

GEORGIA, WILKES COUNTY

CONTRACT FOR ELECTRIC POWER SERVICE

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This CONTRACT, made and entered into as of August 18, 2022, the “Effective Date” by and between the City of Washington, Georgia, a municipal corporation of the State of Georgia located in Wilkes County, Georgia (“CITY”), and CleanSpark DW, LLC a corporation having its principal place of business at 2380 Godby Road, College Park, GA, 30349 (“CUSTOMER”)

WITNESSETH:

WHEREAS, CITY owns and operates an electric distribution system that supplies electric power to certain customers; and

WHEREAS, The CITY and the CUSTOMER agree that the CITY will supply, and CUSTOMER will receive and pay for electrical power for service to the CUSTOMER'S premises located 197 Dixie Wood Road, Washington, GA pursuant to this CONTRACT.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and agreements of the parties hereto, hereinafter set forth, and other good and valuable consideration, it is agreed by and between the parties hereto as follows:

1. PURCHASE, SALE AND USE OF ELECTRIC SERVICE

Commencing on the Effective Date, CITY will deliver, and CUSTOMER will take and pay for a CONTRACT DEMAND up to:

- 36 MW required for operating the PROPERTY identified above available at EFFECTIVE DATE;
- 86 MW available upon completion of substation WASHINGTON #3, expected completion date sometime in 2023.

CITY will endeavor to provide such electric power that is a minimum of seventy percent (70%) carbon neutral; provided, that CITY's inability to do so with respect to any particular SUBCONTRACT, as hereinafter defined, will not constitute a breach of this CONTRACT. All electrical service provided under this CONTRACT will be used by CUSTOMER at its premises in the City of Washington, Georgia, and no portion of such primary electric service will be resold by CUSTOMER. All interconnections with CITY'S electrical supply system will meet standard

technical requirements (the National Electric Safety Code, or its successor) for such interconnections, as approved by the CITY.

2. EFFECTIVE DATE; TERM

- A. This CONTRACT will be in force and effect on the EFFECTIVE DATE mentioned above.
- B. This CONTRACT for electric power service will be binding upon CITY and CUSTOMER, their successors and assigns, and will remain in effect for an initial term of 10-years. At any time during this 10- year term, this contract may be renewed if both parties agree.

See Section 5 – CONTRACT RENEWAL.

3. RATES

The Customer will be billed on a wholesale cost plus a margin for the CITY. The incremental wholesale cost includes all current cost directly related to the CUSTOMER in this agreement plus any unforeseen future costs (e.g., without limitation, a state or federal regulatory charge not in place as of the EFFECTIVE DATE). Both CITY and CUSTOMER understand that CITY will pursue multiple wholesale options to provide electric power to CUSTOMER up to the approximately eighty-six (86) Megawatts contemplated under this CONTRACT; provided, however, that prior to the effectiveness of any future electric power wholesale obligations hereunder, CITY will (1) execute one or more definitive wholesale power purchase option agreements (each, a "SUBCONTRACT"), each in a form suitable to the parties hereto, which will each be attached as a sequential exhibit under EXHIBIT A and considered incorporated herein by this reference thereto, and (2) Customer will execute any such sequential exhibit or supplement hereto evidencing its acceptance of the mutually agreeable retail terms related thereto.

The monthly charge for consumption is calculated using the following formula and, for the avoidance of doubt, is based upon power consumed, not power available for consumption.

$$Bill_{Mo.} = (Base\ Bill\ \$ + Margin\ \$) + Sales\ Tax\ \$$$

Whereas:

$$Base\ Bill\ \$ = Cost_{ENERGY} + Cost_{GEN} + Cost_{TRANS} + Cost_{FEEDER} + Cost_{ADMIN}$$

$$Cost_{FEEDER} = Feeder\ Rate \times \#\ of\ Lowside\ Feeders$$

$$Cost_{TRANS} = TBD\ KW \times Transmission\ Rate$$

$$Cost_{GEN} = GBD\ KW \times Generation\ Capacity\ Rate$$

$$Cost_{ENERGY} = \sum (kWh_{HR} \times Market\ Price_{HR})$$

$$Cost_{ADMIN} = see\ explanation\ below$$

$$Margin\ \$ = see\ explanation\ below$$

Definitions

- a. Admin Cost will initially mean an amount equal to \$1,000.00 per month, revised annually on August 1 based on actual cost of time spent in the year previous. Revisions start annually beginning August 1, 2023.
- b. Feeder Rate (in \$/feeder per month) is established by MEAG annually in their budget approval process.
- c. Transmission Billing Demand (TBD) is the CUSTOMER's peak demand in kW at the time of MEAG's Coincident Peak for the month.
- d. Transmission Rate is the Transmission Capacity rate (in \$/kW-month).
 - i. If CUSTOMER takes power from a substation's feeder(s) or from MEAG-owned and maintained substation, the Transmission Capacity Rate (in

\$/kW-month) is based on the MEAG annual budget transmission rate for the billing year.

- e. Generation Billing Demand (GBD) is the highest of the following (in kW) x 1.15
 - i. Estimated annual peak demand (first year), OR
 - ii. The highest peak demand year to date, OR
 - iii. Anticipated annual peak demand of the current year, OR
 - iv. CUSTOMER's peak demand in kW at the time of MEAG's Coincidence Peak for the month.
 - v. Notwithstanding the foregoing, CITY and CUSTOMER agree that the GBD is intended to be a pass-through cost to CUSTOMER, without additional margin. The Parties shall establish true-up procedures at least once per calendar year (but more frequently if requested) to ensure that GBD is being appropriately calculated in keeping with the intent provided herein.
- f. Generation Capacity Rate (in \$/kW-month) is determined by market estimates for the billing year, as provided by MEAG to its members. Additionally, the City has the option to contract for generation capacity which would reduce this rate.
- g. Σ means the sum over all hours of the monthly billing period
- h. kWhHr is the CUSTOMER's kWh usage in the specific hour
- i. PriceHr is the MEAG Power's Posted Hourly Market Price in \$/kWh
- j. Margin is \$0.00741/kW the Customer uses.
- K. Sales Tax \$ is the applicable state and local sales tax(es) will apply to all components of the rate which is currently 8%.

4. CUSTOMER VOLUNTARY CURTAILMENT

- A. Should CUSTOMER voluntarily curtail, CUSTOMER agrees to do so in accordance with MEAG Dispatch Policy for Interruptible Loads, dated May 21, 2013, (or its successor), hereto attached as EXHIBIT B.
- B. Notwithstanding anything else herein to the contrary, Customer will pay or reimburse CITY for any non-energy related costs incurred by CITY related to CUSTOMER, including but not limited to load management or curtailment costs.

5. CONTRACT RENEWAL

- A. At the end of the 10-year term, this CONTRACT may be renewed by mutual written agreement of the parties.
- B. At least 90 days prior to the end of the initial term, both parties will begin discussions to extend the agreement.

6. POINT(S) OF DELIVERY.

Electric service will be provided to the customer's transformer at customer's expense.

- A. Electric service will be provided to CUSTOMER's transformer at CUSTOMER's expense. CUSTOMER will provide, own and maintain said transformer.
- B. CUSTOMER holds exclusive rights under this CONTRACT to fifty (50) Megawatts of electric power above the initial thirty-six (36) Megawatts of electric power hereunder. Upon CUSTOMER's initial utilization of such additional fifty (50) Megawatts of electric power, up to three (3) additional 25 KV feeder lines will be required to service the PROPERTY in such capacities and locations on the PROPERTY as may hereafter be mutually agreed upon between the parties hereto.

a. See Section 13. FINANCIAL SECURITY INSTRUMENT for details regarding the financial security for the three (3) additional 25 KV feeders.

C. At any time after installation and connection of a feeder line described above, and subject to CUSTOMER providing a financial instrument pursuant to Section 13 herein, the CITY will energize such feeder line at no additional cost to the CUSTOMER.

7. FORCE MAJEURE

In the event that CITY is unable, wholly or in part, by reason of force majeure to deliver the electric power sold under the CONTRACT, then, on giving notice in full particulars of such force majeure, before the occurrence if practicable or, if not, then as soon as practicable after the occurrence of the cause relied on, the obligations of the CITY, so far as they are affected by such force majeure, will be suspended during the continuance of any inability so caused but for no longer period, and such cause will as far as possible be remedied with all reasonable dispatch. The term "force majeure" as used herein means situations totally beyond the control of CITY and will include, but not be limited to, act of God; strikes, lock-outs, or other industrial disturbances; acts of public enemy, blockages, wars, insurrections or riots; epidemics; landslides, earthquakes, fires, storms, floods, or wash-outs, arrests, governmental restraint, civil disturbances; explosions; other causes beyond the reasonable control of either party and any other emergency creating conditions under which the Utility Provider's compliance with the Contract would become impossible or create a substantial financial burden upon the Utility Provider or its taxpayers and other causes beyond the reasonable control of a party.

8. CURTAILMENT; TEMPORARY INTERRUPTIONS

The electrical energy supplied by the CITY may be curtailed in whole or in part by the CITY at any time that an emergency exists, in the reasonable judgment of the CITY or MEAG Power, by reason of any of the following conditions: to protect essential human need uses such as hospitals, schools and residences in such manner and priority as the CITY deems appropriate, or to preserve the integrity of the CITY's electrical system and the integrity of the Integrated Transmission System (ITS). Additionally, the CITY will not be liable for any loss by Customer of production, revenue, or profits, or for any consequential damages as a result of the temporary interruption or failure of service, or the temporary increase or decrease in energy, power or voltage; provided the CITY will take all reasonable steps to restore normal service as quickly as possible. The CITY will use its good faith efforts to provide uninterrupted service but does not guarantee same.

9. TIME OF THE ESSENCE AND ASSIGNMENT.

Time is of the essence. Neither party may assign this CONTRACT without the prior written consent of the other.

10. NO THIRD-PARTY BENEFICIARIES

Except as otherwise specifically provided in this CONTRACT, the parties do not intend to create rights in, or grant remedies to, any third party as a beneficiary of this CONTRACT of any duty, covenant, obligation, or understanding established under this CONTRACT, except to their successors and assigns.

11. NON-WAIVER

None of the provisions of this CONTRACT will be considered waived by either party except when such waiver is given in writing. The failure of either party to insist in any one or

more instances upon strict performance of any of the provisions of this CONTRACT or to take advantage of any of its rights hereunder will not be construed as a waiver of any such provisions or the relinquishment of any such rights for the future, but the same will continue and remain in full force and effect.

12. NOTICES

All correspondence required of a party to the other party will under this CONTRACT be addressed as follows:

To CITY:

City Manager
City of Washington
P.O. Box 9
Washington, Georgia 30673

To CUSTOMER:

Zach Bradford
CEO, CleanSpark, Inc.
2380 Godby Road
College Park, Georgia 30349

With a copy to:

Legal Department
2370 Corporate Cir.
Suite 160
Henderson, NV 89074

Except for monthly invoices as described in Section 3, such notice will be given by First Class mail, appropriate postage prepaid, addressed as specified above. Such notice will be effective as of the date of its receipt by its intended addressee.

13. FINANCIAL SECURITY INSTRUMENT

(i) As acknowledgment of the costs incurred by the CITY in execution of this Agreement, CUSTOMER will secure with the CITY a Letter of Credit or other financial security instrument agreeable to both parties in the amount of all obligations which the Customer causes to CITY. Notwithstanding the foregoing, the Parties agree that a surety bond in a form acceptable to the CITY in an amount agreeable to both parties will be considered an acceptable financial security instrument to satisfy requirements contained in this Section. This obligation will include:

- A. Forty five days (45-days) electric cost initially set at 50 MW at 95% load factor. This obligation will be revised in accordance with 13. D.
- B. \$288,000 for the Distribution Service Facility (DSF) Charge for three (3) 25 kilovolt feeders. See 5. POINT(S) OF DELIVERY.
 - o There will be a monthly reduction based on the number of DSF Charges paid to date.
- C. Any other obligation incurred by the customer
- D. Increases for the Letter of Credit or other financial security instrument are reevaluated in March and August of each year.

(ii) Should CITY's cost change such that financial security instrument becomes insufficient to cover 45 day cost, the CITY reserves the right to revise the amount of the financial security instrument more frequently. Should recalculated amount exceed current deposit, CUSTOMER will have 30 days to cure or CUSTOMER's account with the CITY will be automatically disconnected by the CITY.

(iii) The financial security instrument is to be in place before electricity is energized to the customer's Point(s) of Delivery and will be refundable upon deactivation of the account,

provided the account is in good standing and nothing is owed to the CITY by CUSTOMER, otherwise the financial security instrument will be used to offset any deficiency in the amount owed to the CITY to the time of deactivation. If the Letter of Credit or other financial security instrument does not cover the full financial obligation the CUSTOMER causes the CITY, the CUSTOMER will immediately increase the financial security instrument for the CITY for the obligation stated above.

14. PAYMENTS

CUSTOMER will, at the time of the execution of this CONTRACT, provide to the CITY the bank account information from which automatic payments by bank under this CONTRACT will be made to the CITY. The payments made by CUSTOMER to CITY under this CONTRACT will be automatically drafted by the CITY on a monthly basis as close to the 5th day of each month as business days permit. If at any time, the bank draft is dishonored by the bank, within 48 business hours of the dishonored draft, CUSTOMER's account with the CITY will be automatically disconnected by the CITY for non-payment of account.

15. CHOICE OF LAW

All issues and questions concerning the construction, validity, enforcement, and interpretation of this Contract will be governed by, and construed in accordance with, the laws of the State of Georgia, without giving effect to any choice of law or conflict of law rules. The CUSTOMER and CITY consents to the exclusive jurisdiction and venue of the Superior Court of Wilkes County, Georgia.

16. DISPUTE RESOLUTION WITH THIRD PARTY

CUSTOMER acknowledges that the CITY was engaged in a dispute with WAHA Technologies, Inc. ("WAHA") and SPRE Commercial Group, Inc. ("SPRE") regarding performance

under an agreement for providing electrical service to the same location designated for service under this Contract. Using proceeds from the sale of personal and real property of WAHA and SPRE, in a separate agreement, the CITY have agreed to resolve its dispute under its prior agreement with WAHA and SPRE contract and any claims in exchange for payment in the sum of \$2,000,000.00 (TWO MILLION DOLLARS AND 0/100 CENTS) ("SETTLEMENT PAYMENT") at the closing of the above-referenced sale between CUSTOMER, WAHA, and SPRE, to occur no later than August 18, 2022. Notwithstanding any other provision of this Agreement, this Agreement is contingent upon the closing of the above-referenced sale between CUSTOMER, WAHA, and SPRE. If, for any reason, closing and remittance of the SETTLEMENT PAYMENT do not occur by August 18, 2022, this contract will be null and void, CITY and CUSTOMER will have no further obligations under this Agreement, and will return to their respective positions as if this Agreement was never executed.

17. STANDARD TERMS AND CONDITIONS

- Unless otherwise expressly provided herein or conflicting herewith, the CITY's standard utility service tariffs, terms, conditions, and rules will apply to service hereunder.
- Utility commodities (e.g., electricity, gas or water) under the Contract will be considered a "good" governed by the Georgia Uniform Commercial Code.
- Customer acknowledges and agrees that utility services and the transactions contemplated hereby constitute "forward contracts" and that CITY and such customer is a "forward contract merchant" within the meaning of the United States Bankruptcy Code.
- If any provision of provision hereof is held to be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions will not in any way be

affected or impaired, and such provision will be deemed to be restated to reflect the original intentions thereof as nearly as possible in accordance with applicable law.

Each Party represents and warrants to the other Party that i) its execution and performance under this Agreement will not violate the right legal rights of any third party, ii) in entering into this Agreement and performing hereunder it will comply with all applicable laws, iii) it has full capacity and authority to perform and fulfill its obligations under this Agreement, and iv) the signatory listed in the signature block below has all power and authority to so bind the signatory's respective principle.

- Upon any failure to pay any amount due and owing to City from Customer hereunder or otherwise during the term hereof or any wholesale power purchase ("Defaulted Obligation Term"), City may in its sole discretion,

A. declare any amounts then payable or amounts to be payable during any Defaulted Obligation Term to be immediately accelerated, due and payable without presentment, demand, protest or other notice of any kind, all of which are expressly waived, anything herein to the contrary notwithstanding;

B. terminate the Agreement and any other right of the Customer to supply hereunder; and/or

C. exercise any and all of its rights under any and all of the security documents.

The rights and remedies of the City under this Agreement will be cumulative and not exclusive of any rights or remedies which it or they would otherwise have at law or in equity. In exercising such rights and remedies, the City may be selective and no failure or delay by the Seller in exercising any right will operate as a waiver of it, nor will any

single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right.

IN CONSIDERATION OF THESE MUTUAL PROMISES, THE AUTHORIZED REPRESENTATIVES OF CITY and CUSTOMER have executed this CONTRACT and caused their seals to be affixed this

17 day of August, 2022.

ATTEST:

CITY OF WASHINGTON,

GEORGIA

By: [Signature]

Title: CITY CLERK

By: [Signature]

Title: Mayor

ATTEST:

CUSTOMER:

By: [Signature]

Title: SVP Compliance + General Counsel

By: [Signature]

Title: President and CEO

EXHIBIT A

Both the CITY and CUSTOMER agree that the CITY will execute the wholesale power purchase option (attached to this Exhibit) to be included in the wholesale power cost to CUSTOMER.

ATTEST:

CITY OF WASHINGTON,

GEORGIA

By: _____

By: _____

Title: CITY CLERK

Title: Mayor

ATTEST:

CUSTOMER:

By: _____

By: _____

Title: _____

Title: President and CEO

EXHIBIT B

MEAG Dispatch Policy