

## COMMERCIAL LEASE AGREEMENT

This Lease made and entered into this \_\_\_\_ day of \_\_\_\_\_, 2021, between CITY OF LEXINGTON, NEBRASKA, a Nebraska Municipality, hereinafter referred to as "LANDLORD", and GREEN LIGHT FARMS, LLC, hereinafter referred to as "TENANT":

1. **LEASEHOLD PREMISES:** LANDLORD does hereby agree to lease to the TENANT and the TENANT does hereby agree to rent from the LANDLORD, the real estate set forth on the attached **Exhibit A**, consisting of a 415' by 450' parcel which amounts to approximately 4.3 acres.
2. **TERM:** This Lease shall become effective on December 1, 2021 and shall continue in full force for one year (1) year, terminating on November 30, 2022. The Lease shall automatically renew on an annual basis unless either party gives written notice of non-renewal of the Lease ninety (90) days prior to the expiration of the current term.
3. **RENT:** TENANT shall pay to LANDLORD rent in the amount of \$500.00 for the first six (6) months of the term, then \$1,500.00 per month. Rent is due and payable on the 1st of each month, or otherwise as agreed upon by TENANT and LANDLORD.
4. **SECURITY DEPOSIT:** TENANT shall deposit with the LANDLORD funds equal to \$1,500.00, said funds shall hereinafter be referred to as a security deposit. Said security deposit shall be held by the LANDLORD without liability for interest, as the security for the faithful performance by the TENANT of all of the terms of this Lease which are to be observed and performed by the TENANT. If any of the rents herein reserved or any other sum payable by the TENANT to the LANDLORD shall be overdue and unpaid or should the LANDLORD make any payments on behalf of the TENANT or should the TENANT fail to perform any of the terms of this Lease, then the LANDLORD may, at its option and without prejudice to any other remedy which a LANDLORD may have on account hereof, appropriate and apply said entire deposit or so much thereof as may be necessary to compensate the LANDLORD towards the payment of the rent or additional rent or loss or damage sustained by the LANDLORD due to such breach on the part of the TENANT; and the TENANT shall forthwith, upon demand, restore said security to the original sum deposited. Should the TENANT comply with all of the terms and promptly pay all of the rents as they fall due and all other sums payable by the TENANT to the LANDLORD, said deposit shall be returned in full to the TENANT at the end of the term of the Lease.
5. **RIGHT OF FIRST REFUSAL:** LANDLORD additionally grants to TENANT a Right of First Refusal in regards to purchasing the real estate set forth on the Attached **Exhibit A** in the event LANDLORD decides to sell the same. The terms and conditions of said purchase, including price, shall be the same as set forth in a written bona fide offer of a third party.

**6. TENANT'S COVENANTS:**

a. TENANT agrees to use and occupy the premises in a careful, safe and proper manner, and to commit no waste, and to keep the premises in a clean and safe condition in accordance with this Lease, all laws, regulations, order, ordinances and the lawful directions of proper public officers.

b. TENANT will not permit the accumulation of rubbish, trash, garbage or other refuse in or about the premises, and will remove the same at TENANT'S expense. In the event the TENANT fails to remove any accumulation of rubbish immediately upon notice to do so, LANDLORD shall have the right to remove such rubbish and charge the cost directly to the TENANT.

c. TENANT agrees that if anything done, omitted to be done or kept upon or about the premises shall cause the rate of fire or other insurance on the premises to be increased beyond the minimum rate which would be applicable to the premises of the use permitted herein, TENANT will pay the amount of such increase to the LANDLORD upon demand.

d. TENANT is responsible for keeping the premises clean and free from ice and snow, including adjacent sidewalks.

**7. PUBLIC LIABILITY INSURANCE; OTHER INSURANCE:** TENANT shall, at its own expense, during the term hereof, maintain and deliver to the LANDLORD, a public liability insurance policy with respect to the use areas, in which both the LANDLORD and the TENANT shall be named as insured, with the limit of at least \$500,000.00 for injury or death to any one person or \$1,000,000.00 for any one accident. Such policy or policies shall be in such form and with such insurance companies as shall be reasonably satisfactory to the LANDLORD, with provisions for at least ten (10) days written notice to the LANDLORD cancellation. The LANDLORD shall not be liable or responsible to any person or persons whomsoever for any damage to any property in or about the leased premises. TENANT shall further maintain insurance on any personal property located on or about the leased area.

**8. UTILITIES; ADDITIONAL SERVICES:** TENANT shall pay all utility costs including, but not limited to, electricity, water, telephone, and sanitation disposal for the leased premises during the term of the Lease.

Electric Utility—TENANT intends to operate a crypto mining operation on the real estate, consisting of enclosed containers with security fencing. The crypto mining operation will consist of up to three containers (10' x 20') with a total electrical demand not to exceed 1,500 KW.

The LANDLORD will supply the required transformer and metering to support the crypto mining operation, which represents an extension of the LANDLORD's electrical system. LANDLORD will provide electrical service under the Lexington Utility Service's High Tension Service rate. The TENANT will furnish sufficient load information for the required service for LANDLORD to estimate annual revenue. The LANDLORD will invest in a system extension, without a contribution by TENANT, up to five times the estimated annual revenue less associated wholesale power costs. Any expense in excess of five times the estimated revenue, less associated power costs, shall be paid by the TENANT as aid-to-construction over a three-year period after the new service is in operation. In the event the Lease is terminated prior to the end of the three-year period then said aid-to-construction shall be immediately due and payable.

TENANT shall pay an upfront deposit for electrical service equal to an estimated three-month retail electric bill. Such deposit shall be retained by the LANDLORD for at least one-year and then may be returned to the TENANT if no electrical bill becomes delinquent during such period. If a bill becomes delinquent, the deposit shall be retained for an additional year from the date of delinquency. This electric deposit does not accrue interest to the benefit of the TENANT.

**9. INSPECTION:** TENANT shall use diligence in guarding the premises from damage by fire and shall not permit noise or nuisance to the disturbance of others. LANDLORD or LANDLORD'S agents may enter the demised premises at all reasonable times for purposes of inspection.

**10. ALTERATIONS AND IMPROVEMENTS:** No alterations, additions or improvements to the inside or outside of the leased premises shall be made by the TENANT without the written consent of the LANDLORD. Any alterations or additions made by the TENANT and any installation of trade fixtures owned by the TENANT shall remain the property of the TENANT and shall be removed by the TENANT at any time during the term of this Lease, or upon the termination of this Lease. TENANT shall repair all damage to the leased premises caused by the installation and removal of fixtures, and the leased premises shall be put back in its original condition, less normal wear and tear. Any permanent alterations, additions or fixtures made by TENANT shall become the property of LANDLORD.

**11. INDEMNITY AGREEMENT:** TENANT hereby covenants and agrees that the TENANT will indemnify, protect and hold LANDLORD harmless against any and all claims, demands, causes of actions and damage suits or costs whatsoever asserted by any firm person or corporation arising out of or occurring in connection with TENANT'S use of the premises and TENANT shall reimburse LANDLORD for all costs and expenses which may be incurred by the LANDLORD in connection with any such claims, demands,

causes of action or suits. This indemnity agreement shall include all defense costs incurred by LANDLORD, including court costs.

**12. DAMAGE TO THE PREMISES:** If the premises shall be damaged or partly destroyed by fire or other casualty during the term of this Lease, or any extension thereof, the LANDLORD may elect either to repair or rebuild the premises or terminate the Lease. Either of the elections shall be made by giving written notice of the LANDLORD'S decision to the TENANT within sixty days (60) days after the happening of the event causing the damage. If the LANDLORD does so elect to repair or rebuild, and if the damage or destruction be without fault or neglect of the TENANT, the rents stipulated in the Lease or a fair and just proportion thereof, shall be abated during the period of construction. The election to rebuild or terminate shall be exclusive to the LANDLORD.

**13. NO ASSIGNMENT OR SUBLET:** TENANT shall not assign this Lease or any interest therein, and shall not sublet the leased premises or any part thereof without the written consent of the LANDLORD.

**14. RELATIONSHIP OF THE PARTIES:** The relationship between the parties is that of LANDLORD and TENANT, and this Lease Agreement shall not create the relationship of principal or agent, partnership or joint venture, between the parties hereto.

**15. TIME OF THE ESSENCE:** Time is of the essence in all respects with regard to the terms and conditions of this Lease.

**16. COMPLIANCE OF LAWS:** The TENANT shall comply with all laws, orders and regulations of the federal, state and municipal authorities and with any lawful direction of any public officer, which shall impose any duty upon the TENANT with respect to the leased premises. The TENANT, at its sole expense, shall obtain all required licenses and permits for the conduct of its business within the terms of this Lease, or for the making of repairs, alterations, improvements or additions.

**17. SURRENDER UPON TERMINATION:** Upon the termination of this Lease, the TENANT shall surrender the leased premises in as good of condition as it was at the beginning of the term, ordinary wear and tear excepted, and the TENANT shall remove all of its property therefrom so that the LANDLORD can take possession of the leased premises.

**18. DEFAULT:** Each of the following shall be deemed to be a default by the TENANT and a breach of this Lease:

- a. The failure on the part of the TENANT to pay any installment of rent, together with the late fee as provided for herein, which failure persists after the expiration of three (3) days from the date the payment becomes due;

- b. The failure on the part of the TENANT to observe or perform any of the other terms, covenants, or conditions of this Lease on the part of the TENANT to be observed and performed, which failure persists after the expiration of ten (10) days to the TENANT, calling attention to the existence of such failure, provided, however, if the matter which is the subject of the notice is of such a nature that the same cannot be reasonably corrected within ten (10) days, then no default shall be deemed to have occurred if the TENANT, before the expiration of the ten-day (10) period from the date of giving notice by the LANDLORD, commenced the curing of the default and diligently pursues the same to completion.

Each party shall have such rights and remedies as provided by law or equity upon the default of the other party. No waiver of any condition or covenant of this Lease by the LANDLORD or TENANT shall be deemed to imply or constitute a future waiver by the LANDLORD or TENANT of any other condition or covenant under this Lease. The rights and remedies created by this Lease Agreement are cumulative, and the use of one remedy shall not be taken to exclude or waive the right of use of another.

**19. CHANGES OR MODIFICATIONS:** It is agreed that no change or modifications of this Lease shall be made except in writing signed by both the LANDLORD and the TENANT, setting forth the terms and conditions of the agreed modification or change.

**20. BINDER:** This Lease Agreement shall be binding upon the heirs, successors, assigns and legal representatives of the Parties hereto.

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

CITY OF LEXINGTON, NEBRASKA

By \_\_\_\_\_  
JOE PEPPLITSCH, City Manager

**TENANT:**

GREEN LIGHT FARMS, LLC

By \_\_\_\_\_  
Shawn Troia, Managing Member

**GUARANTEE**

\_\_\_\_\_ hereby guarantees the payment of all rent and all other sums due under this Lease Agreement. Guarantor further guarantees the performance of all of TENANT's other obligations under this Lease. Consideration for this guarantee is the Lease and the rental rate contained in the Lease.

\_\_\_\_\_  
\_\_\_\_\_, Guarantor

# Exhibit A

A 4.3 acre tract of land in the NE corner of Lot 3, Block 1, Wesleyan Addition Replat, an addition to the City of Lexington, Dawson County, Nebraska; depicted in the following map.

