

PORT OF LOS ANGELES PERIMETER SECURITY AGREEMENT

THIS PERIMETER SECURITY AGREEMENT (the "Agreement") is made and entered into as of February 1, 2024 (the "Effective Date"), by and between:

DeepShield Systems, Inc., a Delaware corporation with its principal place of business at 2100 Harbor Drive, Suite 500, San Francisco, CA 94111 ("Contractor")

and

The City of Los Angeles Harbor Department, a municipal corporation operating the Port of Los Angeles, with offices at 425 S. Palos Verdes Street, San Pedro, CA 90731 ("Port Authority")

RECITALS

WHEREAS, the Port Authority desires to enhance the cybersecurity and physical security infrastructure protecting the Port of Los Angeles perimeter and critical operational technology systems;

WHEREAS, Contractor specializes in advanced industrial control system security solutions and maritime infrastructure protection; and

WHEREAS, the Port Authority wishes to engage Contractor to implement and maintain a comprehensive perimeter security system as specified herein.

NOW, THEREFORE, in consideration of the mutual covenants contained herein, the parties agree as follows:

1. DEFINITIONS

1 "Critical Infrastructure" means the essential operational systems, networks, and assets within the Port's perimeter.

2 "DeepShield Platform" means Contractor's proprietary security monitoring and response platform.

3 "Perimeter Security System" means the integrated physical and cyber security solution to be implemented under this Agreement.

4 "Security Incident" means any actual or suspected breach, intrusion, or unauthorized access to Port systems.

2. SCOPE OF SERVICES

1 Contractor shall:

- (a) Install and configure the DeepShield Platform across designated Port facilities;
- (b) Implement AI-driven threat detection and monitoring systems;
- (c) Deploy maritime-specific security modules for subsea infrastructure protection;
- (d) Establish 24/7 security operations center (SOC) monitoring;
- (e) Provide real-time incident response and threat mitigation;
- (f) Conduct quarterly security assessments and vulnerability testing.

2 Geographic Coverage. The security system shall cover all critical areas within the Port's 7,500-acre complex, including:

- (a) Main channel and turning basin
- (b) Container terminals
- (c) Liquid bulk terminals
- (d) Cruise terminals
- (e) Intermodal facilities
- (f) Rail infrastructure
- (g) Access control points

3. IMPLEMENTATION TIMELINE

- 1 Phase I (Months 1-3): System design and initial deployment
- 2 Phase II (Months 4-6): Full system implementation
- 3 Phase III (Months 7-9): Testing and optimization
- 4 Phase IV (Months 10-12): Final acceptance and handover

4. CONTRACTOR OBLIGATIONS

1 System Performance. Contractor shall maintain 99.99% system uptime.

2 Response Times:

- Critical incidents: 15 minutes
- High priority: 1 hour
- Medium priority: 4 hours
- Low priority: 24 hours

3 Compliance. Contractor shall ensure compliance with:

- Maritime Transportation Security Act (MTSA)
- NIST Cybersecurity Framework
- ISO 27001 standards
- Port Authority security directives

5. PORT AUTHORITY OBLIGATIONS

1 Access. Provide necessary access to facilities and systems.

2 Coordination. Designate primary point of contact for implementation.

3 Information. Furnish relevant technical documentation and system specifications.

6. COMPENSATION

1 Base Fee: \$4,750,000 for initial implementation

2 Annual Maintenance: \$950,000 per year

3 Payment Schedule:

- 30% upon contract execution
- 40% upon Phase II completion
- 30% upon final acceptance

7. TERM AND TERMINATION

1 Initial Term: Five (5) years from Effective Date

2 Renewal: Two (2) optional five-year renewal terms

3 Termination for Cause: 30 days written notice and opportunity to cure

8. CONFIDENTIALITY

- 1 Contractor shall maintain strict confidentiality of all Port security information.
- 2 Security protocols and system specifications shall be treated as restricted information.

9. INTELLECTUAL PROPERTY

- 1 Contractor retains ownership of DeepShield Platform and related IP.
- 2 Port Authority receives perpetual license for deployed systems.

10. INSURANCE AND INDEMNIFICATION

- 1 Required Coverage:
 - Commercial General Liability: \$5,000,000
 - Cyber Liability: \$10,000,000
 - Professional Liability: \$5,000,000
 - Workers' Compensation: Statutory limits
- 2 Contractor shall indemnify Port Authority against third-party claims.

11. FORCE MAJEURE

Neither party shall be liable for delays due to circumstances beyond reasonable control.

12. GOVERNING LAW

This Agreement shall be governed by California law, with exclusive jurisdiction in Los Angeles County.

13. ENTIRE AGREEMENT

This Agreement constitutes the complete understanding between the parties and supersedes all prior agreements.

IN WITNESS WHEREOF, the parties have executed this Agreement as of the Effective Date.

DEEPSHIELD SYSTEMS, INC.

By:

Name: Dr. Marcus Chen

Title: Chief Executive Officer

Date:

THE CITY OF LOS ANGELES HARBOR DEPARTMENT

By:

Name:

Title: Executive Director

Date: