

## LEASE AGREEMENT

This LEASE AGREEMENT (this “Agreement”) is effective as of this \_\_\_\_ day of November, 2023 (“Effective Date”), and is made by and between the CITY OF COALINGA, a municipal corporation (“Lessor”), and BAP POWER CORPORATION DBA CENERGY POWER (“Lessee”), on the terms and conditions set forth below.

1. Lease.

1.1 Property. Lessor is the fee simple owner of certain real property located near GPS coordinates 36.12382452824788, -120.2790265541065, just west of the northwest intersection of Firestone Road and South Alpine Avenue in Coalinga, CA 93210. Lessor hereby leases to Lessee the Property depicted on Exhibit 1 which contains up to 30 usable acres of the Property shall be designated for the solar site (the “Solar Site” or the “Property”), and Lessee hereby leases the Property from Lessor, on the terms and conditions set forth in this Agreement.

1.2 Purpose. Under the Agreement, Lessee shall have the exclusive and unobstructed rights to conduct site engineering work and surveys to establish the site’s feasibility for a solar project sized up to 5MW AC (the “Solar Project”).

1.3 Rights and Easements. Lessor hereby grants to Lessee any and all easements necessary for the purpose stated herein. Upon Lessee’s request, Lessor shall execute and deliver to Lessee documents and instruments, satisfactory in form and substance to Lessor and Lessee, evidencing the rights and easements granted pursuant to this Agreement, and Lessee may record such documents and instruments in the official records of the county where the Property is located.

2. Term.

2.1 Original Term. The term of this Agreement (the “Original Term”) shall commence on the Effective Date stated herein above and continue until the twenty-four (24) month anniversary of the Effective Date.

2.2 Renewal Option. If, at the end of the above described term, Lessee deems the Solar Site to be feasible for the Solar Project during the Original Term, Lessee may, at its option, lease the Solar Site from Lessor for a term of 20 years in furtherance of the Solar Project. Upon Lessee’s exercise of this option, the Parties will memorialize their agreement by entering into a separate ground lease materially consistent with these terms. The Lease shall have a fixed lease rate of \$1,500 per acre per year. Such lease may be renewable 2 times at Lessee’s election for 10 years each at substantially the same lease terms and conditions as the initial term.

3. Rent. In consideration of the rights granted to Lessee in this Agreement, Lessee will pay Lessor commencing on the Effective Date and continuing until the end of the Original Term, unless this Agreement is sooner terminated. Lessee shall pay Lessor a flat fee equal to two thousand dollars (\$2,000.00). Lessee shall pay this fee on the earlier of either (a) 2 months from the Effective Date or (b) once preliminary interconnection capacity is confirmed to be available by the applicable utility company.

4. Development and Operation.

4.1 Lessee Responsibility. Lessee shall have sole control and responsibility for any and all site engineering work and surveys. Lessor shall not, directly or indirectly, interfere with any such undertakings or activities of Lessee, or engage in any activity that might cause a disturbance of any activity at the Property. Lessee agrees to comply with all municipal, county, state, and federal law.

4.2 Insurance. Prior to occupying the Property, Lessee shall obtain a general liability insurance policy insuring against bodily injury, personal injury, and property damage caused by Lessee's use of the Premises in an amount not less than two million dollars (\$2,000,000) of combined single limit liability coverage per occurrence, accident or incident. Lessor shall be named as additional insured on all such policies of insurance. Lessee shall cause its insurers to issue endorsements identifying Lessor as an additional insured.

5. Taxes. Lessor shall be responsible for, and shall timely pay before the same become delinquent, all taxes, assessments, or other governmental charges that are imposed on, or arise in connection with, the Property.

6. Maintenance. In the event Lessee fails to maintain the Premises in good order, condition and repair, Lessor shall give Lessee notice to do such acts as are reasonably required to maintain the Premises. In the event Lessee fails promptly to commence such work or diligently prosecute the same to completion, Lessor may but is not obligated to do such acts and expend such funds at the expense of Lessee as are reasonably required to perform such work. Any amount so expended by Lessor shall be paid by Lessee promptly after demand with interest at ten percent (10%) per annum from the date of such payment. Lessee shall keep common and parking areas in a neat, clean or orderly condition and shall repair any damage to the facilities thereof.

7. Indemnity. The Lessor agrees to defend and indemnify the Lessee for any liability stemming from any adverse judgment or settlement against the Lessee in connection with any activity performed or allowed by the Lessor at the Property, specifically the Lessor shall indemnify the Lessee against all liability, claims, demands, losses, damages, costs, charges, and expenses, including reasonable attorney's fees, that the Lessee may in any way sustain, incur or become liable for in consequence of any activities performed or allowed by the Lessor at the Property.

If the Lessor fails to defend and indemnify as set forth in this Agreement, the Lessee may bring a separate suit against the Lessor for failure to do so. For purposes of any such potential suit the Lessor hereby waives any and all applicable statutes of limitations applicable to indemnity claims arising in connection with prosecution of a lawsuit and the party's rights and obligations for indemnity shall flow from this written agreement.

The Lessee agrees to defend and indemnify the Lessor for any liability stemming from any adverse judgment or settlement against the Lessor in connection with any activity performed or allowed by the Lessee at the Property, specifically the Lessee shall indemnify the Lessor against all liability, claims, demands, losses, damages, costs, charges, and expenses, including reasonable attorney's fees, that the Lessor may in any way sustain, incur or become liable for in consequence of any activities performed or allowed by the Lessee at the Property.

If the Lessee fails to defend and indemnify as set forth in this Agreement, the Lessor may bring a separate suit against the Lessee for failure to do so. For purposes of any such potential suit the Lessee hereby waives any and all applicable statutes of limitations applicable to indemnity claims arising in connection with prosecution of a lawsuit and the party's rights and obligations for indemnity shall flow from this written agreement.

8. Default; Termination.

8.1 Notice and Cure. In the event of an alleged breach or default by either party of any representation, warranty, or obligation under this Agreement, the non-defaulting party shall provide the defaulting party with a reasonably-detailed written notice of such default and a sixty (60) day opportunity to cure such default; provided, however, that if curing the default will reasonably take longer than the said sixty (60) day time period, the defaulting party shall have such

time period reasonably necessary to cure such default, provided that the defaulting party commences to cure the default within the initial sixty (60) day period. Following the application of the foregoing notice and cure requirements, the non-defaulting party may terminate this Agreement and/or exercise any other rights or remedies available to it at law or in equity; provided, however, that the non-defaulting party shall use commercially reasonable efforts to mitigate its damages arising from such default.

8.2 Termination. Notwithstanding any provision of this Agreement to the contrary, Lessee may terminate this Agreement at any time by written notice to Lessor; provided, however, that any notice of termination following the Operations Date shall not be effective until thirty (30) days following Lessor's receipt of such notice. In the event this Agreement is terminated by Lessee in accordance with this section, Lessor authorizes Lessee to execute and record a notice of termination evidencing such termination.

9. Assignment and Sublease. Lessee shall not voluntarily or by operation of law assign, transfer, mortgage otherwise encumber all or any part of Lessee's interest in this Lease or in the Premises, and shall not sublet or license all or any part of the Premises, without the prior written consent of Lessor in each instance, with such consent not being unreasonably withheld and any attempted assignment, transfer, mortgage, encumbrance, subletting or license without such consent shall be wholly void.

10. Miscellaneous.

10.1 Entire Agreement. This Agreement, together with its attached exhibits, which are incorporated into this Agreement by this reference, contains the entire agreement of the parties with respect to the subject matter hereof, and supersedes any other agreement or understanding, all of which shall be of no force or effect. No addition or modification of any term or provision of this Agreement shall be effective unless set forth in writing and signed by each of the parties hereto. The terms and conditions of this Agreement are not to be construed more liberally in favor of, or more strictly against, either party to this Agreement. The use of the neuter gender includes the masculine and feminine, and the singular number includes the plural, and vice versa, whenever the context so requires. The terms "include", "includes" and "including", as used herein, are without limitation. Captions and headings used herein are for convenience of reference only and do not define, limit, or otherwise affect the scope, meaning, or intent hereof.

10.2 Governing Law. The terms and provisions of this Agreement shall be interpreted in accordance with the laws of the state in which the Property is located without reference to the choice of law principles of such state or any other state.

10.3 Legal Counsel and Advice. Each party to this Agreement has had the opportunity to consult with legal counsel and other advisors of its own choosing prior to executing this Agreement.

10.4 Notices. All notices or other communications required or permitted hereunder, including payments to Lessor, shall be in writing, and shall be personally delivered, delivered by reputable overnight courier, or sent by registered or certified mail, return receipt requested and postage prepaid, to the addresses set forth on the signature page of this Agreement. Notices personally delivered shall be deemed given the day so delivered. Notices given by overnight courier shall be deemed given on the first business day following the mailing date. Notices mailed as provided herein shall be deemed given on the third business day following the mailing date. Any party may change its address for purposes of this subsection by giving written notice of such change to the other party in the manner provided in this subsection.

10.5 Costs and Attorneys' Fees. In the event that any party hereto institutes an action or proceeding for a writ of mandate or declaration of the rights of the parties under this Agreement, for injunctive relief, for an alleged breach or default of, or any other action arising out of this Agreement or the transactions contemplated hereby, or in the event any party is in breach of its obligations pursuant thereto, whether or not suit is filed or prosecuted to final judgment, the non-defaulting party or prevailing party shall be entitled to its actual attorneys' fees and to any court costs incurred, in addition to any other damages or relief awarded, including those incurred in connection with (a) an assertion of any affirmative defense in connection with such action, (b) any appellate review of the judgment rendered in such action or of any other ruling in such action, or (c) any proceeding to enforce a judgment in such action.

10.6 Choice of Law. The Property is located in the County of Fresno, State of California. The laws of the State of California shall govern the validity, enforceability or interpretation of this Agreement. Fresno County shall be the venue for any action or proceeding, in law or equity that may be brought in connection with this Agreement. Both parties hereby waive any rights they may possess under Section 394 of the Code of Civil Procedure to transfer to a neutral county or other venue any action arising out of this Agreement.

10.7 Mediation. Should a dispute arise between any of the parties, the dispute will be submitted to mediation before litigation. Any party may start the process by giving written notice to the other party. The mediator will be selected and mediation conducted through the California Mediation Rules and Procedures, or with the mutual consent of the parties, by another mediation organization or mediator. The mediation will be confidential in accordance with California Evidence Code 1152.5 and the parties will equally bear the mediation costs.

10.8 Counterparts. This Agreement may be executed and recorded in two or more counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties execute this Agreement effective as of the Effective Date.

LESSOR:

LESSEE:

\_\_\_\_\_  
Marissa Trejo, City Manager  
City of Coalinga

\_\_\_\_\_  
William Pham, CEO  
BAP Power Corporation DBA Cenergy  
Power

Address for Payment and Notices:  
155 W. Durian  
Coalinga, CA 93210  
559-935-1533

Address for Payment and Notices:  
26880 Aliso Viejo Parkway, Suite 100  
Aliso Viejo, CA 92656  
760-603-1933

**EXHIBIT 1**  
**PROPERTY/PREMISES**