

LEASE OF EQUIPMENT ADDENDUM TO TERMS AND CONDITIONS

W5's GENERAL TERMS AND CONDITIONS ARE INCORPORATED BY REFERENCE IN THIS LEASE OF EQUIPMENT ADDENDUM AND SHALL REMAIN IN FULL FORCE AND EFFECT FOR ALL ASPECTS OF THE TRANSACTION. IN THE EVENT OF ANY INCONSISTENCY BETWEEN THE GENERAL TERMS AND THESE LEASE TERMS, THE PROVISIONS OF THESE LEASE TERMS SHALL PREVAIL EXCLUSIVELY WITH RESPECT TO THE LEASING OF EQUIPMENT. IN THE EVENT THAT A LESSEE'S REQUISITION OR PURCHASE ORDER CONTAINS LANGUAGE THAT SPECIFICALLY DISCLAIMS, REJECTS OR OBJECTS TO THESE TERMS THEN TO THE EXTENT THAT THE LESSEE'S POLICIES AND THESE TERMS CAN BE READ TOGETHER THEY SHALL BE. IN NO EVENT MAY LESSEE'S TERMS OVERRIDE ANY FUNDAMENTAL TERMS RELATED TO THE EQUIPMENT INCLUDING BUT NOT LIMITED THE LEASE THE PRODUCT SPECIFICATIONS, SERVICE PERFORMANCE OF THE GOODS, AND WARRANTIES OF SELLER.

1. Definitions and Explanations.

- (a) "Acceptance" means Lessee's written confirmation that the Equipment meets all specifications.
- (b) "Confidential Information" means any proprietary, Classified, or sensitive information exchanged under the Lease Terms.
- (c) "Classified Information" means any information or material, that is owned by, produced or for, or under the control of the United States Government, and determined pursuant to Executive Order 13526, December 29, 2009 (75 Federal Register 707, January 5, 2010) or prior or subsequent orders to require protection against unauthorized disclosure, and is so designated as "Confidential," "Secret," or "Top Secret." See Federal Acquisition Regulation (FAR) 52.204-2, Security Requirements.
- (d) "Equipment" means the "MUOS (Mobile User Objective System) simulator" and "Mighty MUOOSTM "MUOOS" including hardware, embedded software, accessories, technical data, and documentation provided under the Lease Confirmation.
- (e) "FCA" means "Free Carrier" under Incoterms, with delivery to the carrier at Lessor's facility, and risk of loss or damage to the Equipment passing to Lessee upon delivery to the carrier.
- (f) "Delivery Point" means the physical location identified in the Lease Confirmation for delivery of the Equipment, or such other location as agreed to in writing by the Parties.
- (g) "Government Regulations" collectively refers to ITAR, EAR, OFAC, DFARS, and all applicable export control laws.
- (h) "Initial Term" means the minimum three (3) month lease period described in Section 2.
- (i) "Laws" means all applicable laws, statutes, regulations, codes and bulletins and notices, whether domestic or foreign, as in effect from time to time.

- (j) “Lease Confirmation” means the written confirmation issued by Lessor and accepted by Lessee, including any schedules or exhibits references therein, which sets forth the specific Equipment to be leased, the applicable rental rates, and other commercial terms. The Lease Confirmation, together with these Lease Terms, constitute the entire agreement governing the lease of Equipment.
- (k) “Lessee” means the entity name listed on the Lease Confirmation.
- (l) “Lessor” means the party with whom Lessee is contracting.
- (m) “Loss or Damage” means any physical harm, theft, or destruction of Equipment, excluding normal wear and tear.
- (n) “Party/Parties” means the Lessee and Lessor individually/collectively.
- (o) “Support Services” means maintenance, updates, technical assistance, and related services provided by Lessor during the Lease Term.

2. Lease Duration and Commencement. The Lease Term shall commence on the date the Equipment is delivered to the Delivery Point and shall continue for an initial period of three (3) months (the “Initial Term”). Upon expiration of the Initial Term, and unless terminated in accordance with these Lease Terms, the Lease may be extended in thirty (30) day increments but only if memorialized in a written amendment executed by duly authorized representatives of both parties.

3. Ownership and Title. Title to the Equipment shall at all times remain vested exclusively in Lessor. Lessee shall acquire no ownership interest, and shall not sell, assign, pledge, mortgage, or otherwise encumber the Equipment. Lessee shall ensure that the Equipment is clearly identified as property of Lessor and shall keep it free from all liens, claims, and encumbrances during the Lease Term.

4. Lease Payments. Lessee shall pay all invoiced amounts due to Lessor within thirty (30) days from the date of Lessor’s invoice. All payments shall be made by wire transfer or check in US dollars. Lessor shall pay interest on all late payments at the lesser of the rate of ten percent (10%) per month or the highest rate permissible under applicable law, calculated daily and compounded monthly. Lessee shall reimburse Lessor for all costs incurred in collecting any late payments, including, without limitation, attorneys’ fees. Lessor reserves the right to suspend delivery or performance of any Services and retrieve the Equipment from Lessee’s premises if Lessee fails to pay any amounts when due hereunder. Lessee shall not, under any circumstances, withhold, delay, or condition payment of any amounts due to Lessor on the basis of any set-off, counterclaim, deduction, or dispute asserted against Lessor, whether arising these Lease Terms or otherwise.

5. Taxes and Fees. Lessor shall be obligated to pay all license fees and business, transfer, or other taxes which are now or transaction by any unit of government except applicable state sales or use taxes and property taxes applicable to Lessee’s use and possession of the Property.

6. Delivery and Warranty. Delivery shall be made to FCA Lessor’s facility unless otherwise expressly stated in the Lease Confirmation, at which point risk of loss or damage shall transfer to Lessee upon proper handover to the carrier. Where Lessor is responsible for installation, risk shall transfer only upon completion of installation and Lessee’s written acknowledgement thereof. Lessee shall provide suitable access, resources, and personnel to facilitate delivery and installation.

Carriers engaged in transportation must adhere to anti-bribery policies and ITAR routing compliance, and Lessor shall have the right to reject any carrier not meeting such standards.

7. Acceptance of Equipment.

- (a) Upon receipt of the Equipment, Lessee shall, at its sole cost and expense, promptly and thoroughly inspect, install (if applicable), and conduct all functional testing necessary to verify that the Equipment conforms, in all material respects, to the specifications, performance requirements, and descriptions set forth in the Lease Confirmation. Lessee shall have three (3) calendar days from the date of delivery (the "Inspection Period") to complete such inspection.
- (b) If, during the Inspection Period, Lessee determines that the Equipment is defective or otherwise fails to confirm the applicable specifications, Lessee shall provide Lessor with written notice of such nonconformity, specifying in reasonable detail the nature of the defect or deficiency. The issuance of such notice shall not, however, relieve Lessee of its obligation to make timely payments as required under these Lease Terms.
- (c) Upon timely notification of nonconformity, Lessee may reject the Equipment in whole or in part, and at Lessee's election, the nonconforming Equipment shall either be held by Lessee pending Lessor's written instructions to initiate repair or returned to Lessor at Lessor's sole cost, risk, and expense. Lessor shall, at its option and expense, promptly repair, correct, or replace the rejected Equipment to bring it into full compliance with the requirements of the Lease Confirmation.
- (d) Any repaired or replacement Equipment delivered under this Section shall be subject to a renewed Inspection Period, and the terms and obligations set forth herein shall apply equally thereto.
- (e) Failure by Lessee to provide written notice of rejection within the Inspection Period shall constitute conclusive acceptance of the Equipment by Lessee, provided, however, that such acceptance shall not waive or limit any warranty rights expressly provided herein.

8. Use and Restrictions. Lessee shall operate the Equipment solely for its intended defense-related purpose and strictly in accordance with all specifications, operational requirements, and applicable Laws. Without prior written consent of Lessor, Lessee shall not modify, tamper with, or reverse engineer the Equipment; install or use unauthorized software in or on the Equipment; Cause the Equipment to become Classified Information, or add other physical modifications to the equipment; sublease, transfer, or assign the Equipment in violation of any Government Regulations. Lessor shall have the right at any time to issue additional "Use Guidelines" to change, supplement or amend this Section 8.

9. Protection of Property. Lessee shall exercise the highest degree of care in safeguarding the Equipment against loss, theft, misuse, and damage. Lessee shall implement reasonable security

measures, maintain a controlled environment, and adhere to all operational guidelines provided by Lessor to ensure the Equipment remains in serviceable condition throughout the Lease Term.

10. Maintenance, Repair, and Replacement. Lessor shall, during the Lease Term, maintain and repair the Equipment to ensure proper functioning in accordance with specifications. Lessee shall immediately report any malfunctions and shall not perform unauthorized repairs or allow any third party to do so. Unauthorized repairs shall void all warranties and may subject Lessee to additional charges, including the cost of inspection and correction.

11. End-of-Lease and Return Process. Upon expiration or termination of the Lease, Lessee shall, within five (5) business days, schedule the return of the Equipment to the location specified by Lessor in the same condition as received, ordinary wear and tear excepted. Lessee shall erase all data stored on the Equipment and certify sanitization in writing. Any Equipment returned with broken warranty seals, altered components, or damage exceeding ordinary wear shall be subject to inspection and repair fees at Lessee's expense. Failure to return the Equipment when due shall result in the Lessor electing all of the following remedies: (i) charging Lessee all additional rental charges for each month of delay; (ii) any damage to the Equipment caused by Lessor's use (including normal wear and tear); and/or (iii) the replacement value of the equipment; and (iv) shipping charges; (v) costs incurred in pursuing these remedies including reasonable attorney's fees; and (vi) any further damages which are tied to Lessee's breach of this Addendum. The insured value of the Equipment is two hundred thousand (\$200,000.00) and Lessee shall remain liable for reimbursing Lessor for such amount plus any and all uninsurable loss not covered by insurance.

12. Insurance.

- (a) Lessor shall, at its own expense, procure and maintain during the Lease Term insurance coverage adequate to protect the physical location where the Equipment will be stored against loss, theft, or damage, in an amount not less than including coverage for its full replacement value. Lessor will name W5 Technologies as an additional insured on its policy and provide the requisite endorsement.
- (b) Lessee shall not be required to obtain separate insurance for the Equipment; provided, however, that Lessee shall remain liable for any loss or damage to the Equipment caused by Lessee's negligence, willful misconduct, misuse, or breach of these Lease Terms, to the extent such loss or damage is not covered by Lessor's insurance.
- (c) Lessee shall promptly notify Lessor of any incident or event resulting in loss of or damage to the Equipment and shall cooperate fully with Lessor and its insurers in the investigation and resolution of any related claim.

13. Regulatory Compliance and Export Control. Lessee shall, at all times, comply with all Governmental Regulations governing the use, transfer, and handling of the Equipment, and shall provide any certifications or authorizations reasonably requested by Lessor. Lessee shall implement cybersecurity controls consistent with NIST SP 800-171 and DFARS 252.204-701. Lessor shall have the right, upon reasonable notice, to audit Lessee's records and facilities to verify compliance with this Section.

14. Cybersecurity and Product Vulnerabilities. Lessee shall immediately report any suspected vulnerabilities, anomalies, or cybersecurity incidents affecting the Equipment. Lessor may issue mandatory corrective instructions, firmware updates, or operation restrictions to address such vulnerabilities, and Lessee shall promptly comply with all such directives. Lessee shall cooperate fully with Lessor in the implementation of mitigation measures.

15. Penalties and Liabilities. If Classified Information contamination (“data spillage”) occurs, Lessee shall be liable for the full replacement value of the Equipment. Any broken or altered warranty seals shall subject Lessee to the cost of inspection and any necessary repairs or replacement. If Lessee terminates the Lease prior to the end of the Initial Term, Lessee shall pay an early termination fee equal to five percent (5%) of the remaining lease obligation plus one month’s rental. Lessee shall indemnify and hold harmless Lessor from all losses, claims, and expenses arising from Lessee’s breach of these Terms, misuse of Equipment, or violation of applicable law.

16. Termination. Either party may terminate these Lease Terms for material breach if such breach is not cured within thirty (30) days of written notice. Notwithstanding the foregoing, Lessor may terminate immediately upon any violation of export laws, cybersecurity incidents, failure to maintain required insurance, or Lessee’s insolvency. Upon termination, Lessee shall promptly return the Equipment and fulfill all outstanding obligations.

17. Governing Law and Venue. These Lease Terms and any disputes hereunder shall be governed by and construed in accordance with the laws of the State of Arizona, without regard to its conflicts of law rules. Lessee irrevocably consents to the exclusive jurisdiction of the state and federal court’s locations in Phoenix, Arizona for the resolution of any dispute arising under or relating to these Lease Terms, and waives any objection based on forum, *forum non conveniens*, or lack of personal jurisdiction.

18. Entire Agreement and Priority. These Lease Terms, together with the applicable Lease Confirmation and any schedules expressly incorporated herein, constitutes the entire agreement between the parties with respect to the leasing of Equipment and supersedes all prior to contemporaneous agreements, understandings, negotiations, and communications, written or oral, relating to the subject matter hereof. In the event of any conflict between the provision of these Lease Terms and the Lease Confirmation, these Lease Terms shall control, except where the Lease Confirmation expressly and specialty states otherwise.

19. Survival. The expiration or termination of these Lease Terms shall not affect any provisions which, by their nature, are intended to survive, including but not limited to those relating to indemnification, confidentiality, regulatory compliance, export control, audit rights, and the payment of any amounts owed to Lessor. Such provisions shall remain in full force and effect notwithstanding the expiration or termination of the Lease.