COMMERCIAL LEASE

This nonexclusive Commercial Lease (this "Lease") is entered into on _____, 2023, but made effective as of July 1, 2023 (the "Effective Date") between City of John Day ("Landlord"), an Oregon municipal corporation, whose address is 450 East Main Street, John Day, Oregon 97845, and Grant County CyberMill ("Tenant"), an Oregon public benefit corporation whose address is 116 NW Bridge Street, Suite 1, John Day, OR 97845.

RECITAL:

Landlord is the owner of a certain commercial building located at 300 Barnes Avenue, Seneca, OR 97873 (the "Building"). Subject to the terms and conditions contained in this Lease, Landlord leases to Tenant and Tenant leases from Landlord approximately 1,000 square feet of space located within the Building (the "Premises"), which space includes the entire Building less a portion of the IT Server Room used by Landlord and Rally, Landlord's other tenant, for telecommunications infrastructure, as shown in Exhibit A.

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants and obligations contained in this Lease, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties do hereby agree as follows:

1. OCCUPANCY

1.1 Initial Term. The term of this Lease, Tenant's right to possession of the Premises, and Tenant's obligation to pay Rent (as defined below) will commence on the Effective Date and will continue for 12-months, subject to the terms and conditions contained in this Lease (the "Lease Term"), unless sooner terminated as provided in this Lease. Lease may be terminated by either party for any reason or no reason by providing the other party 30 days' prior written notice. For purposes of this Lease, the term "Building" means the Premises, Building, Parking Area (as defined below), all units or spaces located within the Building, and all other pieces or parcels of real property (and any improvements located thereon) surrounding the Building at any time, and from time to time hereafter, designated by Landlord as part of the Building. Tenant will be bound in accordance with the terms of this Lease from and after the Effective Date.

1.2 Parking Area. The Building has a limited parking area consisting of certain unassigned/unmarked parking spaces located off of Barnes Avenue and U.S. Hwy 395S (the "Parking Area") for use by Building tenants. Tenant will have a nonexclusive license to use the Parking Area. Landlord will not be liable for any damage or destruction of any nature to, or any theft of, vehicles, or contents therein, in or about the Parking Area, and will not be obligated to enforce parking restrictions against other users of the Parking Area.

1.3 **Due Diligence; Building Condition AS-IS. Tenant has inspected the Premises before the Effective Date. Tenant represents and warrants that Tenant has entered into this Lease on the basis of its own examination and personal knowledge of the Building (including, without limitation, the physical condition of the Premises). Tenant has had the opportunity to ask questions and receive answers concerning the Building and this Lease. Tenant has obtained all the information Tenant desires in connection with the Building and this Lease. Tenant knowingly and unconditionally accepts the Building in its AS IS, WITH ALL FAULTS condition as of the Effective Date. Landlord has made no promise or agreement to repair, alter, construct, and/or improve the Building, or any part thereof. Landlord makes no representations or warranties, whether express or implied, including, without limitation, warranties of habitability, merchantability, or fitness for a particular purpose, or any warranties regarding consumer products as defined in the Magnusson-Moss Warranty Act or the Uniform Commercial Code, with respect to the Building.**

Tenant's Initials: ____

2. RENT

2.1 Base Rent. During the Lease Term, Tenant will pay Landlord guaranteed minimum annual rent, without offset, in the amount of Twelve Hundred Dollars ($1,200.00) ("Base Rent"). Rent (as defined below) is due and payable to Landlord commencing on the Effective Date. Base Rent for any period that is for less than one full year will be prorated on a per diem basis. Payments will be made to Landlord, in U.S. dollars, at the address first set forth above or such place as Landlord may from time to time designate in writing. Tenant will pay its first month's Rent and the Security Deposit on the Effective Date. Tenant has the option to prepay rent for the lease.

2.2 Security Deposit; Late Fees; Charges. Upon execution of this Lease, Tenant will deposit with the Landlord the sum of $120 as security for Tenant's timely payment of Rent and full and faithful performance of each Tenant obligation under this Lease (the "Security Deposit"), plus first month's rent of $100. Landlord will have the to offset against the Security Deposit any sums owing from Tenant to Landlord not paid when due, any damages caused by Tenant's default, the cost of curing any default by Tenant should Landlord elect to do so, and/or the cost of performing any repair or cleanup that is Tenant's obligation under this Lease. Offset against the Security Deposit will not be Landlord's exclusive remedy but may be invoked by Landlord, at Landlord's option, in addition to any other remedy provided by law or this Lease for Tenant's breach or nonperformance of any term or condition contained in this Lease. Landlord will give written notice to Tenant each time an offset is claimed against the Security Deposit and, unless this Lease is terminated, Tenant will, within 10 days following Tenant's receipt of such notice, deposit with Landlord a sum equal to the amount of the offset so that the balance of the Security Deposit, net of offset, will remain constant throughout the term of this Lease.

3. FINANCIAL CAPABILITY

Tenant represents, warrants, and covenants the following to Landlord: (a) Tenant has full power and authority to sign and deliver this Lease and to perform all Tenant's obligations under this Lease; and (b) this Lease is the legal, valid, and binding obligation of Tenant, enforceable against Tenant in accordance with its terms. Tenant represents and warrants to Landlord that Tenant has sufficient assets and net worth to ensure Tenant's performance of this Lease and the payment of its obligations under this Lease as and when they become due.

4. PERMITTED USE

4.1 Permitted Use. Tenant will use the Premises for the purpose of collocating fiber optic distribution to the City of Seneca and as a Point of Presence between Seneca and John Day (the "Business") and for no other purpose without Landlord's prior written consent. Operation of the Business is subject to all Laws (as defined below). Tenant acknowledges and agrees that neither Landlord or Landlord's Agents have made any representations and/or warranties, whether expressed or implied, concerning the permitted use that may be made of the Premises under the Laws.

4.2 Restrictions on Use. In connection with Tenant's use of the Premises, Tenant will:

4.2.1 Conform and comply with all Laws. Tenant will correct, at Tenant's expense, any failure of compliance created through Tenant's fault or by reason of Tenant's use of the Premises. For purposes of this Lease, the term "Law(s)" means all leases, covenants, conditions, restrictions, easements, declarations, laws, statutes, restrictions, liens, ordinances, orders, codes, rules, and regulations directly or indirectly affecting the Building (including, without limitation, the Premises) and/or Business, including, without limitation, the Americans with Disabilities Act of 1990 (and the rules and regulations promulgated thereunder), the Rules and Regulations, and any environmental laws, all as now in force and/or which may hereafter be amended, modified, enacted, or promulgated;

4.2.2 Tenant will refrain from (a) any use which would be reasonably offensive to Landlord, other tenants of the Building, and/or neighboring property, or which would tend to create a nuisance or damage the reputation of the Building, (b) making any marks on or attaching any sign, insignia, antenna, aerial, or other device to the exterior or interior walls, windows, or roof of the Building (including, without limitation, the

Premises) without the prior written consent of Landlord, and/or (c) causing or permitting any hazardous substances to be used, stored, sold, handled, spilled, leaked, disposed of, and/or released on or under the Building; and

4.2.3 Tenant will comply with all Building rules and regulations (the "Rules and Regulations") Landlord may adopt from time to time and will not perform any act or carry on any practice prohibited by the Rules and Regulations. Tenant acknowledges and agrees that Landlord is permitted to adopt new rules and regulations or amend the Rules and Regulations from time to time as Landlord determines necessary or appropriate.

5. MAINTENANCE AND REPAIRS; ALTERATIONS

5.1 Tenant's Repair and Maintenance Obligations. Tenant will maintain, at Tenant's cost and expense, the Premises in good order and repair and will preserve the Premises, normal wear and tear excepted, and will not commit nor permit waste. To this end, Tenant will have the following nonexclusive repair and maintenance obligations, which Tenant will complete at Tenant's cost and expense: (a) all repairs or maintenance necessitated by the negligence of Tenant and/or Tenant's Agents (as defined below); and (b) all repairs or alterations required under Tenant's obligation to comply with the Laws.

5.2 Tenant Reimbursement. If Tenant fails or refuses to complete any repair and/or perform any maintenance that is required under Section 5.1, Landlord may make the repair or perform the maintenance and charge the actual costs of repair or maintenance to Tenant. Landlord will disclose cost of repairs to Tenant in advance of making repairs. Tenant will reimburse such expenditures, together with interest at the rate of 12% per annum from the date of expenditure if reimbursement is not paid upon completion of repairs. Except in the case of an emergency, any repairs, replacements, alterations, and/or other work to be performed by Landlord on, in, and/or around the Premises will be completed so as to interfere with Tenant's use of the Premises as little as reasonably possible. Tenant will have no right to an abatement of Rent nor any claim against Landlord for any inconvenience or disturbance resulting from Landlord's activities performed in conformance with this Section 5.2. Except in the case of an emergency, upon 24 hours' prior notice to Tenant, Landlord will have the right to enter and inspect the Premises to determine the condition of the Premises.

5.3 Alterations Prohibited. Tenant will make no additions, improvements, modifications, and/or alterations in or to the Building (including, without limitation, the Premises) of any kind or nature whatsoever, including, without limitation, the installation of any improvements, fixtures, and/or other devices on the roof of the Building or the installation of computer and telecommunications wiring, cables, and conduit (collectively, "Alterations") without first obtaining Landlord's written consent. Alterations completed in or to the Premises will be the property of Landlord. Except with respect to activities for which Landlord is responsible, Tenant will pay as and when due all claims for work done on and for services rendered or material furnished to the Premises and will keep the Building free from any and all liens. No signs, awnings, and/or other apparatus will be painted on or attached to the Building or anything placed on any glass or woodwork of the Premises or positioned so as to be visible from outside the Premises without Landlord's prior written consent (and Landlord's approval of design, size, location, and color).

6. INSURANCE; INDEMNIFICATION

6.1 Insurance Required. Tenant will maintain, at Tenant's cost and expense, a policy of fire, extended coverage, vandalism, and malicious mischief insurance insuring the personal property, furniture, furnishings, and fixtures belonging to Tenant located in or on the Premises. Tenant will procure, and thereafter will continue to carry, comprehensive general liability insurance (occurrence version) with a responsible company against personal injury claims arising directly or indirectly out of Tenant's activities on, or any condition of, the Premises, whether or not related to an occurrence caused, or contributed to, by Landlord's negligence, and will insure the performance by Tenant of Tenant's indemnification obligations under this Lease. Landlord and Landlord's officers, employees, and agents will be named as interested parties on Tenant's liability insurance policy. Tenant's insurance will be the primary insurance and any insurance maintained by Landlord will be excess and

noncontributing. Tenant's liability insurance required to be carried pursuant to this Section 6.1 will have a general aggregate limit of not less than $2,000,000.00 and a per occurrence limit of not less $1,000,000.00.

6.2 Tenant's Indemnification. Tenant releases and will defend, indemnify, and hold Landlord and Landlord's Agents (as defined below) harmless for, from, and against all claims, losses, charges, damages, expenses, and/or liabilities, including, without limitation, attorney fees and costs, arising out of or related to, whether directly or indirectly, the following: (a) any activity of Tenant and/or Tenant's Agents on or at the Building; (b) any condition of the Premises; and/or (c) Tenant's breach and/or failure to perform any Tenant representation, warranty, covenant, and/or obligation under this Lease. Tenant releases Landlord for, from, and against all claims, damages, liabilities, and/or demands of whatever nature arising out of or related to, whether directly or indirectly, any damage, loss, and/or injury to Tenant's property in, on, and/or about the Building. For purposes of this Lease, the term "Agents" means the officers, directors, members, managers, shareholders, employees, affiliates, agents, contractors, and invitees of the identified party.

7. EVENT OF DEFAULT; REMEDIES

7.1 Event of Default. The occurrence of any one or more of the following events constitutes a default by Tenant under this Lease (each an "Event of Default"): (a) Tenant's failure to pay Rent or any other charge, cost, and/or expense by the applicable due date; (b) Tenant's failure to comply with any term or condition or perform any Tenant obligation under this Lease (other than the payment of Rent or other charge, cost, or expense) within 10 days after written notice by Landlord specifying the nature of the default; and/or (c) Tenant's failure for 30 days or more to occupy the Premises for the purpose permitted under this Lease.

7.2 Remedies. Upon the happening of an Event of a Default, Landlord may (a) terminate this Lease and, if Landlord so elects, reenter, take possession of the Premises, and remove any persons or property by legal action or by self-help with the use of reasonable force and without liability for damages, and/or (b) pursue any other rights and remedies Landlord may have under this Lease, at law, and/or in equity. If Landlord terminates the Lease, Landlord will be entitled to recover immediately, without waiting until the due date of any future Rent or until the date fixed for expiration of this Lease, and in addition to any other damages recoverable by Landlord, the reasonable costs of reentry and reletting including, without limitation, the cost of any clean-up, refurbishing, removal of Tenant's property and fixtures, and/or any other expense occasioned by Tenant's failure to quit the Premises upon termination and to leave the Premises in the required condition, including, without limitation, any remodeling costs, attorney fees, court costs, broker commissions, and advertising costs. Landlord will have all rights and remedies available to Landlord under this Lease, at law, and in equity. If this Lease is terminated, Tenant's liability for damages will survive such termination. Landlord may sue periodically to recover damages during the period corresponding to the remainder of the Lease Term, and no action for damages will bar a later action for damages subsequently accruing. The foregoing remedies will be in addition to and will not exclude any other remedy available to Landlord under applicable law.

7.3 Condition; Holdover. Upon the termination of this Lease, Tenant will deliver all keys to Landlord and surrender the Premises in good, broom-clean condition, reasonable wear and tear excepted. Alterations constructed by Tenant with permission from Landlord will not be removed or restored to the original condition unless Landlord elects to cause Tenant to complete the removal (which removal will be at Tenant's cost and expense). Depreciation and wear from ordinary use for the purpose for which the Premises were let need not be restored, but all maintenance and repairs for which the Tenant is responsible will be completed to the latest practical date prior to such surrender. If Tenant does not vacate the Premises at the time required, Landlord will have the option to treat Tenant as a tenant from month-to-month, subject to all of the provisions of this Lease (except the provisions for term and renewal), except that Tenant's Base Rent will be equal to 150% of the then applicable Base Rent. Failure of Tenant to remove fixtures, furniture, furnishings, and/or trade fixtures which Tenant is required to remove under this Lease will constitute a failure to vacate to which this Section 7.3 will apply. If a month-to-month tenancy results from a holdover by Tenant under this Section 7.3, the tenancy will be terminable at the end of any monthly rental period on written notice from Landlord given not less than 10 days prior to the termination date which will be specified in the notice. Tenant waives any notice which would otherwise be provided by law with respect to a month-to-month tenancy.

8. MISCELLANEOUS

8.1 Waiver; Assignment. Waiver by either party of strict performance of any provision of this Lease will not be a waiver of or prejudice the party's right to require strict performance of the same provision in the future or of any other provision. The termination of this Lease will not relieve a party of any obligations that have accrued before the termination. This Lease (or any memorandum of this Lease) will not be recorded. Tenant will not sell, assign, mortgage, sublet, lien, convey, encumber, and/or otherwise transfer (whether directly, indirectly, voluntarily, involuntarily, or by operation of law) all or any part of Tenant's interest in this Lease and/or in the Premises. Subject to the immediately preceding sentence, this Lease will be binding upon and inure to the benefit of the parties, their respective successors and assigns.

8.2 Attorney Fees; Late Fees. If an Event of Default occurs, Tenant will pay to Landlord, within 10 days after Landlord's demand, any and all attorney fees incurred by Landlord in attempting to enforce the terms of this Lease. If any arbitration or litigation is instituted to interpret, enforce, and/or rescind this Lease, including, without limitation, any proceeding brought under the United States Bankruptcy Code, the prevailing party on a claim will be entitled to recover with respect to the claim, in addition to any other relief awarded, the prevailing party's attorney fees and other fees, costs, and expenses of every kind, including, without limitation, the costs and disbursements specified in ORCP 68 A(2), incurred in connection with the arbitration, the litigation, any appeal or petition for review, the collection of any award, or the enforcement of any order, as determined by the arbitrator or court. If Rent (or other payment due from Tenant) is not received by Landlord within 10 days after it is due, Tenant will pay a late fee equal to 5% of the payment or $50.00, whichever is greater (a "Late Fee"). In addition, a charge of 1% per month on the amount past due (a "Late Charge") will be charged beginning 10 days after the due date for such payment until the past due amount is paid in full. Landlord may levy and collect a Late Fee and/or a Late Charge in addition to all other remedies available for Tenant's failure to pay Rent (or other payment due from Tenant).

8.3 Notices; Counterparts. All notices or other communications required or permitted by this Lease must be in writing, must be delivered to the parties at the addresses first set forth above, or at any other address that a party may designate by notice to the other parties, and will be considered delivered upon actual receipt if delivered personally, by facsimile or email transmission (with electronic confirmation of delivery), or an overnight delivery service, or at the end of the third business day after the date deposited in the United States mail, postage pre-paid, certified, return receipt requested. Except as otherwise provided in this Lease, any Rent or other payment required to be paid by Tenant under this Lease will, if not paid within 10 days after it is due, bear interest at the rate of 12% per annum from the due date until paid. This Lease may be signed in counterparts. A fax transmission of a signature page will be considered an original signature page. At the request of a party, a party will confirm a fax-transmitted signature page by delivering an original signature page to the requesting party.

8.4 Severability; Further Assurances. If a provision of this Lease is determined to be unenforceable in any respect, the enforceability of the provision in any other respect, and of the remaining provisions of this Lease, will not be impaired. The provisions of any and all exhibits, schedules, instruments, and other documents referenced in this Lease are part of this Lease. The parties will sign such other documents and take such other actions as are reasonably necessary to further effect and evidence this Lease. This Lease is governed by the laws of the State of Oregon, without giving effect to any conflict-of-law principle that would result in the laws of any other jurisdiction governing the Lease. If any dispute arises regarding this Lease, the parties agree that the sole and exclusive venue for resolution of such dispute will be in Grant County, Oregon. All parties submit to the jurisdiction of courts located in Grant County, Oregon for any such disputes.

8.5 Entire Agreement; Landlord Default. This Lease contains the entire understanding of the parties regarding the subject matter of this Lease and supersedes all prior and contemporaneous negotiations and agreements, whether written or oral, between the parties with respect to the subject matter of this Lease. If the date for performance of an obligation or delivery of any notice hereunder falls on a day other than a business day, the date for such performance or delivery of such notice will be postponed until the next ensuing business day. All pronouns contained herein and any variations thereof will be deemed to refer to the

masculine, feminine, or neutral, singular or plural, as the identity of the parties may require. The singular includes the plural and the plural includes the singular. The word "or" is not exclusive. The words "include," "includes," and "including" are not limiting. For purposes of this Lease, a "business day" means a normal working day (i.e., Monday through Friday of each calendar week, exclusive of Federal and state holidays and one day following each of Thanksgiving, Christmas, and New Year's). No act or omission of Landlord will be considered a default under this Lease until Landlord has received 30 days' prior written notice from Tenant specifying the nature of the default with reasonable particularity. Commencing from Landlord's receipt of such default notice, Landlord will have 30 days to cure or remedy the default before Landlord will be deemed in default of this Lease; provided, however, that if the default is of such a nature that it cannot be completely remedied or cured within the thirty-day cure period, there will not be a default by Landlord under this Lease if Landlord begins correction of the default within the thirty-day cure period and thereafter proceeds with reasonable diligence to effect the remedy as soon as practical.

IN WITNESS WHEREOF, the undersigned have caused this Lease to be executed and effective for all purposes as of the Effective Date.

LANDLORD:
City of John Day,
an Oregon municipal corporation

By:

TENANT:
Grant County CyberMill,
an Oregon public benefit corporation

By:
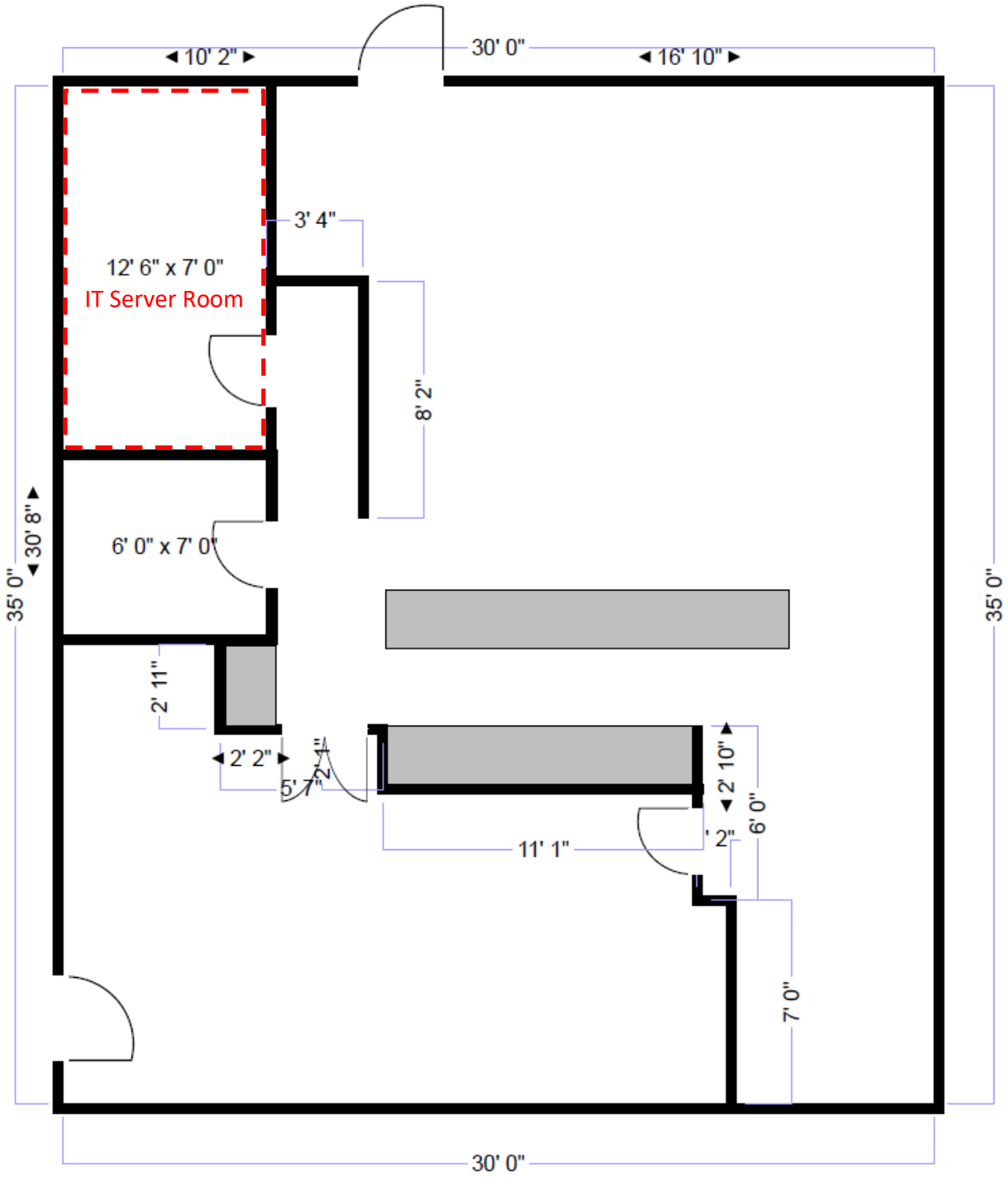
Exhibit A.
The Premises