

EQUIPMENT LEASE AGREEMENT SUMMARY

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NaviFloor Robotics, Inc.

Effective Date: January 1, 2024

1. OVERVIEW OF LEASE ARRANGEMENTS

This Equipment Lease Agreement Summary ("Summary") provides an overview of NaviFloor Robotics, Inc.'s ("Company") material equipment lease arrangements as of January 1, 2024. This Summary has been prepared in connection with the Company's ongoing financial reporting and due diligence requirements.

2. MATERIAL LEASE AGREEMENTS

2.1 LiDAR Sensor Array Manufacturing Equipment

Lessor: Precision Optics Capital, LLC

Equipment: Coherent LaserTech 5000 Series Manufacturing Line

Location: 4250 Innovation Drive, Austin, TX 78744

Monthly Payment: \$42,500

Term: 60 months (commenced March 1, 2023)

Purchase Option: Fair Market Value at end of term

Security Deposit: \$127,500

2.2 Automated Assembly Systems

Lessor: RoboFlex Financial Services, Inc.

Equipment: KUKA KR QUANTEC ultra Series (4 units)

Location: 4250 Innovation Drive, Austin, TX 78744

Monthly Payment: \$28,750

Term: 48 months (commenced June 1, 2023)

Purchase Option: \$1.00 buyout

Security Deposit: \$57,500

2.3 Testing & Calibration Equipment

Lessor: TechLease Capital Partners

Equipment: Terrain Simulation & Calibration System

Location: 4250 Innovation Drive, Austin, TX 78744

Monthly Payment: \$15,800

Term: 36 months (commenced September 1, 2023)

Purchase Option: 10% of original equipment cost

Security Deposit: \$31,600

3. AGGREGATE LEASE OBLIGATIONS

3.1 Annual Lease Payment Schedule

2024: \$1,044,600

2025: \$1,044,600

2026: \$708,000

2027: \$255,000

2028: \$85,000

3.2 ~~Total~~ Future Minimum Lease Payments

Total future minimum lease payments as of January 1, 2024: \$3,137,200

4. LEASE TERMS AND CONDITIONS

4.1 Insurance Requirements

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All equipment covered by comprehensive property insurance

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Minimum coverage: Full replacement value

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Additional insured: Respective lessors

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Deductible not to exceed \$25,000

4.2 Maintenance Obligations

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Company responsible for all routine maintenance

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Manufacturer-recommended service intervals must be followed

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Service records maintained and available for lessor review

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Annual maintenance budget: \$175,000

4.3 Default Provisions

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Payment default: 10-day cure period

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Non-monetary default: 30-day cure period

- - 6 -

Cross-default provisions apply between agreements

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Acceleration of payments upon uncured default

5. OPERATIONAL CONSIDERATIONS

5.1 Equipment Utilization

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Primary use: Manufacturing of proprietary AMR components

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Average utilization: 85% of capacity

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Redundancy requirements met per ISO 9001 standards

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Production scheduling optimized for lease term alignment

5.2 Technology Obsolescence Management

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Equipment specifications aligned with 5-year technology roadmap

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Upgrade options included in LiDAR equipment lease

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Software updates included in maintenance agreements

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Technology refresh provisions in place for testing equipment

6. FINANCIAL IMPACT

6.1 Balance Sheet Treatment

- - 8 -

Capital lease classification under ASC 842

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Right-of-use assets recorded: \$4,250,000

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Lease liability as of December 31, 2023: \$3,137,200

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Weighted average interest rate: 5.8%

6.2 Income Statement Effect

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Annual depreciation expense: \$850,000

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Interest expense (2024 projected): \$182,000

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Maintenance expense (2024 projected): \$175,000

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Total P&L impact (2024 projected): \$1,207,000

7. COMPLIANCE AND REPORTING

7.1 Regulatory Compliance

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Equipment certifications maintained per ISO standards

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Environmental compliance documented quarterly

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OSHA safety requirements met and documented

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Local permits and licenses current

7.2 Reporting Requirements

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Quarterly utilization reports to lessors

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Annual financial statements delivery

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Insurance certificate renewals

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Maintenance log submissions

8. REPRESENTATIONS AND WARRANTIES

The Company represents that all information contained in this Summary is accurate and complete as of the Effective Date. This Summary should be read in conjunction with the original lease agreements and related documentation.

9. AUTHORIZATION

PREPARED BY:

James Wilson

Chief Financial Officer

NaviFloor Robotics, Inc.

REVIEWED BY:

Legal Department

NaviFloor Robotics, Inc.

Date: January 1, 2024

This Summary is confidential and proprietary to NaviFloor Robotics, Inc. and its subsidiaries.

