

# EQUIPMENT PURCHASE AND MANAGEMENT AGREEMENT

BETWEEN

BAIKAL MINING - ELEVATE GROUP

AND

BUYER

**THIS PURCHASE AND MANAGEMENT AGREEMENT** is entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2018, by and between \_\_\_\_\_ (hereinafter "Buyer") and BAIKALMINING – ELEVATEGROUP (hereinafter "Company").

## RECITALS:

**WHEREAS**, Company is in the business of selling, servicing, and managing ASIC Mining equipment; and

**WHEREAS**, Buyer desires to purchase such equipment.

**NOW, THEREFORE**, in consideration of the mutual agreements and covenants contained therein and for other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, it is mutually agreed and covenanted by and between the parties to this Agreement, as follows:

1. **Sale of Equipment.** Company hereby sells, or agrees to facilitate the sale of Bitmain model ASIC Miner(s) to Buyer and Buyer hereby purchases from Company or through authorized representative of Bitmain the Equipment, freight pre-paid and absorbed by Company.
2. **Purchase Price.** Buyer shall pay to Company, or it's authorized representative, for the Equipment and for all obligations specified herein, as full and complete consideration therefore, the sum of \$ 1,299 to \$1,099 per miner, depending on the amount of units purchased (hereinafter "Miner(s)").
3. **Payment.** Payment of the Purchase Price shall be made by Buyer to Company in accordance with the following schedule:
  - A. One Hundred Percent (100%) of the Purchase Price within two (2) days after the execution of this Agreement;
4. **Taxes.** Buyer represents and understands that Company is facilitating the sale of said equipment and it's management and that buyer shall be responsible for reporting, managing and

paying income taxes due by buyer to buyer's recognized tax authority in the appropriate jurisdiction of buyer.

5. **Site Evaluation.** At no cost or expense to Company, Company shall furnish Buyer with site preparation studies, which shall include, but not be limited to, power, air conditioning, and operational considerations with respect to the Equipment. Buyer, at its own expense, is authorized to inspect Equipment onsite at any time they wish, providing 3 day(s) notice to company. Inspection must be made by actual Buyer and not any third party representative of Buyer.

6. **Site Preparation.** Company shall be responsible for preparing a site suitable for the installation and operation of the Equipment (hereinafter "Installation Site").

7. **Delivery.** Delivery of the Equipment to Company shall be made within two (2) weeks after receipt of a purchase order (hereinafter "Delivery Date"). The Equipment shall be packaged appropriately and all cartons shall be clearly stamped with Buyer's Purchase Order Number. Buyer must be able to identify easily all items of the Equipment contained within each carton. Delivery of the Equipment in an undamaged condition to Buyer's Installation Site shall constitute "Delivery" to Buyer. Risk of loss during transit shall remain with Company.

8. **Installation.** Company shall install the Equipment at the Installation Site in accordance with the professional commercial mining standards and connect the same to the safety switches or electrical outlets to be provided and installed by Company. Company shall be responsible for all costs associated with delivery and installation of the Equipment. Time is of the essence to this Agreement. Company shall comply with all permits and licenses required by Federal, State, or local authorities in connection with the delivery and installation of the Equipment.

9. **Testing and Certification.** Upon completion of installation of the Equipment, Company shall perform prescribed tests to determine that the Equipment is operating in conformance with Company's performance specifications for the Equipment and any other requirements necessary for good operating order.

10. **Acceptance.** "Acceptance" of the Equipment shall be deemed to occur on the date when said equipment is operating on the blockchain and mining in accordance with Company's ongoing mining activities. All new miners are activated on the first (1<sup>st</sup>) day of each month only.

12. **Software.** Company hereby agrees to manage all software related tasks to manage, operate and maintain Equipment in good working order. Including but not limited to, connection to mining pool. Moreover, Company shall update and provide Equipment with any necessary software upgrades as needed from time to time.

13. **Term.** This agreement shall commence upon delivery of the Equipment to the installation site and shall continue for as long as Equipment is in good working order and is deemed profitable to mine bitcoin ("Life of Mine").

13a) Buyer agrees and understands that the term of this contract shall continue for the entire life of the miner, and can only be canceled in such case of gross negligence on the part of the company. Gross negligence herein defined as, multiple day's per month where the miner is not online.

14. **Security.** Company at all times (24 hours a day, 7 days a week) shall maintain security and or on-site personal at installation site.

15. **Equipment Warranty.** Buyer will receive standard manufacturer warranty directly from Bitmain. After such warranty, Company shall be responsible for general maintenance of Equipment. Notwithstanding, any total failure of Equipment shall not be the responsibility of the Company; Buyer understands and acknowledges that said mining Equipment may lose it's "life of mine" and no longer be profitable to operate. Buyer warrants and agrees that such event is not the responsibility of the Company. Company shall endeavor with it's best efforts to extend the mine life of the Equipment for as long as possible as it pertains to profitable bitcoin mining.

16. **Insurance.** Buyer is aware that Company does not maintain insurance for the miners as it is too cost prohibitive.

17. **Mutual Indemnification.** Company and Buyer both agree to mutually indemnify one another, Company's trustees, officers, employees, agents and representatives from any loss, lawsuit, liability, damage, cost or expense which may arise out of claims by third persons against Company or Buyer.

18. **Management Fee.** Company and Buyer agree that Company shall charge a management fee equal to twenty percent (20%) of the net income generated from each ASIC miner that Buyer purchases and Company manages. Net income is defined as total bitcoin generated by each piece of Equipment (ASIC Miner), less the following costs:

- A. **Cost of Power.** Cost of Power provided by Company is 5.5 cents per Kilowatt hour
- B. **Mining Pool Fees.** Company shall work with a mining pool, Company will make known to Buyer which mining pool they are using, said fees shall be paid to mining pool and shall be in the range of 2% to 4% total.
- C. **No Other Fees.** Company will not charge Buyer any hosting fees, maintenance fees, or any other fees. Net income is defined as mining income less aforementioned fees above in (A & B).
- D. **Disbursement of Funds.** Within 7 business days of the last day of each month, Company shall send to escrow all income (i.e. bitcoin) generated from mining for the prior month. Etana escrow shall deduct power costs and management fee of 20% and disburse net funds to Buyer's wallet address.
- E. Nominal transaction fee's by the network will be charged when disbursing funds. This includes Escrow and custody fee's

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**Buyer (Print Name)**

\_\_\_\_\_  
**Gabriel Gutierrez, CEO of Baikal Mining**

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**Buyer Signature**

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**Amir Ness, Founder Elevate Group**