Modified: July 24, 2026 · Supersedes all previous versions

This Equipment Procurement, Storage & Ownership Rider ("Rider") supplements the agreement between Digi Security Systems, LLC ("DIGI") and the buyer identified below ("Buyer") for the project identified below (the "Project"). Capitalized terms not defined here have the meanings given in the Digi Standard Terms and Conditions (the "Standard Terms").

RECITALS

A. Section 1 of the Standard Terms ordinarily requires payment of thirty percent (30%) upon acceptance, fifty percent (50%) at the Equipment Documentation Milestone, and twenty percent (20%) upon Substantial Completion.

B. Buyer has requested an alternative invoicing structure to accommodate Buyer's procurement, budgeting, accounts-payable, or administrative requirements.

C. At Buyer's request and for Buyer's benefit, the parties wish to replace the standard payment schedule with invoicing of Project equipment, materials, software, subscriptions, and licenses as they are received, documented, provisioned, or activated, followed by payment of the remaining Project balance upon Substantial Completion.

D. The parties intend that this Rider will protect the Project budget and schedule through early procurement, documented allocation, price protection, and secure storage of Project equipment.

The parties therefore agree as follows:

1. REPLACEMENT OF STANDARD PAYMENT SCHEDULE. Upon execution of this Rider, the 30% / 50% / 20% payment schedule in Section 1 of the Standard Terms does not apply to the Project. The payment schedule in this Rider replaces, and is not cumulative with or in addition to, the standard payment schedule. No thirty percent (30%) down payment is required unless the applicable proposal expressly states otherwise.

2. NO INCREASE IN CONTRACT SUM; NO DOUBLE BILLING. This Rider changes the timing and documentation of invoicing but does not, by itself, increase the total Contract Sum or alter the agreed Project scope. Every amount invoiced under this Rider is included within the Contract Sum and shall be credited dollar-for-dollar against the portion of the Contract Sum allocated to the applicable equipment, materials, software, subscriptions, licenses, services, or other Project components. In no event will the same item, service, or portion of the Contract Sum be invoiced twice. The remaining unpaid balance of the Contract Sum is due upon Substantial Completion unless the applicable proposal expressly states a different schedule.

3. TANGIBLE EQUIPMENT AND MATERIALS; INVOICE PREREQUISITES. DIGI may invoice tangible Project equipment and materials in documented items or batches only after each item or batch has satisfied the Equipment Documentation Milestone set forth in Section 1.1 of the Standard Terms, which requires that DIGI have procured and physically received the items; reasonably inspected them for apparent damage, shortage, and conformity; specifically identified and allocated them to the Project; physically segregated them from items held for other buyers or projects; tagged them with the Project name or number; photographed them; recorded serial numbers where reasonably available; confirmed they are complete and ready for physical transfer to Buyer; and removed them from inventory available for use, sale, allocation, or redirection to another buyer or project. Each invoice shall include or be accompanied by reasonable documentation of these steps. Equipment shall not be invoiced under this Rider merely because DIGI has issued a purchase order, or because the equipment is in production, in transit, backordered, or otherwise not yet physically received and ready for transfer.

4. SOFTWARE, SUBSCRIPTIONS, LICENSES AND CLOUD SERVICES. DIGI may invoice software, subscriptions, licenses, cloud services, support plans, and similar items in accordance with Section 1.2 of the Standard Terms, after DIGI has procured, provisioned, registered, assigned, or activated the applicable item for Buyer and can provide reasonable documentation of Buyer's entitlement, access, registration, or applicable service period. Buyer receives the rights, access, and benefits provided under the applicable manufacturer, publisher, or service-provider terms, and the applicable service period begins when the item is provisioned, registered, or activated under those terms, which may occur before installation or final Project completion.

5. PAYMENT; TITLE; POSSESSION; RISK OF LOSS. Payment is due in accordance with the payment terms stated in the applicable proposal or, if none are stated, within thirty (30) days after the invoice date. Title, possession, and risk of loss are governed by Section 1.4 of the Standard Terms: title to tangible equipment and materials identified on an invoice passes to Buyer upon DIGI's receipt of full payment in collected funds of that invoice; until payment is received title remains with DIGI notwithstanding allocation, segregation, tagging, or documentation for the Project. After title passes, Buyer requests and directs DIGI to retain physical possession as custodian for Buyer until the Project site is ready or Buyer directs delivery; DIGI shall not use, substitute, sell, pledge, reallocate, or redirect the equipment for any other buyer, project, or purpose; DIGI shall exercise reasonable care in safeguarding the equipment and maintain commercial insurance applicable to equipment in its physical possession, including during any extended storage period; and risk of physical loss or damage remains with DIGI until delivery to the Project site or another location designated by Buyer, after which risk passes to Buyer.

6. PRICE PROTECTION. The price of equipment, materials, software, subscriptions, and licenses procured and invoiced under this Rider is locked at the applicable invoiced amount, and DIGI will not pass through a later manufacturer price increase, tariff, surcharge, or similar supplier charge applicable to an item already procured and invoiced. Price protection does not apply to items not yet procured or invoiced, which remain subject to Section 17 of the Standard Terms.

7. STORAGE. Storage is governed by Section 1.5 of the Standard Terms. DIGI shall store paid Buyer-owned equipment in a secure facility at no additional charge through the later of (a) the scheduled installation date in effect when the applicable equipment invoice was issued, or (b) six (6) months after DIGI receives payment of the applicable equipment invoice. No storage charge will be imposed for an extension caused primarily by DIGI's delay. If storage continues beyond the free-storage period primarily because of Buyer's delay, lack of site readiness, suspension, or requested schedule change, DIGI may impose a commercially reasonable storage charge after at least thirty (30) days' prior written notice stating the rate and start date. Buyer may avoid future storage charges by accepting delivery, with transportation and delivery costs paid by Buyer.

8. SUSPENSION; CANCELLATION; NONRETURNABLE ITEMS. Cancellation and suspension are governed by Section 1.6 of the Standard Terms. Equipment, materials, software, subscriptions, and licenses procured specifically for the Project may be noncancelable, nonreturnable, subject to restocking charges, or governed by manufacturer or provider restrictions. If Buyer suspends, cancels, or terminates the Project for any reason other than DIGI's uncured material default, Buyer remains responsible for all equipment and materials procured, received, allocated, or specially ordered for the Project; all noncancelable software, subscriptions, licenses, cloud services, support plans, and provider commitments; all work performed through the effective date; and reasonable demobilization, transportation, restocking, cancellation, and storage costs actually incurred by or imposed upon DIGI. Amounts previously paid shall be credited against these obligations. For Buyer-owned equipment, Buyer may accept delivery at Buyer's expense or continue storage under Section 7. If Buyer does not accept delivery within sixty (60) days after written notice, DIGI may, after an additional thirty (30) days' written notice, deliver the equipment to Buyer at the Project site or Buyer's principal address of record at Buyer's expense, whereupon DIGI's storage and safekeeping obligations shall end.

9. WARRANTY. Warranty coverage for the Project, including DIGI's limited workmanship warranty, pass-through of manufacturer and provider warranties, any extended workmanship warranty, and any DIGI Service Plan, is governed exclusively by Section 13 of the Standard Terms. This Rider does not modify, extend, or shorten any warranty period.

10. PUBLIC-ENTITY BUYERS; CONFLICTS; ORDER OF PRECEDENCE. For governmental and public-entity Buyers, Section 21 of the Standard Terms applies, and mandatory laws concerning procurement, appropriation, public records, audit, prompt payment, retainage, bonds, immunity, and venue apply to the extent they cannot lawfully be waived. If an equipment invoice is not paid because funds are not lawfully available, title to the affected equipment does not pass to Buyer and the equipment remains DIGI's property. In the event of conflict, this Rider controls over the standard payment provisions of the Standard Terms, consistent with the order of precedence in Section 23 of the Standard Terms. A signed project-specific amendment or applicable public-entity addendum controls over this Rider. Except as expressly modified by this Rider, the applicable proposal and the Standard Terms remain in full effect.

11. ELECTRONIC SIGNATURE AFFIRMATION. By checking the affirmation box below and entering a name in the signature field, the signer affirms that: (a) the signer is duly authorized to execute this Rider on behalf of the party indicated; (b) the signer has read and agrees to this Rider and to the Digi Security Systems, LLC Standard Terms and Conditions that it supplements, including the Equipment Documentation Milestone in Section 1.1, the title and risk-of-loss provisions in Section 1.4, the storage provisions in Section 1.5, and the cancellation provisions in Section 1.6 of those Standard Terms; and (c) the signer intends the typed, inserted, or applied signature below to have the same legal effect as a handwritten signature, consistent with Section 22 of the Standard Terms and Conditions.

ACKNOWLEDGED AND AGREED

Project: ____

BUYER

Buyer (legal entity name): ____________________________________

☐ I affirm the Electronic Signature Affirmation in Section 11 above.

Signature: ___________________________ Date: ___________

Printed name: _________________________ Title: ____________________

Email: ___________________________ Phone: ________________

DIGI SECURITY SYSTEMS, LLC

☐ I affirm the Electronic Signature Affirmation in Section 11 above.

Signature: ___________________________ Date: ___________

Printed name: _________________________ Title: ____________________