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Ocean 10 Security LLC

TSUNAMI Equipment & Service Contract

This Equipment Contract (the "Agreement") is made and entered on Jan 24 2025 by and between:

Ocean 10 Security LLC

329 Gashes Creek Road, Asheville, NC 28803 ("Ocean 10")

and

City of Lincolnton , NC

P.O. Drawer 617 , Lincolnton , NC , 28092 ("Customer")

(collectively referred to as the "Parties"). The Parties agree as follows:

1. **EQUIPMENT:** Ocean 10 hereby provides to Customer the following equipment:

   Twenty-Six (26) TSUNAMI 360° Surveillance Systems with unlimited and/or "uncapped" internet connectivity (see section 2).

   Five (5) Monsoon Pack (2 long-range PTZ cameras + enclosure and integration equipment). At least one TSUNAMI is required for each Monsoon Pack subscription.

   Five (5) Monsoon PTZ cameras

   OPTIONAL ADD ON

   [x] Two (2) License Plate Recognition Cameras (LPR). At least one TSUNAMI system is required for each LPR subscription.

   (Collectively referred to as the "Equipment").

   Subscription includes Equipment, unlimited internet connectivity*, tech support, full warranty and maintenance plan, unlimited software downloads, and routine technology upgrades.

2. **UNLIMITED OR UNCAPPED INTERNET CONNECTIVITY:** Ocean 10 Security will ensure an internet connection which enables livestreaming without any data caps/limitations. Various options can be used (see below).

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a. **Hardline Internet Connection:** Connect each TSUNAMI to a hardline internet source for 24/7 livestreaming of video data. In situations where an Internet Service Provider hardline connection needs to be installed, Ocean 10 will install that source and absorb that cost. All antennas used to connect TSUNAMIs will be fully supported during the contract. Hardline data usage is subject to local ISPs' respective regulations.

b. **4G Data Plan:** Ocean 10 Security has access to public safety / government-only 4G data plans that enable uncapped 4G data and no "throttling of speeds" (reduction of speeds after a certain data threshold is reached). While the data is uncapped, if a customer chooses to stream the TSUNAMIs to a TV monitor 24/7 a hardline internet connection should be used for that purpose (office internet or a new Internet Service Provider hardline connection). Ocean 10 cannot guarantee 4G speeds as this is dictated by the provider and the area it exists in. Ocean 10 will run speed tests once completed to ensure that they are stable and acceptable within the confines that equipment operates in.

c. **Existing Hardline Internet Connection:** When an existing internet source is available and has feasible speeds, Ocean 10 will connect the TSUNAMIs to that source. A 4G data plan is always included as a backup connection for diagnosing issues. Local access points are a further redundancy in the event that the internet connection goes out. All antennas used to connect TSUNAMIs will be fully supported during the contract.

3. **TECHNOLOGY UPGRADES:** During the contract, Ocean 10 will be performing technological software upgrades. These upgrades will occur as they become available and can be completed remotely by Ocean 10. This will also include all software upgrades to any networking equipment supplied and installed by Ocean 10. These upgrades will come at no applicable cost to the customer as Ocean 10 seeks to provide equipment that operates as optimally as possible. Hardware upgrades will occur during the renewal process, in the event that an hardware item has reached end of life and has no replacement, then the items will be replaced with a newer model.

4. **SUBSCRIPTION TERM:** The Subscription will start on May 01 2025 (begin date) and will end on May 01 2028 (3 years). Subscription term is MINIMUM 3 years with option to renew after initial term.

5. **SUBSCRI PTION PAYMENTS:** Customer agrees to pay Ocean 10 $ 7000 (plus tax, if applicable) for the TSUNAMI subscription per TSUNAMI per year.

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6. Customer agrees to pay Ocean 10 $ 2000

(plus tax, if applicable) for the Monsoon Pack subscription per Monsoon Pack per year. Incudes 5 x Monsoon PTZs at no charge

IF LPR add on is selected, Customer agrees to pay an additional $ 3000

(plus tax, if applicable) per LPR per year. 2 x TSUNAMIS at no charge

Total Annual Payments for 26 TSUNAMIs, 5 Monsoon Packs and 2 LPR Systems are: + 5 x Monsoon PTZs

$ 184,000 (plus tax, if applicable)

Total Value for Subscription Term:

$ 552,000 (plus tax, if applicable)

Payment shall be paid to Ocean 10 at:

329 Gashes Creek Road, Asheville, NC 28803

or at any other address designated by Ocean 10. Payments may also be sent to Ocean 10's assigned distributor if applicable.

Invoice is sent after poles, electrical infrastructure, and Equipment have been delivered and installed. Payment is due 30 days from receipt of invoice. Power is the responsibility of the Customer and power company; payment must be made regardless of power status.

7. **LATE CHARGES:** Full payment is due 30 days from receipt of invoice. All past due invoices will be subject to a finance charge of 1.50% per month, annual rate of 18.00%.
8. **DELIVERY:** Ocean 10 shall be responsible for all expenses and costs at the beginning of the Subscription Term; shipping the Equipment to Customer's premises. The customer shall be responsible for all expenses and costs at the end of the Subscription Term; shipping the Equipment back to Ocean 10's premises.
9. **INSTALLATION:** Physical installation of the Equipment will be completed in terms agreed upon by both Ocean 10 and Customer. Customer agrees to supply 110V electrical connectivity at their expense and any special mounting surfaces, devices,

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and all associated costs. Movement of Equipment is the responsibility of the Customer.

10. **DEFAULTS:** If Customer fails to perform or fulfill any obligation under this Agreement, Customer shall be in default of this Agreement. Subject to any statute, ordinance or law to the contrary, Customer shall have seven (7) days from the date of notice of default by Ocean 10 to cure the default. In the event Customer does not cure a default, Ocean 10 may at Ocean 10's option (a) cure such default and the cost of such action may be added to Customer's financial obligations under this Agreement; or (b) declare Customer in default of the Agreement. If Customer shall become insolvent, cease to do business as a going concern or if a petition has been filed by or against Customer under the Bankruptcy Act or similar federal or state statute, Ocean 10 may immediately declare Customer in default of this Agreement. In the event of default, Ocean 10 may, as permitted by law, re-take possession of the Equipment. Ocean 10 may, at its option, hold Customer liable for any difference between the Rent that would have been payable under this Agreement during the balance of the unexpired term and any rent paid by any successive Customer if the Equipment is re-let minus the cost and expenses of such reletting. In the event Ocean 10 is unable to re-let the Equipment during any remaining term of this Agreement, after default by Customer, Ocean 10 may at its option hold Customer liable for the balance of the unpaid rent under this Agreement if this Agreement had continued in force.
11. **POSSESSION AND SURRENDER OF EQUIPMENT**: Customer shall be entitled to possession of the Equipment upon delivery by Ocean 10. At the expiration of the Subscription Term, Customer will have the option to continue the Subscription with term and rate to be determined by Ocean 10 and Customer. If the Subscription is not continued, the Customer shall surrender the Equipment to Ocean 10 by delivering the Equipment to Ocean 10 in good condition and working order, ordinary wear and tear accepted.
12. **USE OF EQUIPMENT:** Customer shall only use the Equipment in a careful and proper manner and will comply with all laws, rules, ordinances, statutes and orders regarding the use, maintenance, and storage of the Equipment. Ocean 10 will be the sole determinate of maintenance and error troubleshooting, including but not limited to replacement of Equipment as determined necessary for its proper function.
13. **SUPPORT**: Ocean 10 provides unlimited remote tech support to the Customer inclusive in the contract price. It is important to note that Ocean 10 does provide IT Support, but ONLY to issues that are directly related to/caused by the Equipment.

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Ocean 10 is not responsible for tech support pertaining to Customer's local internet, networking, power, or other technology related issues that may affect the Equipment's usability. Users must have administrator rights enabled on their computers to effectively utilize software.

Ocean 10 will train two "Superusers" to access TSUNAMI footage, retrieve footage, adjust management settings, etc. The Superusers are responsible for accessing and retrieving footage at their discretion. The Superusers are responsible for training all other users from that point forward. Ocean 10 is only responsible for providing tech support to the designated Superusers. Ocean 10 should only be contacted for technical malfunctions or troubleshooting.

14. **MAINTENANCE:** Remote diagnostics on every TSUNAMI are performed daily. Ocean 10 may conduct unscheduled on-location inspections and maintenance following triggering events, such as extreme inclement weather, etc.

15. **WARRANTY:** Ocean 10 is described as the Original Equipment Manufacturer (OEM) whereby Ocean 10 is responsible for the functionality of the Equipment during the Subscription Term; whereby functionality is described as manufacturing or program defects. In the event of a malfunction of the system, Ocean 10 Security (via remote access) and the Customer will work together to diagnose the issue and make corrective action by program or firmware corrective action. The Customer is responsible for taking any diagnostic action that is requested by Ocean 10 Security (such as verifying that power is going to the system by confirming that power indication lights on the modem are lit).

    In the event of a diagnosed hardware malfunction determined to be a manufacturing error, the Customer will be responsible for retrieving the Equipment or parts from Equipment that need repair and shipping parts to:

    329 Gashes Creek Road, Asheville, NC 28803

    or other designated address given by Ocean 10. Ocean 10 will perform diagnostics and repairs in shop. Ocean 10 will ship repaired or new parts (depending on diagnostics) back to Customer. It is the responsibility of the Customer to reinstall the repaired/new parts onto the Equipment. The Equipment is engineered for all major components to be "quick detach" and/or "hot swap" in the event of a necessary hardware replacement.

    Ocean 10 will provide training to Customer for hardware replacement. It is the responsibility of the Customer to position the Equipment in a manner in which the Customer may easily access the system in the event of an issue. It is important that the Customer be aware that high elevation mounting may restrict or hinder their

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own access. It is noted that many issues are derived from a power loss to the Equipment via a breaker/GFI trip feeding power to the device and this issue shall be the sole responsibility of the Customer.

Ocean 10 will also assist in non-warranty malfunctions derived from issues such as vandalism and/or “acts of God” but the expense of replaced parts shall be the responsibility of the Customer. See sections 15 and 16 for more information.

16. **DAMAGE AND LOSS:** In the event that Equipment is lost, stolen, or damaged beyond repair due to an “act of God” or vandalism, outside of a warranty issue, Customer is responsible for the damage incurred to the equipment. For more information, refer to the additional documents “TSUNAMI Insurance Information” and “Replacement Tier Detail Sheet”, which have been provided with this contract.

17. **INSURANCE:** Customer shall be responsible for the Equipment with losses payable to Ocean 10 against fire, theft, collision, vandalism, and other such risks as are appropriate and specified by Ocean 10.

    Ocean 10 Security holds insurance on every TSUNAMI device and Customer will be responsible for no more than $ 2500 per TSUNAMI unit in event of total loss. A new TSUNAMI unit would be delivered upon receipt of payment. For more information, refer to the additional documents “TSUNAMI Insurance Information” and “Replacement Tier Detail Sheet”, which have been provided with this contract.

18. **ENCUMBRANCES, TAXES AND OTHER LAWS:** Customer shall keep the Equipment free and clear of any liens or other encumbrances and shall not permit any act where Ocean 10’s title or rights may be negatively affected. Customer shall be responsible for complying with and conforming to all laws and regulations relating to the possession, use or maintenance of the Equipment. Furthermore, Customer shall promptly pay all taxes, fees, licenses and governmental charges, together with any penalties or interest thereon, relating to the possession, use or maintenance of the Equipment.

19. **OCEAN 10 REPRESENTATIONS:** Ocean 10 represents and warrants that he/she has the right to provide the Equipment as provided in this Agreement and that Customer shall be entitled to quietly hold and possess the Equipment, and Ocean 10 will not interfere with that right as long as Customer pays the Rent in a timely manner and performs all other obligations under this Agreement.

20. **ACCESSIBILITY:** During the Subscription term, Ocean 10 may require physical access to the Equipment to conduct maintenance, troubleshooting, repair, or upgrades, and will subsequently provide notice to the Customer of the need for access. Ocean 10 reserves the exclusive right to maintain the Equipment and may

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license outside contractors to also provide service to the Equipment. Ocean 10 may also permit the Customer to access the Equipment at Ocean 10's discretion for minor system needs.

21. **SEVERABILITY:** If any part or parts of this Agreement shall be held unenforceable for any reason, the remainder of this Agreement shall continue in full force and effect. If any provision of this Agreement is deemed invalid or unenforceable by any court of competent jurisdiction, and if limiting such provision would make the provision valid, then such provision shall be deemed to be construed as so limited.
22. **ASSIGNMENT:** Neither this Agreement nor Customer's rights hereunder are assignable except with Ocean 10's prior, written consent.
23. **BINDING EFFECT:** The covenants and conditions contained in the Agreement shall apply to and bind the Parties and the heirs, legal representatives, successors and permitted assigns of the Parties.
24. **GOVERNING LAW:** This Agreement shall be governed by and construed in accordance with the state and county laws of the Customer's location.
25. **JURISDICTION:** Should the need arise, a venue located in Customer's county shall be agreed upon by both parties
26. **TERMINATION:** If at any point during the term of the Subscription, the Equipment is not functioning as described because of manufacturer defect and the problem continues to be unresolved, the Customer may terminate the contract with written notice to Ocean 10. Customer must have proof of communications requesting resolution to Equipment malfunction with a lack of response. Such notice must be written and mailed with a certified return receipt requested to be delivered to:

    Ocean 10 Security LLC, 329 Gashes Creek Road, Asheville, NC 28803

    Ocean 10 may change such address by providing notice to Customer at beginning of annual billing period. If Customer does NOT receive delivery receipt, Customer must contact Ocean 10 for updated address.
27. **MANDATORY HUD TERMS:** Parties acknowledge and agree that Form HUD-5370-C General Conditions for Non-Construction Contracts Section I (and Section II if applicable), Form HUD-52158, and Section 3 documents contain the mandatory terms prescribed by the United States Department of Housing and Urban Development and that said terms are incorporated into this Agreement and may not be modified or amended. All limitations and provisions contained in TSUNAMI Equipment & Services contract that conflict with the terms set forth in Form HUD-

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5370-C General Conditions for Non-Construction Contracts Section I (and Section II) are void and unenforceable.

28. **CUMULATIVE RIGHTS:** Ocean 10’s and Customer’s rights under this Agreement are cumulative and shall not be construed as exclusive of each other unless otherwise required by law.

29. **WAIVER:** The failure of either party to enforce any provisions of this Agreement shall not be deemed a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with every provision of this Agreement. The acceptance of Rent by Ocean 10 does not waive Ocean 10’s right to enforce any provisions of this Agreement.

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IN WITNESS WHEREOF, the parties have caused this Agreement to be executed the day and year first above written.

OCEAN 10:

Ocean 10 Security LLC

Stephen Teachout, CEO

Stephen Teachout _____ Jan 24 2025 13:04 EST _____

Signature Date

CUSTOMER:

_____

Company

_____ _____

Name (Print) Position

_____ _____

Signature Date

This instrument has been pre-audited in the manner required by the Local Government Budget and Fiscal Control Act.