in the Agreement.

21. Relationship of the Parties: Provider (and any affiliate thereof providing Services hereunder) is an independent contractor and service provider to User, and the Agreement shall not be deemed to establish a joint venture, partnership, association or fiduciary or similar relationship between Provider or any affiliate thereof, on the one hand, and User or any affiliate thereof, on the other hand, for United States tax purposes or for any other purpose.
22. Further Assurances: The Parties shall furnish upon request to each other further information, execute and deliver to each other documents, and do other acts and things, all as another party may reasonably request for the purpose of giving effect to the intent or express terms of the Agreement and the documents referred to in the Agreement; provided, that no party shall be obligated to incur any material liability, expense or obligation pursuant to this Section 22 without its consent.
23. Counterparts: The Agreement may be executed in counterparts, each of which is deemed an original, but all of which together is deemed to be one and the same agreement. A signed copy of the Agreement delivered by facsimile, e-mail or other mean of electronic transmission is deemed to have the same legal effect as delivery of an original signed copy of the Agreement.