

LEASE AGREEMENT

This LEASE AGREEMENT (“Agreement”) made this ___ day of January 2013 by and between North Ogden City Corporation, 505 East 2600 North, North Ogden, UT, 84414, (“LANDLORD”) and SkyBeam Inc., dba Digis 782 S Auto Mall Drive American Fork, UT 84003 (“TENANT”).

SECTION I – DESCRIPTION OF PROPERTY

- 1.1 In consideration of promises and covenants set forth below, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Landlord hereby Leases to Tenant a certain portion of the real property located at approx. 1350 East 3400 North, North Ogden, UT, 84414 (“Property”) and more particularly described in Exhibit “A” attached to this Agreement.

SECTION II – TERM OF LEASE

- 2.1 The term of this Lease will be for a period of ten (10) years commencing on -the day this contract is executed.
- 2.2 This Agreement will automatically renew for an additional five (5) years, unless either party gives 6 months’ notice otherwise.

SECTION III – LEASE PAYMENTS

- 3.1 In consideration for the use of the Property, Tenant will provide wireless Internet access to Landlord free of charge. Such access will be provided through Tenant’s existing wireless Internet network with services equal to the premium residential package offered by Tenant to its customers. Tenant will also provide one complimentary residential unlimited phone line. Such phone line is unlimited only to the contiguous 48 United States and does not include any international calling. Additional phone rates may still apply.
- 3.2 As additional consideration Tenant will pay to Landlord a monthly Lease payment of \$500.00. Such payment will be made on the day of execution of this Agreement and on or before the 5th of each subsequent month.
- 3.3 The Rent payable to the Landlord shall increase on each anniversary of the Commencement Date by an amount equal to three and a half percent (3.5%) of the previous year’s Rent.

SECTION IV – PURPOSE OF LEASE

- 4.1 The purpose of this Agreement is to allow Tenant to construct, install, add, and maintain equipment, wires and facilities (the “Equipment”) to support and carry out its business as an Internet service provider and other services consistent with an Internet service operation. This will include the installation of Equipment on buildings and/or other structures on the Property as expressly approved herein.

SECTION V – DUTIES OF PARTIES

5.1 Tenant agrees:

- (1) To construct, improve, maintain, upgrade, and/or repair the Equipment, at its sole expense.
- (2) To maintain that portion of the Property where the Equipment is located in as good a condition as reasonable use will permit.
- (3) To manage and operate the Equipment in a reasonable manner and to conduct all its activities on the Property in compliance with all applicable laws.
- (4) To maintain such insurance upon the Equipment or its personal property as it determines necessary.
- (5) To maintain Liability insurance with an A or better rated insurance carrier in the minimum amount of \$3,000,000/\$3,000,000, with the Landlord as an additional insured; proof shall be given to the Landlord upon request.
- (6) To obtain, at Tenant’s expense, all licenses and permits required for Tenant’s use of the Property.
- (7) To hold Landlord harmless from claims arising from Tenant’s use of the Property, except for claims arising from the gross negligence or willful misconduct of the Landlord or its agents.
- (8) To maintain an electrical supply accessible to the Equipment and pay associated electrical power charges.
- (9) Tenant has express interest in running power through an existing power supply that feeds the Landlord’s Rice Creek pump house. In order to accomplish this, Tenant would have to increase the existing power supply from 110 amps to 220 amps and Tenant agrees to pay for the necessary upgrades. In conjunction with this, Tenant will pay the associated monthly electrical power charges for this site.
- (10) Tenant shall, at Tenant’s expense, use any and all appropriate means of restricting access to the Equipment, including, the construction of a fence and a gate, and shall keep the gate locked at all times.

5.2 Landlord agrees:

- (1) To allow Tenant full time access on to and off from the Property to install, repair, upgrade, add, operate and maintain the Equipment.
- (2) To reasonably cooperate with Tenant (at no cost to Landlord) to obtain any necessary licenses or permits.

- (a) Landlord is the Government Entity responsible for issuing some of Tenants required permits, however, this Agreement does not allow Tenant to bypass obtaining the necessary permits from Landlords building department or complying with the requirements from building officials, and does not guarantee that any permits will be issued.
- (3) To not use or to permit the use of the Property in a manner which interferes with the operations of the Tenant.
- (4) To not allow on the property described in Exhibit "A" any other Wireless Internet Service Providers ("WISP"). This would include Wireless Internet Operators using any frequency either known or unknown including: the 900 Mhz, 2.4 Ghz, 3.65 Ghz, and 5-5.9 Ghz UNII, 11 Ghz, 18 Ghz and all other ISM bands. Allowing the use or signing a subsequent Lease that would allow use of these frequencies and bands on the property described in Exhibit "A" will constitute a breach of this contract.

SECTION VI - ACCESS AND EASEMENT

- 6.1 In addition to a Lease of the certain Property described in Exhibit A. Landlord grants Tenant and its agents access and passage, over and across Landlord's Property, including any easements owned by the Landlord, to install, maintain, construct, inspect, repair, etc., the Equipment on the Property.
- 6.2 Ingress, egress, access and passage across the Property will be in compliance, and all do care, to the needs and respects of the Landlord.

SECTION VII – TRANSFER OF INTEREST

- 7.1 Tenant may assign this Agreement upon written notice to the Landlord.
- 7.2 This Agreement does not prevent sale or exchange of the Property by the Landlord. However, any transferee of Landlord's interest in the Property takes such interest subject to this Agreement.
- 7.3 So long as the Tenant is not in default in payment of rent or additional rent or in the performance of any of the terms, covenants or conditions of the Lease on the Tenant's part to be performed, the Tenant's possession of the Leased premises and the Tenant's rights and privileges under the Lease, or any extensions or renewals thereof, which may be effected in accordance with any option therefor in the Lease, shall not be diminished or interfered with by any subsequent mortgagee, lender or Acquiring party and the Tenant's occupancy of the Leased premises shall not be disturbed by any subsequent mortgagee, lender or Acquiring party for any reason whatsoever during the term of the Lease or any extensions or renewals thereof.

SECTION VIII – TERMINATION

- 8.1 Upon termination of this Agreement, Tenant will remove the Equipment including antenna structures, fixtures and all personal property and otherwise restore the property to its original condition, reasonable wear and tear excepted within 60 days.
- 8.2 Notwithstanding anything to the contrary in the Agreement, the offer expressed between Landlord and Tenant herein shall be terminated with no further obligations by either party hereto if it is determined that the Equipment is no longer suitable for Tenant's business purposes.
- 8.3 In the event that Tenant is not granted or cannot obtain the proper zoning or building permits; or that in the event any previously approved zoning or other permit of a Government entity affecting the use of the Site as a communications facility is withdrawn or terminated, this Agreement shall be deemed to have been terminated effective as of the date of the termination of the permit or approval.

SECTION IX – INDEMNIFICATION

- 9.1 Each party shall indemnify, defend, and hold the other party, its affiliates, subsidiaries, directors, officers, employees and contractors, harmless from and against any claim, action damages, liability, loss, cost of expense (including reasonable attorney's fees), resulting from or arising out of the indemnifying party's and/or any of its contractor's, subcontractor's, servants', agents' or invitees' negligent use or occupancy or actions on the Site.

SECTION X – MISCELLANEOUS PROVISIONS

- 10.1 This Agreement and the performance thereof shall be governed, interpreted, and regulated by the laws of the state Property is located.
- 10.2 The Tenant may record this Agreement with the appropriate Recording Officer.
- 10.3 If a party files a lawsuit in a dispute arising out of this Agreement, the prevailing Party shall be entitled to recover all costs and expenses incurred in connection with any such action, including reasonable attorneys' fees and court costs.
- 10.4 In the event there is a default by the Tenant with respect to any of the provisions of the Agreement or its obligations under it, including payment of rent, Landlord shall give Tenant written notice of such default. After receipt of such written notice, Tenant shall have 30 days to cure any such default. In the event that the nature of the cure requires more than 30 days, the Landlord will not hold this Agreement in default as long as the work required is being done continuously and diligently. Tenant may not maintain any action or affect any remedies for default against Landlord unless and until Landlord has failed to cure the same with the time periods provided in this paragraph.

- 10.5 Landlord warrants that they are either the owner of the Property or trustee of the Property described in exhibit "A" with due authority to enter into this Agreement ("Landlord of Property"). Anything less than this is a breach of contract and will be subject to the provisions and terms set forth below.
- 10.6 If neither party is in Default but either party acts in a way that is contrary to the Lease and the terms and provisions in this Agreement, this constitutes a breach of contract. Either party will then be able to seek appropriate breach of contract remedies, against the breaching party, that are available or according to the laws of the state the Property is located.
- 10.7 This Agreement constitutes the parties' sole Agreement and supersedes any prior understandings or written or oral agreements between the parties with respect to the subject matter.
- 10.8 Any changes or modifications to this Agreement must be in writing and signed by both parties.

APPROVAL

All provisions and terms are subject to final approval of appropriate officers of Tenant. Once approved and signed, by both parties, the terms and provisions of this Agreement/Lease are to be held in full force and effect. Such terms and provisions not to be changed, altered, or renegotiated, in anyway, by either party, until after such time as the Lease is terminated, the term of the Lease expires or an Amendment to the Lease can be agreed to and signed by both parties.

[Rest of page intentionally left blank.]

IN WITNESS WHEREOF, the Parties hereto set their hands and affix their respective seals, the day and year first above written, that they have read, understand, and agree to uphold the terms and provisions above.

“Landlord”

ACCEPTED AND APPROVED this 8th day of January, 2013.

Mayor Richard G. Harris
North Ogden City

ATTEST:

Annette Spendlove, MMC
City Recorder
North Ogden City

“Tenant” DIGIS:

By: _____

Name: _____

Title: _____

Date: _____

Exhibit "A"
Property Description

PART OF THE SOUTHWEST QUARTER OF SECTION 22, TOWNSHIP 7 NORTH, RANGE 1 WEST, SALT LAKE BASE AND MERIDIAN, U.S. SURVEY: BEGINNING AT A POINT WHICH IS EAST 2652 FEET ALONG THE SOUTHQUARTER SECTION LINE AND NORTH 627 FEET ALONG THE EASTQUARTER SECTION LINE FROM THE SOUTHWEST CORNER OF SAIDQUARTER SECTION, THENCE WEST 467 FEET, THENCE NORTH 466 FEET, THENCE EAST 367.3 FEET, THENCE SOUTH 26D22' EAST 224.4 FEET TO THE QUARTER SECTION LINE, THENCE SOUTH 244.9 FEET TO THE PLACE OF BEGINNING.