

EQUIPMENT LEASE AGREEMENT

THIS EQUIPMENT LEASE AGREEMENT (“Agreement”) is entered into and made effective as of _____, 20____ (the “Effective Date”), by and between LeaseBit, LLC, a Delaware limited liability company (“Lessor”), and _____, an individual (“Lessee”).

RECITALS

A. Lessor has created and developed a continuously accelerating bitcoin miner known as “SCUMy” (“Miner”) which Miner allows for increases in bitcoin mining capacity on an ongoing basis to keep pace with hash rate increases;

B. Lessee desires to lease a Miner so as to capitalize on continuous bitcoin mining capacity at a continuously accelerating speed; and

C. Lessor desires to lease to Lessee, and Lessee desires to lease from Lessor, the Miner in accordance with the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants herein made, Lessee and Lessor agree as follows:

ARTICLE 1 **LEASE OF EQUIPMENT**

1.1. Lease and Delivery. Subject to the terms and conditions of this Agreement, Lessor shall lease to Lessee, and Lessee agrees to lease from Lessor, one (1) Miner. Throughout the Term (as such term is hereinafter defined), and subject to rights of Lessee to inspection as may be contained herein, the Miner shall remain at Lessor’s principal place of business or other location as determined by Lessor in its sole discretion. As such, Lessee will be deemed to have taken delivery of the Miner upon execution of this Agreement (“Delivery”).

1.2. Lease Term. The term of this Agreement shall commence on the Effective Date and continue for five (5) years (the “Term”), subject to earlier termination as provided hereinbelow.

1.3. Lease-to-Own. In the event Lessee has made all Lease Payments (as such term is hereinafter defined), upon tender of the last Lease Payment in accordance with Section 2.1 hereinbelow, Lessee shall acquire full title to and ownership of the Miner. Lessor shall undertake to transfer and assign to Lessee all rights and claims which the Lessor may have in and to the Miner which has been fully purchased by Lessee. Lessor will promptly execute, or otherwise authenticate, and deliver to Lessee such further documents, instruments, assurances and other records, and take such further action as Lessee from time to time may reasonably request in order to carry out the intent and purpose of this Section.

1.4. Title to Equipment during Term. The parties acknowledge that no right, title, or interest in the Miner shall pass to Lessee other than as provided in Section 1.3 above, which transfer is conditioned upon Lessee’s compliance with and fulfillment of the terms and conditions of this Agreement. Lessee agrees not to sell, assign, sublet, pledge, or otherwise

encumber any interest in this Agreement or the Miner and agrees to keep the same free from any lien, encumbrance, right of restraint, or any other claim that may be asserted by any third party throughout the Term.

1.5. Condition of Equipment. The Miner shall be new at the time of Delivery. Upon Delivery, Lessee may inspect the Miner. Lessee shall be deemed to have inspected the Miner and acknowledged that the Miner is (i) in good and acceptable condition (operating and otherwise) and repair, (ii) is in full compliance with the terms of this Agreement, and (iii) unconditionally accepted by Lessee, unless Lessor shall have received written notice of any defect or damage within seventy-two (72) hours following Delivery.

1.6. Warranties; Limitation of Liability. EXCEPT AS MAY OTHERWISE BE SPECIFICALLY PROVIDED IN THIS AGREEMENT, LESSOR HAS MADE NO REPRESENTATION OR WARRANTY AS TO ANY MATTERS WHATSOEVER. LESSEE ACKNOWLEDGES THAT THE MINER IS OF A SIZE, DESIGN, CAPACITY AND MANUFACTURE SELECTED BY LESSEE AND LESSOR HAS NOT MADE AND DOES NOT HEREBY MAKE ANY WARRANTY, EXPRESS OR IMPLIED, AS TO ANY MATTER WHATSOEVER, INCLUDING, WITHOUT LIMITATION, THE CONDITION, MERCHANTABILITY OR FITNESS FOR ANY PARTICULAR PURPOSE OF THE EQUIPMENT. IN NO EVENT SHALL LESSOR BE LIABLE FOR ANY LOSS OF USE, REVENUE, ANTICIPATED PROFITS OR SPECIAL, INDIRECT, INCIDENTAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT OR THE USE OR PERFORMANCE OF THE MINER. No defect in, unfitness of, or an inability of Lessee to use the Miner, howsoever caused, shall relieve Lessee from its obligation to pay the Lease Payments or from any other obligations.

1.7. Risk of Loss. Lessor shall be responsible for customary repair and maintenance of the Miner in good repair, condition and working order throughout the Term and any Holdover Term, as such term is hereinafter defined. Lessor shall give Lessee prompt notice of any damage to or loss of the Miner or any occurrence arising from the possession, use, or operation of the Miner which affects the productivity of the Miner and promptly repair or replace the Miner so as to avoid extended loss of productivity. In the event of damage to the Miner, Lessor shall immediately place such item in good repair with the proceeds of any insurance recovery applied to the cost of such repair or from such other source as Lessor shall determine.

1.8. Taxes. Lessee shall pay as and when due, and indemnify and hold Lessor harmless from and against, all present and future taxes and other governmental charges (including, without limitation, sales, use, leasing, stamp and personal property taxes and license and registration fees), and amounts in lieu of such taxes and charges and any penalties and interest on any of the foregoing, imposed, levied or based upon, in connection with or as a result of the purchase, ownership, delivery, leasing, possession or use of the Miner or the exercise by Lessee of any option hereunder.

ARTICLE II LEASE PAYMENTS

2.1. Lease Payments. For its lease of the Miner pursuant to this Agreement, Lessee shall pay Lessor monthly rent in the amount of One Hundred Forty-Nine Dollars (\$149) per

month throughout the Term (the “Lease Payments”). The Lease Payments shall be payable on or before first of each month, at the office of Lessor designated in accordance with the notice section of this Agreement, or at such other place as Lessor may designate in writing.

2.2. Late Fee. A late fee of Twenty-Five Dollars (\$25.00) will be assessed for any Lease Payment which is not received within fifteen (15) days of such Lease Payment being due and payable, and an additional Twenty-Five Dollars (\$25.00) will be assessed for any Lease Payment which is not received within sixty (60) days of such Lease Payment being due and payable, for the purpose of defraying the expense incident to handling such delinquent payment.

2.3. Retention of Title and Security Interest. Until all Lease Payments, and all other amounts due under this Agreement, have been paid, Lessor shall retain title in, and ownership of the Miner, together with a security interest therein and any and all equipment, parts, accessories, attachments, additions and other goods, and all replacements of them, affixed to or used in connection with the Miner and, if Lessee sells or otherwise disposes of the Miner in violation of the terms of this Agreement, in the proceeds of such sale or disposition. Lessor may, in Lessor’s sole discretion, elect to file a notice of security interest with the state of Lessee’s residence to protect this security interest in the Miner.

ARTICLE III DIVISION OF MINER BITCOIN PRODUCTION

3.1. Division During Term. During the Term, in consideration of its obligations hereunder, Lessor shall retain fifteen percent (15%) of the bitcoins produced by the Miner (the “Lessor Bitcoin Share”). The remaining eighty-five percent (85%) of the bitcoin production from the Miner shall be payable to Lessee subject to the conditions of this Section (the “Lessee Bitcoin Share”). Initially and only as a surety against loss hereunder, Lessor shall retain the Lessee Bitcoin Share in a total amount equal to the fair market value of the Miner, as is determined in the sole discretion of Lessor (the “Surety Amount”). Once the Surety Amount has been met, Lessor shall pay Lessee all amounts of the Lessee Bitcoin Share over and above the Surety Amount. Upon the expiration of the Term and provided Lessee has met all its obligations hereunder, Lessor shall pay Lessee the balance of its outstanding Lessee Bitcoin Share, including the retained Surety Amount.

3.2. Division After Term Expires. Upon acquiring ownership of the Miner, after compliance with all the terms of this Agreement and expiration of the Term, Lessee may remove the Miner from Lessor’s place of business or, if desired, keep the Miner at Lessor’s place of business (the “Holdover Term”). Throughout the Holdover Term, the Lessor Bitcoin Share and the Lessee Bitcoin Share shall continue. The Holdover Term shall be deemed to be an extension of the Term on a month-to-month basis with regard to lessor’s obligations hereunder and are terminable at any time by Lessor on ten (10) days written notice to Lessee, at which time Lessee must remove the Miner from Lessor’s place of business within thirty (30) days of receipt of notice or be deemed to have forfeited Lessee’s rights of ownership in and to the Miner and shall no longer have any claim of ownership or otherwise with regard to the Miner.

ARTICLE IV LESSOR OBLIGATIONS

4.1. Miner Maintenance. Except as provided herein, Lessor shall be responsible for maintaining the Miner in good condition and proper working order during the Term and any Holdover Term, and Lessor may engage or employ any subcontractors or other third party service contractor to fulfill such obligations. Lessor agrees that in furtherance of the above, pursuant to this Agreement and as an agent of Lessee, Lessor shall perform all routine maintenance, replacements and repairs with respect to the Miner as well as bear the costs of the continued operation of the Miner. Without limiting the generality of the foregoing, Lessor shall bear the costs of power and other utilities, engineering support, and speed upgrading required to maintain the Miner in an accelerating and productive working order.

4.2. Insurance. Throughout the Term and any Holdover Term, Lessor shall maintain general commercial liability insurance covering the Miner. The coverage limits for such insurance shall be maintained in minimum amounts such as would be considered commercially reasonable in light of the nature of the equipment and services provided by Lessor and its employees.

ARTICLE V DEFAULT

5.1. Events of Default. The occurrence of any of the following shall constitute a default under this agreement (each, a “Default”):

(a) failure of Lessee to make any Lease Payment as required hereunder within fifteen (15) days of any such Lease Payment being due;

(b) failure of Lessee to perform any obligation specified in this Agreement, or if any warranty or representation made under this Agreement by Lessee should prove to be materially incorrect;

(c) the death of Lessee, any cosigner or guarantor on any obligation secured by this Agreement, or the dissolution, merger, consolidation or reorganization of any corporate Lessee or corporate obligor on such obligation;

(d) the institution of any proceeding in bankruptcy, receivership or insolvency against Lessee; or against any obligor on any secured obligation or the institution by any party of action for attachment or similar process;

(e) the issuance of execution process against any property of buyer or any such co-obligor, or the entry of any judgment against buyer or any such co-obligor, or any assignment for benefit of creditors or similar action adversely involving any such party;

(f) any lien, claim, condemnation, levy, forfeiture or similar action against the Miner or any part of the Miner for which Lessee is responsible; or

(g) when Lessor shall in good faith and upon reasonable grounds believe that the prospect of performance of any obligation of Lessee under this Agreement, or of

performance or payment of any obligation secured by this Agreement, by Lessee or any other obligor on them, is materially diminished.

5.2. Remedies on Default. In the event of a Default, or if Lessor shall have the right to pursue any and all of the following remedies, in addition to any remedies that might be available to Lessor in equity or at law, and as otherwise provided in this Agreement:

- (a) terminate this Agreement and Lessee's rights hereunder;
- (b) retain all Lease Payments previously received and the Lessee Bitcoin Share retained as the Surety Amount;
- (c) directly or by its agent, and without notice or liability or legal process, enter upon any premises where the Miner may be located, take possession of such Miner, and either store it on said premises without charge or remove the same (any damages occasioned by such taking of possession, storage or removal being waived by Lessee); in the event of any repossession of the Miner by Lessor, Lessor may (but need not), without notice to Lessee, (i) hold or use all or part of such Miner for any purpose whatsoever, (ii) sell all or part of such Miner at public or private sale for cash or on credit and/or (ii) relet all or part of such Miner upon such terms as Lessor may solely determine; in each case without any duty to account to Lessee except as herein expressly provided;
- (d) declare as immediately due and payable and forthwith recover from Lessee, as liquidated damages and not as a penalty, an amount equal to the then aggregate loss value of the Miner less the value of the Surety Amount then held by Lessor;
- (e) proceed by appropriate court action to enforce performance of the terms of this Agreement and/or recover damages for the breach hereof;
- (f) obtain a judgment for the amount of the Lease Payments and late fees delinquent under the contract plus interest at ten percent (10%) on such delinquent payments from the due date, plus attorney's fees without prejudicing Lessor's right to subsequently obtain judgment for additional, or the balance of, the Lease Payments or to exercise other rights contained in this Agreement or at law or in equity at its option, declare all unpaid Lease Payments, late fees and other moneys due or to become due under this contract immediately due and payable and to obtain judgment for the total amount of unpaid Lease Payments due plus interest of ten percent (10%) on delinquent payments and late fees from due date and reasonable attorney's fees; and
- (g) exercise the rights on default of a secured party under the Uniform Commercial Code.

ARTICLE VI MUTUAL INDEMNIFICATION AND RELEASE

6.1. Indemnification. Each party ("Indemnitor") shall indemnify and save harmless the other party and such party's officers, directors, trustees, agents, employees and contractors (collectively "Indemnitee") from and against any and all actions, claims, liabilities, penalties, damages, expenses, and judgments of any kind, including fair and actual attorneys' fees and all

court costs, which may be brought or made against Indemnitee, or which Indemnitee may pay or incur, by reason of any injury or claim of injury to persons or property of any nature arising in whole or in part from any act or omission on the part of Indemnitor, or Indemnitor's officers, directors, trustees, agents, employees, or contractors, provided that Indemnitor shall have no liability for any injury or claim of injury to persons or property to the extent caused or contributed to by the negligence or willful misconduct of Indemnitee. All indemnities granted in this Agreement shall survive the expiration or earlier termination of this Agreement with respect to events occurring before said expiration or earlier termination.

6.2. Release. Notwithstanding anything contained in this Agreement to the contrary, Indemnitee hereby releases Indemnitor from liability or responsibility for any loss or damage to property (i) covered by valid and collectible property damage insurance carried by either party, or (ii) if the property loss insurance for the property so lost or damaged was, under the terms of this Agreement, the responsibility of Indemnitee, regardless of the existence, validity or collectability of such property damage insurance. This release shall apply not only to liability and responsibility of the parties to each other, but shall also extend to liability and responsibility for anyone claiming through or under the parties by way of subrogation or otherwise. This release shall apply even if the fire or other casualty shall have been caused by the fault or negligence of Indemnitor or anyone for whom Indemnitor may be responsible.

ARTICLE VII GENERAL PROVISIONS

7.1. Entire Agreement. This Agreement together with all exhibits hereto constitutes the entire agreement between Lessee and Lessor with respect to the Miner, and supersedes all prior proposals, oral and written, negotiations, representations, communications, writings, and agreements between Lessee and Lessor regarding this subject matter.

7.2. Non-Waiver. Lessor's failure at any time to require strict performance by Lessee of any provision hereof shall not waive or diminish Lessor's rights thereafter to demand strict performance thereof or of any other provision. None of the provisions of this Agreement shall be held to have been waived by any act or knowledge of Lessor, but only by a written instrument executed by Lessor and delivered to Lessee. Waiver of any default shall not be a waiver of any other or subsequent default.

7.3. Lessee Waivers. To the extent permitted by applicable law, Lessee hereby waives any and all rights and remedies conferred upon a Lessee by Sections 2A-508 through 2A-522 of the Uniform Commercial Code, including, without limitation, the right to (i) cancel this Agreement; (ii) repudiate this Agreement; (iii) reject this Agreement; (iv) revoke acceptance of the Miner; (v) recover damages from Lessor for any breach of warranty or any other reason; (vi) claim a security interest in any rejected property in Lessee's possession; (vii) deduct all or any part of claimed damages resulting from Lessor's default; (viii) accept partial delivery of the Miner; (ix) "cover" by making any purchase or lease of equipment in substitution of the Miner; (x) recover any general, special, incidental or consequential damages from Lessor for any reason.

7.4. Assignment. Neither party shall assign or transfer its rights or obligations under this Agreement except with the other party's prior written consent; provided, however, Lessor may assign its rights and/or obligations under this Agreement to any subsidiary or any affiliated

entity. Subject to the terms hereof, this Agreement shall be binding upon and inure to the benefit of Lessor and Lessee and their respective personal representatives, successors and assigns.

7.5. Amendments. This Agreement may only be amended or modified by subsequent written agreement between duly authorized representatives of Lessor and Lessee.

7.6. Binding Effect. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

7.7. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of California.

7.8. Severability. This Agreement is intended to be performed in accordance with, and only to the extent permitted by all applicable laws, ordinances, rules and regulations. If any provision of this Agreement or the application thereof to any person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, but the extent of such invalidity or unenforceability does not destroy the basis of the bargain among the parties as expressed herein, the remainder of this Agreement and the application of such provision to other persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

7.9. Headings; Construction. The headings of articles and sections in this Agreement are for reference only and shall not affect the meaning of this Agreement. Whenever required by the context, the singular shall include the plural and vice versa. This Agreement shall not be construed as if prepared by one of the parties, but rather according to its fair meaning as a whole, as if both parties had prepared it.

7.10. Counterparts. This Agreement may be executed in counterparts each of which shall be deemed an original and all of which together shall be considered one and the same agreement. The parties agree that a facsimile may be used as an original.

7.11. Confidentiality of Agreement. Lessee and Lessor agree that the terms and conditions of this Agreement shall remain confidential.

7.12. Review and Consultation. Each party has had access to and reviewed such information and has consulted with all legal counsel, tax counsel, accountants and other experts and advisors deemed necessary by such party in connection with the transaction contemplated herein.

7.13. Notice. Any notices or other communications required or contemplated under the provisions of this Agreement shall be in writing and delivered (i) in person, evidenced by a signed receipt, (ii) mailed by certified mail, return receipt requested, postage prepaid, or (iii) sent by facsimile, provided duplicate notice is also delivered by the method listed in (i) or (ii), to the parties at the addresses and fax numbers indicated below each of their respective signatures or to such other persons or addresses or facsimile numbers as Lessor or Lessee may provide by written notice to the other. The date of notice shall be the date of delivery if the notice is personally delivered, or the date of mailing if the notice is mailed by certified mail, or the date facsimile transmission confirmation is received.

7.14. Arbitration. The parties agree that any dispute, claim, or controversy concerning this Agreement or any dispute, claim or controversy arising out of or relating to any interpretation, construction, performance or breach of this Agreement, shall be settled by arbitration to be held in Los Angeles County, California in accordance with the rules then in effect of the American Arbitration Association (“AAA”). There will be one (1) arbitrator selected in accordance with the rules of the AAA. The arbitrator may grant injunctions or other relief in such dispute or controversy. The decision of the arbitrator shall be final, conclusive and binding on the parties to the arbitration. Judgment may be entered on the arbitrator’s decision in any court having jurisdiction. The parties will pay the costs and expenses of such arbitration in such proportions as the arbitrator shall decide, and each party shall separately pay its own counsel fees and expenses.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed as of the day and year first above written.

“LESSOR”

“LESSEE”

LEASEBIT, LLC,
a Delaware limited liability company

Name: Rowan Salter
Title: President

Address:

1223 Wilshire Blvd., Suite 747
Santa Monica, CA 90403
Facsimile: _____
E:Mail: _____

Address:

Facsimile: _____
E:Mail: _____