

CAUSE NO. 202448085

ATLANTIC WAVE HOLDINGS, LLC	§	IN THE DISTRICT COURT
and SECURE COMMUNITY, LLC,	§	
<i>Plaintiff, Judgment-Creditor,</i>	§	
	§	
<i>v.</i>	§	129 TH JUDICIAL COURT
	§	
CYBERLUX CORPORATION and	§	
MARK D. SCHMIDT, individually	§	IN AND FOR
<i>Defendant, Judgment-Debtor.</i>	§	HARRIS COUNTY, TEXAS

Exhibit 7- ARG Group, LLC

Cause No. 202448085 styled *Atlantic Wave Holdings, LLC et al.*
v. Cyberlux Corporation et al. in the 129th District Court in and
For Harris County, Texas

Unofficial Copy Office of Marvin Burgess District Clerk

Robert Berleth

From: Christian Lunghi <CLunghi@andersonandjones.com>
Sent: Thursday, June 5, 2025 3:38 PM
To: Robert Berleth
Subject: The ARG Group, LLC v Cyberlux Corporation
Attachments: 2025_05_20_Letter_to_Cyberlux_Ex_A_thru_C.pdf

Robert:

I represent The ARG Group, LLC in its action against Cyberlux Corporation. We spoke today on the phone.

Attached is a copy of the demand letter we sent to Cyberlux on May 20, 2025.

Procedurally, we have filed the complaint, and Cyberlux has filed a motion for an extension of time to respond. Otherwise, we have heard nothing from Cyberlux. No surprise.

I'm trying to find representation in Texas. Todd mentioned you may have a draft of the document that needs to be filed in Harris County. If you have that, I would like to take a look at it.

Best,

CHRISTIAN LUNGHI
ATTORNEY AND COUNSELLOR AT LAW



421 N. Blount Street, Raleigh, NC 27601
PHONE: (919) 277-2541; FAX: (919) 277-2544
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(Mr. Lùn-ghee)

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FAIR DEBT COLLECTION PRACTICES ACT DISCLOSURE: This firm routinely represents lenders and other creditors in debt collection matters. Please be advised that this communication is from a debt collector and is an attempt to collect a debt. Any information obtained will be used for that purpose.

ANDERSON JONES, PLLC

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May 20, 2025

clunghi@andersonandjones.com

*****CONFIDENTIAL*****

VIA EMAIL (legal_cybl@cyberlux.com)

Charles Watts
300 W. Washington St.
PO Box 3136
Greensboro, NC 27402-3136

RE: *The ARG Group, LLC v. Cyberlux Corporation*
Durham County Superior Court File No. 25CV004246-310

**RULE 408 COMMUNICATION – NOT TO BE USED IN LITIGATION – FOR
SETTLEMENT PURPOSES ONLY**

Dear Chuck:

This firm represents The ARG Group, LLC (“ARG”) in connection with its claims against Cyberlux Corporation (“Cyberlux”) in the above-referenced matter. We write regarding Cyberlux’s obligations to ARG under the governing Distributor Partner Agreement and to demand immediate payment of outstanding sums owed.

On February 28, 2022, ARG and Cyberlux entered into a valid and binding agreement titled “Cyberlux Corporation and The ARG Group, LLC Distributor Partner Agreement” (the “Contract”). A true and accurate copy of the Contract is attached hereto as Exhibit “A.” Under the terms of the Contract, ARG is entitled to twenty percent (20%) of the proceeds from the sale of drones facilitated through the relationship, with Cyberlux retaining the remaining eighty percent (80%).

Importantly, the parties’ course of performance and subsequent written communications demonstrate that the scope of ARG’s entitlement under the Contract expanded beyond the original distributor framework. On multiple occasions, Cyberlux CEO Mark Schmidt expressly acknowledged—via Signal messages and other forms of communication—that ARG was entitled to 20% of proceeds from drone sales regardless of who the prime was on the contract. In fact, Mr. Schmidt confirmed in writing that if Cyberlux sold directly without a prime, ARG and Cyberlux would split the 20%, so ARG would receive 30% of the proceeds.

These statements reflect the parties' shared understanding that ARG played a key role in establishing sales channels and cultivating the relationships that drove K8 platform sales. Screenshots of some these communications are attached as Exhibit "B."

Mr. Schmidt further acknowledged ARG's ongoing involvement and value in managing potential conflicts and facilitating sales. These written communications reflect a clear understanding between the parties that ARG's role—and corresponding compensation—would extend beyond a narrow reading of the distributor agreement. ARG also raised concerns regarding ramp-up timelines and deal structures. Mr. Schmidt's responses confirm his awareness and endorsement of ARG's expanded role and the business opportunities it was actively pursuing in reliance on the Contract and the parties' ongoing course of conduct.

There is no genuine dispute that ARG was the party responsible for securing the HII order within the meaning of the Contract, the parties' shared intent at the time of contracting, and the parties' course of performance. Cyberlux's obligation to remit 20% to ARG is not discretionary—it is both contractually and equitably mandated. We are confident that a jury will conclude that ARG is entitled to 20% of all funds received from HII, and that the written and verbal representations made by Cyberlux reinforce that obligation.

Our office has reviewed the HII Termination Settlement Agreement (the "HII Settlement"), under the protection of a fully executed Non-Disclosure Agreement. The terms of that settlement confirm that Cyberlux has already received \$38,700,600.00 in drone-related payments from HII, and that an additional \$25,795,303.38 is anticipated.

Under the Contract, ARG's 20% share of the HII drone proceeds is summarized as follows:

Initial Payment (Received):

$\$38,700,600.00 \times 20\% = \mathbf{\$7,740,120.00}$

Accrued Interest on Initial Payment (8% per annum for 20 months):

$\$7,740,120.00 \times (8\% \div 12 \text{ months}) \times 20 = \mathbf{\$1,032,016.00}$

Final Settlement Payment (Expected):

$\$25,795,303.38 \times 20\% = \mathbf{\$5,159,060.68}$

Subtotal (contractual damages including interest):

\$13,931,196.68

In addition to the unpaid revenue share, Cyberlux's failure to remit payment directly prevented ARG from completing three planned strategic acquisitions. These transactions were not only dependent on the anticipated cash flow under the

Contract, but that dependence—and ARG’s intent to use the funds for these acquisitions—was expressly communicated to Cyberlux. Attached as Exhibit “C” is a true and accurate copy of one such communication, in which ARG inquires about obtaining a letter of credit. This followed prior conversations with Mr. Schmidt, during which ARG discussed the possibility of using a letter of credit from Cyberlux’s lending institution to help finance the acquisition of businesses ARG intended to purchase.

Using a conservative 15% annual growth rate over a 2-year period, the missed acquisition damages are calculated as follows:

- Missed Acquisition 1: QuickSilver Analytics
 - Initial Valuation: \$2,500,000
 - Future Value: $\$2,500,000 \times (1.15)^2 = \$3,306,250$
 - Loss: $\$3,306,250 - \$2,500,000 = \mathbf{\$806,250}$
- Missed Acquisition 2: Thin Air Gear (65% stake)
 - Initial Valuation: \$675,000
 - Future Value: $\$675,000 \times (1.15)^2 = \$892,687.50$
 - Loss: $\$892,687.50 - \$675,000 = \mathbf{\$217,687.50}$
- Missed Acquisition 3: Domestic Fabrics and Blankets Corp
 - Initial Valuation: \$1,000,000
 - Future Value: $\$1,000,000 \times (1.15)^2 = \$1,322,500$
 - Loss: $\$1,322,500 - \$1,000,000 = \mathbf{\$322,500}$

Total Consequential Damages:
\$1,346,437.50

These damages reflect not only ARG’s direct financial losses, but also the long-term economic harm and opportunity cost stemming from Cyberlux’s breach.

Total Amount Demanded

<u>Category</u>	<u>Amount</u>
20% Share of Initial Payment	\$7,740,120.00

<u>Category</u>	<u>Amount</u>
Accrued Interest (20 months at 8%)	\$1,032,016.00
20% Share of Final Payment	\$5,159,060.68
Missed Acquisition Losses	\$1,346,437.50
Total Damages	\$15,277,634.18

Cyberlux's failure to honor its financial obligations under the Contract has caused significant harm to ARG, both contractually and commercially. ARG reserves all rights and remedies under law and equity, including the right to seek pre- and post-judgment interest, attorneys' fees, and all additional damages available under applicable law.

We welcome the opportunity to resolve this matter cooperatively. However, time is of the essence. Please do not hesitate to contact us should you have any questions or require supporting documentation. We appreciate your prompt attention to this matter.

Sincerely,



Christian Lunghi
Attorney for The ARG Group, LLC

Unofficial Copy Office of Marilyn Burgess District Clerk

Cyberlux Corporation and The ARG Group, LLC Distributor Partner Agreement

This Agreement (the "Agreement") is made effective as of the 28th day of February 2022, between **Cyberlux Corporation** ("Cyberlux"), a Nevada corporation, having its principal place of business at 800 Park Offices Drive, Suite 3209, Research Triangle Park, NC 27709 and **The ARG Group, LLC** ("ARG"), an Arizona limited liability company, having its principal place of business at 301 Helen Street, Suite 110, Tucson, AZ 85705.

BACKGROUND FACTS

1. Cyberlux develops, manufactures, and sells Advanced Lighting Solutions (ALS) for portable and fixed use, certain solar power solutions, and Unmanned Aircraft Systems (UAS) products including UAS hardware and software solutions. The Cyberlux products include, but are not limited to, the BrightEye and Watchdog Tactical Illumination Systems, other various LED and solar products, and the FlightEye UAS products including FlightEye drone hardware and the FlightGDN software operating platform and related product offerings, as set forth in Exhibit A, Product and Pricing, which is attached hereto and by this reference made a part hereof (hereafter referred to a "Products").
2. Cyberlux is the owner of certain trademarks used in connection with the Products, such trademarks being set forth on Exhibit B entitled Cyberlux Trademarks, which exhibit is attached hereto and by this reference made a part hereof (singularly the "Trademark" or collectively the "Trademarks").
3. ARG desires to obtain from Cyberlux the non-exclusive right to sell, bid, stock and ship the Products within the United States, North and South America, and other global regions with business opportunities may arise, as specified herein.
4. Cyberlux desires to sell the Products to ARG for business development, sales and fulfillment of orders as specified herein.

AGREEMENT

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

1. APPOINTMENT

Cyberlux agrees to, and hereby does, appoint ARG as a non-exclusive Business Partner for the Products for the period of this Agreement as set forth in Paragraph 3.

2. ARG DUTIES

- A. ARG agrees to use its best efforts to promote and to extend the sale of Products to Department of Defense (DoD) agencies, DoD affiliated businesses, and other federal and state government agencies or government agency affiliated businesses. ARG agrees to obtain any approvals necessary for shipment, marketing, importation, distribution or use of Products prior to commencement of such acts. ARG further agrees to provide the standard pricing and warranty terms as in Exhibit A without the prior written permission of Cyberlux. ARG will not at any time divulge any confidential information, trade secrets, or know-how of which it may become possessed or aware with respect to Cyberlux's affairs in relation to this Agreement, the Products or Trademarks.
- B. During the term of this Agreement, and for three (3) years subsequent to the expiration hereof, ARG shall not interfere with the business of Cyberlux by using information generated as a consequence of this Agreement to compete with Cyberlux, or by usurping, interfering with or attempting to interfere with Cyberlux's existing or prospective contractual relations with its customers, dealers, suppliers or other distributors. The limitations under this paragraph shall not preclude ARG from continuing to sell or offer for sale to such customers any products that ARG has sold or offered for sale to those customers or dealers prior to the execution of this Agreement.

3. DURATION OF AGREEMENT

This Agreement shall be for a term of three (3) years, commencing with the effective date hereof, unless terminated sooner according to the terms hereof. Notwithstanding the foregoing, the Agreement shall be deemed renewed for one (1) year from the date of such renewal, with all terms and conditions hereof remaining in full force and effect, unless either Party terminates the Agreement with 90 days notice.

4. PRICING, TERMS, AND QUOTAS

- A. Pricing: With the appointment of ARG as Business Partner, Cyberlux will provide a twenty percent (20%) discount off the GSA pricing for the Products as detailed in Exhibit A attached. ARG will secure customer orders, Cyberlux will fulfill the customer orders with ARG either stocking inventory or Cyberlux fulfilling directly, and ARG will pay Cyberlux eighty percent (80%) of the GSA invoice pricing for the Products.
- B. Terms: Cyberlux payment terms are net 30 from shipment date, unless ARG has prior written agreement to different terms and conditions.
- C. Quotas: Cyberlux expects ARG to generate a minimum of \$2,000,000.00 in annual Products sales across all market segments and customers. Cyberlux will provide any sales support or assistance ARG may need to facilitate the closing of any business opportunity generated by ARG.

5. DEALER OF RECORD PROCESS

As a Cyberlux Business Partner, ARG is entitled to declare any new business opportunity as an exclusive ARG sales opportunity, unless another Cyberlux Business Partner has

previously declared the same opportunity exclusivity in prior communication to Cyberlux.

To declare a new business opportunity as an exclusive ARG sale, ARG must email the following information to the Cyberlux email addresses at sales@cyberlux.com and MichaelPorter@cyberlux.com, including:

Subject: ARG Dealer of Record Registration Request
Customer Name
Department / Agency
Address, City, State
Primary Contact
Best estimate of the potential sales quantity and Cyberlux product(s)

Cyberlux will respond within 48 hours confirming the new opportunity exclusivity.

6. EQUITY INCENTIVES

- A. In consideration for the appointment of ARG as Business Partner, Cyberlux will award ARG two million (2,000,000) shares of restricted common stock as a long-term incentive to mutually benefit both ARG and Cyberlux as ARG sales and revenue generation accrete value the Cyberlux stock.
- B. In addition, Cyberlux will offer ARG additional Revenue Acceleration Equity Incentives as follows:

<u>Revenue Level Achieved</u>	<u>Restricted Stock Grant</u>
\$3,000,000	500,000
\$4,000,000	500,000
\$5,000,000	500,000
\$6,000,000	250,000
\$7,000,000	250,000
\$8,000,000	250,000
\$9,000,000	250,000
\$10,000,000	500,000
Incremental \$1,000,000	250,000 per \$1,000,000 above \$10,000,000 revenue

7. QUANTITIES AND DELIVERIES

- A. In partial consideration for ARG's appointment hereunder, ARG agrees to deliver to Cyberlux purchase orders for Products with a forecast due within 45 days of the signing of this Agreement.
- B. Products are delivered ex-factory at Cyberlux's offices in Research Triangle Park, Durham, North Carolina or at another delivery point selected by Cyberlux and agreed to by ARG. Cyberlux shall use reasonable efforts to fill ARG's orders insofar as Cyberlux is not prevented or hindered in doing so by shortages of raw materials or labor, unavoidable mechanical failure, strikes, war, insurrection, acts of God, and the like.

- D. ARG's performance under this Agreement shall be periodically reviewed with Cyberlux, and ARG and Cyberlux shall periodically set goals and plan Product development and introductions to reflect the best opportunities in the market for Cyberlux Products.
- E. In order to meet customer service standards, ARG agrees to provide a monthly rolling forecast of three (3) month's supply of Product to Cyberlux, by the 1st day of the month, during the term of this Agreement.

8. **CREDIT AND FINANCIAL REQUIREMENTS**

- A. ARG represents and warrants to Cyberlux that ARG is in good and substantial financial condition and is able to pay all bills when due. ARG shall, from time to time, furnish any financial statements or additional information as may be requested by Cyberlux.
- B. All sales shall be made in accordance with the terms of the Cyberlux invoices and the Agreement. Payment for all Products purchased by ARG shall be made by certified or cashier's check, unless the Cyberlux invoice provides otherwise, in which event such terms shall govern. Receipt of any check, draft or other commercial paper shall not constitute payment until Cyberlux shall have received, in cash, the full amount thereof.

9. **EXCLUSION OF DAMAGES**

- A. Unless otherwise provided by applicable law, Cyberlux's liability, if any, to ARG for any allegedly defective Products shall, under any legal or equitable theory, be limited to repair or replacement of the Products or parts, at Cyberlux's option, and **CYBERLUX SHALL NOT BE LIABLE TO ARG FOR ANY DAMAGES, WHETHER INCIDENTAL, CONSEQUENTIAL OR OTHERWISE, BECAUSE OF PRODUCT OR PART DEFECTS.**
- B. Cyberlux has product liability insurance with respect to Products. As such, the only source of recovery for Cyberlux's product liability shall be said insurance. **NO OTHER WARRANTIES ARE PROVIDED BY CYBERLUX, EXPRESS OR IMPLIED.**
- C. ARG shall not make any change to Products, or Product containers, packages, cartons or the like without Cyberlux's prior written approval, which may be withheld in Cyberlux's sole discretion.

10. **PATENT AND TRADEMARK RIGHTS**

- A. ARG agrees that Cyberlux is the sole and exclusive owner of all patent rights on Products, including any improvements thereon, whether made by Cyberlux or Distributor, and of all rights in the Trademarks. ARG agrees to disclose to Cyberlux, in writing, all improvements in Products, and manufacturing know-how relating to Products, developed or acquired during the term of this Agreement.
- B. ARG further agrees that it will not seek or otherwise obtain any patent, trademark, or service mark rights on the Products or Trademarks, directly in its own name or indirectly in any other name, without the written permission of Cyberlux.

- C. ARG shall have the right to use the Trademarks only in connection with the distribution of Products and only during the period of this Agreement. ARG shall not alter, remove, or tamper with the Trademarks or other means of identification of Products.

11. TERMINATION

- A. Either party shall have the right to terminate this Agreement, in its sole discretion, upon ninety (90) days written notice to the other. Either party to this Agreement shall further have the right to terminate this Agreement, without any advance notice to the other, in the event of breach of the Agreement by such other party. Such termination, in either case, shall not extinguish obligations previously incurred under this Agreement, or obligations, which by their nature survive such termination.
- B. Upon termination of this Agreement, Cyberlux shall have the right to purchase from ARG all Product inventory at a price equal to ARG's cost plus freight to return the Products to Cyberlux or its designee, such freight to be approved by Cyberlux.
- C. If either party shall become insolvent, make any assignment for the benefit of creditors, be adjudged bankrupt, or if a receiver or trustee of their property shall be appointed, this Agreement shall thereupon automatically terminate.
- D. If ARG sells or otherwise disposes of substantially all of its business relating to this Agreement, if control of ARG is transferred, or if present management of ARG is changed, or is no longer involved in the day-to-day supervision of ARG's performance of this Agreement, Cyberlux shall have the right, without prejudice to any other rights, which Cyberlux may have, to terminate this Agreement immediately.

12. GOVERNMENT RESTRICTIONS

In the event that any provision, term, condition or object of this Agreement may be in conflict with any law, measure, rule, court judgment (by consent or otherwise) or regulation of the government or any department of the United States of America, legal counsel for the party asserting such conflict shall advise the other that such a conflict, or the reasonable possibility of such conflict, exists; then either party may propose to the other appropriate modification of this Agreement to avoid such conflict, and the authorized officers or representatives of the parties shall mutually negotiate for the adjustment of such matter. In the event that such negotiation does not produce results satisfactory to both parties, either party, at its option, may terminate this Agreement upon thirty (30) days written notice to the other.

13. REPRESENTATIONS AND WARRANTIES

ARG represents and warrants as follows:

- 1. That it is an Arizona limited liability corporation, duly organized, validly existing and in good standing with respect to the laws of its resident jurisdiction; and that it has full power and authority to execute this Agreement and to carry on its business as it is being conducted;

2. That it has the power to enter into this Agreement and to carry out its obligations hereunder; that, if it is a corporation or comparable legal entity, the required number of directors have approved this Agreement and the carrying out of the transactions contemplated hereby; that the execution and delivery of this Agreement and the consummation of the transactions contemplated have been duly authorized; and that it has received all governmental authorizations within its power to permit the execution and delivery of this Agreement and the carrying out of the transactions contemplated.
3. That it is not a party to, or obligated under, any charter or bylaw, or subject to any order or decree that will be violated by its executing and carrying out this Agreement.
4. That it will not, during the term of this Agreement, authorize anyone else or another concern to distribute Products or utilize the Trademarks.

14. **RELATIONSHIP**

The parties hereby agree that no agency, joint venture, or partnership is created by this Agreement and that ARG shall incur no obligation in the name of Cyberlux without the prior written permission of Cyberlux.

15. **ENTIRE AGREEMENT**

- A. The parties agree that this Agreement contains the entire understanding of the parties and that there are no representations, warranties, promises, or undertakings other than those contained herein.
- B. No waiver or modification of any of the terms of this Agreement shall be valid unless contained in a writing signed by both parties.

16. **VALIDITY**

The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision was omitted.

17. **GOVERNING LAW**

This Agreement shall be construed and enforced in accordance with the laws of the State of North Carolina of the United States of America and any dispute arising under this Agreement shall be resolved in a Court of cognizant jurisdiction in Durham County, NC which shall have sole personal and subject matter jurisdiction over any dispute arising under this Agreement.

18. **EXECUTION**

This Agreement shall be effective as of the date first above written.

19. **FORCE MAJEURE**

Except as otherwise provided hereafter, each party shall be entitled to an extension of the date of any performance required of such party under this Agreement if the failure of the party to duly perform was solely because of a Force Majeure Event (hereafter defined);

provided, however, that a Force Majeure Event shall not be recognized under this Agreement unless (1) the party seeking to assert such an event gives notice of the existence of such event to the other party, which notice shall explain in reasonable detail the nature of the Force Majeure Event, the obligations that have been affected by the Force Majeure Event, and how such Force Majeure Event has impaired the performance of such obligations (Force Majeure Event Notice), and (2) such Force Majeure Event actually and materially impairs the due performance of such parties' obligations. On receipt of the Force Majeure Event Notice by the other party, the performance required of the notifying party shall be extended on a day-for-day basis commencing on the date the Force Majeure Event Notice was given until such Force Majeure Event has terminated. A "Force Majeure Event" shall be an act of God, riot, war, civil unrest, hostile fire, flood, earthquake, or other cause beyond a party's reasonable control and anticipation (including without limitation, any mechanical, electronic, or communications failure, but excluding failure caused by a party's financial condition or negligence), or any inability due to the aforementioned causes to obtain necessary labor, materials or facilities.

IN WITNESS WHEREOF, the parties have executed this Agreement in duplicate, each of which copies shall for all purposes be deemed an original.

CYBERLUX

Cyberlux Corporation, a Nevada corporation

By: Mark D. Schmidt
Mark D. Schmidt
Its: President

ARG

The ARG Group, LLC, a Delaware limited liability company

By: Anthony Gonzalez
Anthony Gonzalez
Its: Managing Partner

Unofficial Copy Office of Marilyn Burgess-Drafting Center

Exhibit A

Product and Pricing

See Attached ALS, UAS and Other Product and Pricing Listings.

Unofficial Copy Office of Marilyn Burgess District Clerk

EXHIBIT A
Advance Lighting Systems Products

CATEGORY	PRODUCT	GSA P/N	NATIONAL STOCKING NUMBER	DESCRIPTION	COMMERCIAL UNIT PRICE	GSA 10% DISCOUNT PRICE	10-20 UNIT	2-30 UNIT	31-40 UNIT	4-50 UNIT	51+ UNIT	GSA UPLIFT 0.75%	Volume (Cu-Ft)	Weight (lb)
							DISCOUNT PRICE 2%	DISCOUNT PRICE 4%	DISCOUNT PRICE 5%	DISCOUNT PRICE 6%	DISCOUNT PRICE 7%			
SYSTEM	WATCHDOG	2CP0150	6230015635690	WatchDog Portable Lighting System A (Two Visible and Covert Parameter Illumination Lighthead, Two 2.3 ft. Quadpod Light Stands, One Battery Charger, Two Wireless Controls, Two UBI-2590 Batteries, Two Battery Shields, One System Case)	\$12,759	\$11,483	\$11,253	\$11,024	\$10,909	\$10,794	\$10,679		3.0	49
SPARES KIT	WATCHDOG	2CP0169	6210015635711	WatchDog Portable Lighting System Spares Kit (One UBI-2590 Batteries, Two Battery Shields, Two 2.3 ft. Quadpod Light Stands, 50 Kit Screws/Fasteners, One System Case)	\$4,700	\$4,230	\$4,145	\$4,061	\$4,019	\$3,976	\$3,934		3.0	41
SYSTEM	BRIGHTEYE	2CP0179	6230015638290	BrightEye Portable Visible and Covert (VaC) Lighting - Single System (One Visible & Covert Lighthead, One 7.5 ft. Quadpod Light Stands, One UBI-2590 Battery, One Battery Shield, One Battery Charger, One Wheeled System Case, One Wireless Controls)	\$5,759	\$5,184	\$5,080	\$4,976	\$4,924	\$4,872	\$4,821		3.0	42
SPARES KIT	BRIGHTEYE	2CP0181	6210015638297	BrightEye Portable VaC Lighting System Spares Replacement Kit - (One 7.5 ft. Quadpod Light Stand, One Battery, Two Battery Shields, One Wheeled System Case, One Wireless Control, 50 Kit Screws/Fasteners)	\$3,501	\$3,151	\$3,088	\$3,025	\$2,993	\$2,962	\$2,930		3.0	33
SYSTEM	BRIGHTEYE	2CP0170	6230015635725	BrightEye Portable Visible and Covert (VaC) Lighting - Dual Lighthead System (Two Visible & Covert Lighthead, Two 7.5 ft. Quadpod Light Stands, Two UBI-2590 Batteries, Two Battery Shields, One Battery Charger, One Wheeled System Case, Two Wireless Controls)	\$10,963	\$9,867	\$9,670	\$9,472	\$9,374	\$9,275	\$9,176		3.5	77
SPARES KIT	BRIGHTEYE	2CP0180	6210015635748	BrightEye Portable VaC Lighting Dual Lighthead System Spares Replacement Kit - (Two 7.5 ft. Quadpod Light Stands, Two Batteries, Two Battery Shields, One Wheeled System Case, One Wireless Control, 50 Kit Screws/Fasteners)	\$4,370	\$3,933	\$3,854	\$3,776	\$3,736	\$3,697	\$3,658		3.5	57
SYSTEM	BRIGHTEYE	2CP0190	6230015635774	BrightEye Portable Visible and Covert (VaC) 4 Meter Tower Illumination System - Advanced Lighthead Configuration (Equivalent to Two Standard Visible & Covert Lighthead), One 4M (13.1 ft.) Mast Stand with Six 50lb Capacity Sand Bags for Stability, One Li-Ion Power Supply System, One Super Portable Quiet Recharging Gas Generator, Four System Carrying Cases, Two Wireless Remote Controls	\$17,026	\$15,323	\$15,017	\$14,710	\$14,557	\$14,404	\$14,250		12.7	204
SPARES KIT	BRIGHTEYE	2CP0191	6210015635807	BrightEye Portable Visible and Covert (VaC) 4 Meter Tower Illumination System Spares Replacement Kit - One Replacement Lighthead Electronics, Six Replacement Sand Bags, One Replacement Li-Ion Power Supply System, One Replacement Super Portable Quiet Recharging Gas Generator, 50 Kit Screws/Fasteners	\$6,143	\$5,529	\$5,418	\$5,308	\$5,253	\$5,197	\$5,142		2.5	69
SYSTEM	BRIGHTEYE	2CP0182	6230015635832	BrightEye Portable Visible and Covert (VaC) 10 Meter Tower Illumination System - Advanced Lighthead Configuration (Equivalent to Four Standard Visible & Covert Lighthead), One 10M (31.5 ft.) Mast Stand with Guyed Wire Stability, One Li-Ion Power Supply System, One Super Portable Quiet Recharging Gas Generator, Four System Carrying Cases	\$23,704	\$21,334	\$20,907	\$20,481	\$20,267	\$20,054	\$19,841		18.1	281
SPARES KIT	BRIGHTEYE	2CP0183	6210015635839	BrightEye Portable Visible and Covert (VaC) 10 Meter Tower Illumination System Spares Replacement Kit - Two Replacement Lighthead Electronics, One Replacement Guyed Wire Set, One Replacement Li-Ion Power Supply System, One Replacement Super Portable Quiet Recharging Gas Generator, 50 Kit Screws/Fasteners	\$7,774	\$6,997	\$6,857	\$6,717	\$6,647	\$6,577	\$6,507		3.0	80
	BRIGHTEYE	2CP0185	6115015635624	BrightEye Portable Generator Power System - Super Portable Solar Panel Generator, BrightEye Power Cabling, Integrated Power Supply and Case, Power Cables	\$11,726	\$10,553	\$10,342	\$10,131	\$10,025	\$9,920	\$9,814		3.1	55

Unofficial



Exhibit A
FlightEye Unmanned Aircraft Systems

CATEGORY	PRODUCT	GSA P/N	NATIONAL STOCKING NUMBER	DESCRIPTION	COMMERCIAL UNIT PRICE	GSA 10% DISCOUNT PRICE	10-20 UNIT DISCOUNT PRICE 2%	2-30 UNIT DISCOUNT PRICE 4%	31-40 UNIT DISCOUNT PRICE 5%	4-50 UNIT DISCOUNT PRICE 6%	51+ UNIT DISCOUNT PRICE 7%
UAS											
UAS				TO BE DETERMINED BY CYBERLUX ASAP							
UAS											
UAS											
UAS											

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**Exhibit A
Infrastructure Technology and Other Products**

CATEGORY	PRODUCT	GSA P/N	NATIONAL STOCKING NUMBER	DESCRIPTION	COMMERCIAL UNIT PRICE	GSA 10% DISCOUNT PRICE	10-20 UNIT DISCOUNT PRICE 2%	2-30 UNIT DISCOUNT PRICE 4%	31-40 UNIT DISCOUNT PRICE 5%	4-50 UNIT DISCOUNT PRICE 6%	51+ UNIT DISCOUNT PRICE 7%
UAS											
UAS				TO BE DETERMINED BY CYBERLUX ASAP							
UAS											
UAS											
UAS											

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Exhibit B

Cyberlux Trademarks

Registered Federal Trademarks

Cyberlux[®]
BrightEye[®]
EverOn[®]
RelyOn[®]
ReliaBright[®]

Pending Federal Trademarks

PSL Technology[™]
The LED Portable Shelter Lighting System[™]
BrightEye Technology[™]
The BrightEye Advantage[™]
Tactical Illumination Systems[™]
WhiteEye[™]
The WhiteEye Advantage[™]
A Leader in Advanced LED Lighting Solutions[™]
The Brilliance of Cyberlux Lighting[™]
Harnessing the Future of Light[™]
Harnessing the Future[™]

During the term of this Agreement, Cyberlux may also adopt and use additional Trademarks, which upon such adoption and usage, will be deemed incorporated into this Exhibit.

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17:25



Mark >

Ok agreement sent. Let us know if any questions
Also if you copy me on the content I'll push the PR to close.

Roger, looking at it now...

Mark, I haven't had my lawyer read this, and I don't think I need to, I have one concern...

QUANTITIES AND DELIVERIES
A. In partial consideration for ARG's appointment hereunder, ARG agrees to deliver to Cyberlux purchase orders for products with a forecast due within 45 days of the signing of this Agreement.

We both know gov sales has a ramp-up period. My hope is that with his Air Force program, we will see fast sales,

however, typical gov sales are 6-12 months.

I think we have a good chance for early sales with the Nation Guard/

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iMessage



17:25



Mark >

I think we have a good chance for early sales with the Nation Guard/air guard faster, I just don't want to get hung up on not having something in 45 days with a govt sale

We're on the same page. This like the quota is aspirational not cut and dry.

I'm happy to make an adjustment if you want but we have an understanding.

I'm good with that...a gentleman's agreement is always better than a contract frankly. We both know what we need to do to execute.

Exactly, agreed.

I'll sign now and return. I will also make sure to send a DOR request to sales@ so they can record it.

Great. Copy Porter too for timeliness.

I have been looking at my



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17:25



Mark >

timeliness.

I have been looking at my marketing and contacts I have. How do you feel about companies like Triple Canopy buying your products?

ROg

We're wide open if you have business opportunities.

I have several past blackwaters guys, that I served with and I work now with triple canopy. Also had some private contractors that flew planes and helo for SOCOM... gonna reach out to them too

Sounds good.

Have a great week, ping me if your guy in Bogota wants to meet.

✓ I will. Copy me on the content and I'll have the PR sent to you for review and then launch 🚀

By the way, this said an Arizona LLC.....



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EXHIBIT "B"


4 of 5

MS Mark Schmidt 
✔ Verified



procurement for all of the hardware flowing into the Ukraine. We're not sure if it's because the Ukrainians appear to be going around everybody who is providing them quotes, or if it's just because the bulk of the funds flowing are now US funds. At any rate, the USG will be purchasing directly. We're not sure if it will be FMS, DLA/TLS, or other existing rapid vehicles? We expect the OEMs will be receiving direct inquiries from USG entities and possibly via FMS sales. You need to make sure the drone company knows they will likely see a new flurry of inquiries, as we have been submitting data sheets and naming the OEMs with our bids.

Just got this

We can discuss. But let's talk about how you quote them. 1:40 PM 

Yes absolutely. \$9800 is the starting point, no 'go direct' BS. 1:42 PM

Cost:	\$4700
CYBL:	\$2000
ARG 20%:	\$1340

	\$8040
Split profit:	\$1760

	\$9800
CYBL:	\$2880
ARG:	\$2220

1:56 PM


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EXHIBIT "B"

5 of 5

MS Mark Schmidt 
✔ Verified



 Missed voice call · 10:21 AM

[Call back](#)

Send me the DDTC product code acronym 11:52 AM

Also sending you a Cyberlux email with a contact Paul NurrK had from Fairwind Technologies...look like a competitor but apparently they are active in Ukraine. 12:05 PM

	MSRP	
	\$18,750.00	
Global Ordnance	\$3,750.00	20% Margin
CYBL PRICE	\$15,000.00	
Anthony	\$3,750.00	20% Margin
J & L	\$375.00	2% Margin
CYBL Cost	\$5,500.00	
CYBL Margin	\$5,375.00	29% Margin

pricing structure we discussed 12:41 PM

More on the Fairwinds contact with Paul Nurkka:

So the contact is Matthew Jones from Fairwinds. He sounds like he just is well connected and helped broker a deal with someone for the sale of all of the switchblade drones that are available right now, and they want to order up to a couple hundred kamikaze drones a month

I'm sharing this so we can make sure we grab the volume if it's not going to disrupt the Global channel.

We intend to have you involved of all the Model-Kx sales so we can manage any conflict. 1:04 PM 

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