

# OPTION GRANT AGREEMENT

This Option Grant Agreement (the "Agreement") is made and entered into as of August 20, 2024, by and between BC&E USA COLUSA 1 LLC, a California Limited Liability Company ("Company" or "BC&E"), and the City of Colusa (the "Optionee").

## RECITALS

WHEREAS, the City of Colusa and Company have entered into that certain Power Purchase Agreement dated July 18, 2023 (the "PPA"), that has considerable benefits to both the City of Colusa and Company; and

WHEREAS, to make such Power Purchase Agreement both attractive and beneficial to the City of Colusa, and as further consideration of such transaction, the parties have negotiated to provide to the City of Colusa an option (the "Option") to purchase a 12.5% ownership stake in BC&E for a total consideration of \$1, as set forth in the Resolution of the Managing Members of the Company dated June 15, 2023 (the "Resolution"), and legally referred to under California Law as a "membership interest" (the "Units"); and

WHEREAS, BC&E, pursuant to the Operating Agreement of BC&E, and pursuant to California Law, has authorized the issuance of 100,000 Units to the Members of BC&E, and such 100,000 Units currently constitute 100% of the authorized Units of BC&E; and

WHEREAS, the Resolution has been unanimously approved by all the Members of BC&E pursuant to the Operating Agreement of BC&E.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein contained, the parties agree as follows:

### 1. Grant of Option

The Company hereby grants to the Optionee an Option to purchase 12.5% of the total authorized Units of the Company, which equates to 12,500 Units, for a total consideration of \$1.

### 2. Exercise of Option

The Exercise Period shall commence on the July 18, 2023, the date of execution of the PPA, with such PPA having been duly approved by the City Council of the City of Colusa. The Exercise Period shall terminate 13 months from said date of execution.

### 3. Method of Exercise

The Optionee may exercise the Option, in whole or in part, by delivering a written notice of exercise to the Company at any time during the Exercise Period. The notice of exercise shall specify the number of Units being purchased and shall be accompanied by payment in full of the purchase price for such Units.

#### **4. Issuance of Units**

Upon exercise of the Option and payment of the purchase price, the Company shall issue the Units to the Optionee. The Units shall be fully paid and non-assessable.

#### **5. Representations and Warranties of the Company**

The Company represents and warrants to the Optionee that:

- The Company has the full power and authority to enter into this Agreement and to perform its obligations hereunder.
- The execution and delivery of this Agreement by the Company have been duly authorized by all necessary action on the part of the Company.

#### **6. Representations and Warranties of the Optionee**

The Optionee represents and warrants to the Company that:

- The Optionee has the full power and authority to enter into this Agreement and to perform its obligations hereunder.
- The execution and delivery of this Agreement by the Optionee have been duly authorized by all necessary action on the part of the Optionee.

#### **7. Governing Law**

This Agreement shall be governed by and construed in accordance with the laws of the State of California.

#### **8. Entire Agreement**

This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements, representations, and understandings of the parties.

#### **9. Amendments**

This Agreement may be amended only by a written agreement signed by both parties.

#### **10. Counterparts**

This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the day and year first above written.

**BC&E**

By: \_\_\_\_\_

Name: Robert Norman

Title: Managing Member

**City of Colusa**

By: \_\_\_\_\_

Name: Jesse Cain

Title: City Manager