

## OPTION TO LEASE REAL PROPERTY

This **Option to Lease Real Property** (this “*Option Agreement*”) is made and agreed to as of the Effective Date by and between the **City of Farmers Branch**, a Texas home rule municipality having an address of 13000 William Dodson Parkway, Farmers Branch, Texas 75234 (“*City*”) and **BQ Energy Development, LLC**, a New York limited liability company with an office at 400 Market Industrial Park, Suite 32, Wappingers Falls, New York 12590 (“*BQ Energy*”). *City* and *BQ Energy* are herein sometimes referred to collectively as the “*Parties*” and individually as a “*Party*.”

### W I T N E S S E T H:

**WHEREAS**, *City* is the owner of 22.943± acres out of the James F. Chenoeth Survey, Abstract No. 267, *City of Farmers Branch*, Dallas County, Texas (the “*Property*”) generally located at 1349 and 1399 Valley View Lane, Farmers Branch, Texas and more particularly depicted in **Exhibit “A,”** hereto; and

**WHEREAS**, *BQ Energy* desires to plan, finance, develop, design, build, own, operate and maintain approximately 6.25 MWac of renewable energy storage, generation, and distribution system assets (the “*Project*”) on a portion of the *Property* (such portion being sometimes referred to herein as the “*Site*”), the boundaries of which are generally depicted on the draft site plan set forth in **Exhibit “B”** hereto (the “*Site Plan*”); and

**WHEREAS**, *BQ Energy* has requested that *City* grant to *BQ Energy* an option to lease the *Site* for the development of the *Project* and to grant a right to enter the *Site* during the Option Term for the purposes of meeting planning and regulatory requirements for the *Project* in addition to any other purposes deemed necessary by both *Parties* for the successful development of the *Project*; and

**WHEREAS**, the *Parties* desire to enter into this Option Agreement for purposes of setting forth their agreements relating to the Option.

**NOW, THEREFORE**, for and in consideration of the covenants and conditions set forth herein, the receipt and sufficiency of which is hereby acknowledged, the *Parties* agree as follows:

1. **Grant of Option.** *City* hereby grants to *BQ Energy* an exclusive option (the “*Option*”) to lease the *Site*, which Option shall be exercisable in accordance with Section 2, below, on or before the termination of the Option Term (as defined in Section 4 below).
2. **Exercise of Option.** *BQ Energy* shall exercise the Option, if at all, by signing and delivering to *City* the Notice of Exercise of Option to Lease Real Property (the “*Exercise Notice*”) substantially in the form set forth in **Exhibit “C”** hereto after the Effective Date and on or before 11:59:59 p.m. Central Time on the last day of the Option Term.
3. **Option Fee.** As consideration for the grant of the Option by *City* to *BQ Energy*, *BQ Energy* shall pay to *City* the amount of TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) not later than 5:00 p.m. Central Time on the third (3<sup>rd</sup>) business day after

execution of this Option Agreement by both Parties (the “*Initial Option Fee*”). As consideration for the First Extension Term, BQ Energy agrees pay to City the amount of TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00)(the “*First Extension Fee*”). As consideration for the Second Extension Term, BQ Energy agrees to pay to City the amount of TEN THOUSAND AND NO/100 DOLLARS (\$10,000)(the “*Second Extension Fee*”). The Initial Option Fee, First Extension Fee (if paid), and Second Extension Fee, if paid, are collectively, the “*Option Fee*”. The Option Fee shall be non-refundable.

4. **Option Term.** BQ Energy shall have the right to exercise the Option during the period beginning on the Effective Date and ending at 11:59:59 p.m. Central Time on the day prior to the first anniversary of the Effective Date (the “*Initial Option Term*”). BQ Energy may extend the Option Term for the period beginning at Midnight of the first anniversary of the Effective Date and ending at 11:59:59 p.m. Central Time on the day prior to the second anniversary of the Effective Day (the “*First Extension Term*”) by paying the First Extension Fee not later than 5:00 p.m. Central Time on the last day of the Initial Term. BQ Energy may further extend the Option Term for a period beginning at Midnight of the second anniversary of the Effective Date and ending at 11:59:59 p.m. Central Time on the day prior to the third anniversary of the Effective Date (“*Second Extension Term*”) by paying the Second Extension Fee not later than 5:00 p.m. Central Time on the last day of the First Extension Term. The Initial Option Term, First Extension Term (if exercised), the Second Extension Term (if exercised) are collectively referred to herein as the “*Option Term.*”
  
5. **Conditions for Exercise of Option:** In addition to timely payment of the Option Fee, the Option may not be exercised unless and until satisfaction of the following conditions:
  - A. Completion of negotiation of an agreed form of a lease agreement between City, as Landlord, and BQ Energy, as Tenant (the “*Lease*”), granting a leasehold interest in the Site to BQ Energy containing, in substance, at least the following provisions:
    - (1) BQ Energy shall have the right to construct, operate, maintain, repair, replace, and remove photovoltaic solar energy collection and electrical energy generation equipment as well as above-ground or underground cables, conduits, and associated equipment for electrical transmission purposes (collectively “*the Facilities*”) and to sell electric power generated by the Facilities to City (either directly or through a Retail Electric Provider) and third-parties (collectively, the “*Permitted Use*”);
    - (2) BQ Energy shall install above-ground fencing around the Facilities on the Site, mow and otherwise maintain the vegetative cover within the lease boundary of the Site, as well as take all measures necessary to not damage vegetative cover during construction or operation and repair any damage which occurs;

- (3) Pay to City rent in the amount of \$1 per annum with no escalator, contingent on BQ Energy entering a power purchase agreement to sell to City electricity generated from the Project ("**PPA**") with a price to City of not greater than the lesser of (i) \$44.00/MWH and (ii) the least amount per MWH that BQ Energy sells any power from the Project to a third-party; provided, however, if City elects not to purchase electric power from the Project, the rent paid to City shall be in an amount equal to be **\$3,000 per MWdc** of Final Installed Capacity as defined by the Interconnection Services Agreement between the Project and one of the area utilities per annum;
  - (4) The term of the Lease shall be not less than twenty (20) years, with BQ Energy having four (4) exclusive options to renew for successive terms of five (5) years each, for a total term of forty (40) years;
  - (5) BQ Energy, at BQ Energy's sole cost, shall comply with all applicable laws and regulations and obtain all required permits federal, state, and local permits, relating to development and use of land constituting a closed municipal solid waste landfill;
  - (6) BQ Energy shall be solely responsible for timely paying all real and personal property taxes assessed against BQ Energy's facilities and leasehold interest in the Site;
  - (7) Commencement of construction of the Project not later than eighteen (18) months after the effective date of the Lease; and
  - (8) Completion of construction of the Project and the commencement of the generation of electricity not later than eighteen (18) months after commencement of construction of the Project; and
- B.** Completion of negotiation of a PPA between the Parties providing for the sale to City of electricity generated from the Project at a cost of not greater than the lesser of (i) \$44.00/MWH and (ii) the least amount per MWH paid by a third-party under equivalent contractual terms (length of contract) to BQ Energy for the purchase of electricity generated from the Project; and
- C.** Issuance to BQ Energy by the Texas Commission on Environmental Quality (the "**TCEQ**"), the Texas Public Utility Commission ("**PUC**"), and/or any other governmental entity or agency with regulatory jurisdiction over the Project and/or use of the Site of all required permits to authorize development and use of the Site for the Permitted Use under the Lease.
- 6. Pre-Lease Activities:** During the Option Term prior to exercise of the Option, the Parties agree as follows:

A. Not later than twenty (20) days after the Effective Date, City agrees to deliver to BQ Energy:

- (1) Any environmental or geotechnical studies or reports that City may have in its possession or that are available to City as of the Effective Date with respect to the Property;
- (2) The most recent survey and plat of the Property that City has in its possession or that may be available to City;
- (3) Notices or other documents regarding any uncured violation of applicable laws, rules, regulations, codes or ordinances regarding the Property, or relating to any actual or claimed existence, release or disposal of any toxic or hazardous substance or waste in, upon or affecting the Property, or relating to any pending or threatened litigation affecting the Property;
- (4) Copies of TCEQ Permit MSW-1049 and such other documents in City's possession relating to the prior operation, closure, and post-closure of the municipal solid waste landfill on the Property that are reasonably requested by BQ Energy;
- (5) Copies of such as-builts plans and other drawings in City's possession or to which City has access relating to the construction and composition of the landfill gas ventilation system and landfill cap located within the landfill portion of the Property, provided, City makes no warranties or representations with respect to the accuracy of such as-builts and drawings in relation to the actual conditions Property and the location and/or nature and condition of the improvements located on the Property; and
- (6) Any other documents or information in City's possession or control relating to the Property which may be reasonably requested by BQ Energy.

To the extent available, City agrees to deliver the above-described information to BQ Energy in a digital format. BQ Energy agrees to reimburse City an amount equal to City's actual out-of-pocket costs incurred in providing the documents and information described in this Section 6.A. BQ Energy understands and acknowledges that the landfill located on the Property is a pre-Subtitle D municipal solid waste landfill that was closed more than 30 years prior to the Effective Date and that City no longer possesses most of the documents relating to the pre-closure operation of said landfill. BQ Energy agrees to limit its request for documents described in Paragraph (4), above, to only such documents it reasonably needs for purposes of development of the Project, which documents City will make reasonable efforts to locate and provide to BQ Energy.

B. BQ Energy and its officers, employees, agents, contractors, representatives, and consultants (collectively, the "***BQ Parties***") shall have the right to enter upon the

Property during City's regular business hours upon reasonable notice to conduct such inspections, tests and studies as they may deem necessary in relation to development of the Project. Unless otherwise authorized by City's Director of Sustainability and Public Health, no BQ Party shall enter the Property unless admitted and/or accompanied by a City employee. Entry onto the Property by the BQ Parties shall be subject to the following additional conditions:

- (1) Throughout the Option Term, BQ Energy shall, at BQ Energy's expense, procure and maintain the following insurance policies:
  - (a) Commercial General Liability Insurance covering bodily injury, death and property damage, including the property of the City, its officers, contractors agents and employees (collectively referred to as the "*City Indemnitees*") insuring against all claims, demands or actions relating to license, lease or use of the Facility pursuant to this Agreement with minimum limits on a "per location" basis of not less than One Million Dollars (\$1,000,000) combined single limit and Two Million Dollars (\$2,000,000) aggregate including products and completed operations coverage Personal and Advertising Injury with a minimum "per occurrence" limit of One Million Dollars (\$1,000,000). This policy shall be primary to any policy or policies carried by or available to the City.
  - (b) Workers' Compensation/Employer's Liability Insurance Policy in full accordance with the statutory requirements of the State of Texas and shall include bodily injury, occupational illness or disease coverage with minimum Employer's Liability limits of not less than \$500,000/\$500,000/\$500,000.
  - (c) Automobile Liability Insurance covering all operations of the Lessee pursuant to this Agreement involving the use of motor vehicles, including all owned, non-owned and hired vehicles with minimum limits of not less than One Million Dollars (\$1,000,000) combined single limit for bodily injury, death and property damage liability.
  - (d) All Risk Policy. Insurance covering all buildings and other improvements located or being constructed on the Premises against loss or damage from perils covered by an all risk or special form policy in amounts not less than eighty (80%) percent of the full insurable value of the buildings and other improvements on the Property;
  - (e) Construction Liability Insurance providing construction liability insurance at all times when demolition, excavation, or construction work is in progress on the Premises with limits of not less than

\$100,000 for property damage and \$300,000 for one person and \$1,000,000 for one accident for personal injury and must protect Lessee and Lessor, as well as any other person or persons Lessee may designate, against all liability for injury or damage to any person or property in any way arising out of demolition, excavation, or construction work on the Premises.

The Commercial General Liability, Worker's Compensation, Business Auto and Excess Liability insurance required by this Option Agreement shall provide for waivers of all rights of subrogation against the City Indemnitees. With the exception of Worker's Compensation Insurance, all insurance required pursuant to this Agreement shall include and name the City Indemnitees (as defined below) as additional insureds using Additional Insured Endorsements that provide the most comprehensive coverage to the City Indemnitees under Texas law including products/completed operations. Certificates of Insurance and policy endorsements in a form satisfactory to City shall be delivered to City prior to the first entry of any of the BQ Parties onto the Property. All required policies shall be endorsed to provide City with not less than 30 days advance notice of cancellation or material change in coverage that reduces the required coverage below the policy limits set forth above. On every date of renewal of the required insurance policies, BQ Energy shall cause a Certificate of Insurance and policy endorsements to be issued evidencing the required insurance herein and delivered to City. All policies of insurance required to be obtained by BQ Energy, its contractors, and sub-contractors pursuant to this Option Agreement shall be maintained with insurance carriers that are reasonably satisfactory to City and lawfully authorized to issue insurance in the state of Texas for the types and amounts of insurance required herein. All insurance companies providing the required insurance shall be authorized to transact business in Texas and rated at least "A -" by AM Best or other equivalent rating service. All policies must be written on a primary basis, non-contributory with any other insurance coverage and/or self-insurance maintained by City.

- (2) Without limiting any of the other obligations or liabilities of BQ Energy, BQ Energy shall require its contractors, at the contractors' expense, to maintain during the portion of the Option Term during which they occupy or otherwise are conducting activities on the Property, the same insurance, inclusive of endorsements, required in paragraph (1), above, and provide a certificate of insurance to City evidencing such coverage prior to entry onto the Property.
- (3) CITY SHALL NOT BE LIABLE FOR ANY LOSS, DAMAGE, OR INJURY OF ANY KIND OR CHARACTER TO ANY PERSON OR PROPERTY ARISING FROM ANY OCCURRENCE ON THE PREMISES. BQ ENERGY HEREBY WAIVES ALL CLAIMS AGAINST

CITY FOR DAMAGE TO ANY PROPERTY OR INJURY TO, OR DEATH OF, ANY PERSON IN, UPON, OR ABOUT THE PROPERTY ARISING AT ANY TIME AND FROM ANY CAUSE OTHER THAN SOLELY BY REASON OF THE GROSS NEGLIGENCE OR WILLFUL MISCONDUCT OF ONE OR MORE OF THE CITY INDEMNITEES. BQ ENERGY, FOR ITSELF AND ITS AGENTS, EMPLOYEES, REPRESENTATIVES, CONTRACTORS, LICENSEES, CONCESSIONAIRES, INVITEES, SUCCESSORS AND ASSIGNS, EXPRESSLY ASSUMES ALL RISKS OF INJURY OR DAMAGE TO PERSON OR PROPERTY, EITHER PROXIMATE OR REMOTE, RESULTING FROM THE CONDITION OF THE PROPERTY OR ANY PART THEREOF. TO THE FULLEST EXTENT PERMITTED BY LAW AND, EXCEPT AS PROVIDED BELOW, BQ ENERGY SHALL INDEMNIFY, HOLD HARMLESS AND DEFEND CITY, ITS OFFICERS, EMPLOYEES, AGENTS AND REPRESENTATIVES (COLLECTIVELY THE "CITY INDEMNITEES") FROM AND AGAINST ALL CLAIMS, DAMAGES, LOSSES AND EXPENSES, INCLUDING, BUT NOT LIMITED TO, REASONABLE ATTORNEYS' FEES, ARISING OUT OF OR RESULTING FROM BODILY INJURY OR DEATH OF A PERSON OR PROPERTY DAMAGE, INCLUDING THE LOSS OF USE OF PROPERTY, ARISING OR ALLEGED TO ARISE OUT OF OR IN ANY WAY RELATED TO THIS OPTION AGREEMENT, THE USE OF OR PRESENCE ON THE PROPERTY BY BQ ENERGY OR ITS OFFICERS, EMPLOYEES, AGENTS, INVITEES, GUESTS, OR CONTRACTORS, OR THE RESULT OF ANY NEGLIGENT ACT OR OMISSION OR ANY INTENTIONAL ACT OR OMISSION BY BQ ENERGY, ITS CONTRACTORS, SUBCONTRACTORS, OR ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY BQ ENERGY OR ITS CONTRACTORS OR ANYONE FOR WHOSE ACTS BQ ENERGY MAY BE LIABLE OR DUE TO THE VIOLATION OF ANY ORDINANCE, REGULATION, STATUTE, OR OTHER LEGAL REQUIREMENT BY BQ ENERGY, ITS CONTRACTORS, SUBCONTRACTORS, OR ANY OF THEIR AGENTS AND EMPLOYEES, OR RESULTING FROM THE BREACH OR DEFAULT BY BQ ENERGY, ITS EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, OR ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY BQ ENERGY OR ANYONE FOR WHOSE ACTS BQ ENERGY MAY BE LIABLE, BUT ONLY TO THE EXTENT CAUSED IN WHOLE OR IN PART BY ANY INTENTIONAL OR NEGLIGENT ACT OR OMISSION OF BQ ENERGY, ITS OFFICER, EMPLOYEES, CONTRACTORS, SUBCONTRACTORS, OR ANYONE DIRECTLY OR INDIRECTLY EMPLOYED BY BQ ENERGY, ITS OFFICERS, EMPLOYEES, CONTRACTORS, CONTRACTORS OR ANYONE FOR WHOSE ACTS BQ ENERGY, ITS CONTRACTORS, OR SUBCONTRACTORS MAY BE LIABLE. IT IS AGREED WITH RESPECT TO ANY LEGAL LIMITATIONS NOW OR HEREAFTER IN

EFFECT AND AFFECTING THE VALIDITY OR ENFORCEABILITY OF THE INDEMNIFICATION OBLIGATIONS UNDER THIS OPTION AGREEMENT OR THE ADDITIONAL INSURED REQUIREMENTS UNDER THE INSURANCE REQUIRED BY THIS OPTION AGREEMENT, SUCH LEGAL LIMITATIONS ARE MADE A PART OF THE CONTRACTUAL OBLIGATIONS AND SHALL OPERATE TO AMEND THE OBLIGATIONS TO THE MINIMUM EXTENT NECESSARY TO BRING THE PROVISION INTO CONFORMITY WITH THE REQUIREMENTS OF SUCH LIMITATIONS, AND AS SO MODIFIED, THE OBLIGATIONS SHALL CONTINUE IN FULL FORCE AND EFFECT. SHOULD ANY PROVISION OR ANY PART OF ANY PROVISION OF THIS AGREEMENT BE HELD INVALID, UNENFORCEABLE OR CONTRARY TO PUBLIC POLICY, LAW, STATUTE OR ORDINANCE, THEN THE REMAINDER OF THE PROVISION, PARAGRAPH, THIS SECTION AND/ OR THIS AGREEMENT SHALL NOT BE AFFECTED THEREBY AND SHALL REMAIN VALID AND FULLY ENFORCEABLE.

- (4) BQ Energy will ensure the BQ Parties comply with all applicable rules and regulations regarding safety, access, and security while conducting activities on the Property.
- (5) The BQ Parties shall not substantially interfere with or require the modification of any normal business activities occurring on the Property including, but not limited to, the on-going operations of City's Citizen Collection Center located on the Property.
- (6) Notwithstanding anything to the contrary in this Agreement, neither BQ Energy nor any of the other BQ Parties shall alter the condition of the Site, including, but not limited to, conducting any invasive activities that would require disturbance or penetration of the surface of the Property and, in particular, the existing soil cover and/or cap on the Landfill, without City's prior written consent and written approval by TCEQ of the procedures used to conduct such invasive activities.

- C. BQ Energy, at its sole cost, shall cause to be prepared a survey of the portion of the Property to which the Parties agree shall be included within the Site. The Parties acknowledge and agree the boundaries of the Site shall be generally as depicted as set forth in Exhibit "A" attached hereto and incorporated herein by reference, but shall exclude the portion of the Property on which City's Citizen's Collection Center is presently located.

7. **Premises as Closed Landfill.**

- A. BQ Energy understands and acknowledges that (i) a substantial portion of the Property is a closed municipal solid waste landfill previously operated by City

pursuant to TCEQ Permit MSW-1049 and (ii) construction of the Facilities on the Property will likely require a permit or other consent from TCEQ. BQ Energy agrees that BQ Energy shall be solely responsible, at BQ Energy's sole cost and expense, for preparing or causing to prepare any and all applications required by TCEQ with respect to use of the Site for the Permitted Uses and construction of the Facilities including, but not limited to, all permit fees, engineering and design costs, air, soil and/or water sampling, and surveying. City agrees that it will provide all reasonable assistance with respect to information available to and in the possession of City relating to the Property and its prior use as a landfill. City further agrees to sign such documents, including any applications required as owner of the Property, that may be required by TCEQ. No application for a permit or other consent shall be submitted to TCEQ until reviewed and approved by City. Prior to commencement of any work on any application for permit to be submitted to TCEQ, BQ Energy shall provide to City the names of the consultants and professionals that BQ Energy intends to engage with respect to the preparation and prosecution of such applications. City shall have the right to approve or reject any or all of such consultants.

- B.** BQ Energy acknowledges that City has not made, and specifically disclaims, any warranty, guaranty, or representation, oral or written, past, present, or future, of, as to, or concerning:
- (1)** the nature and condition of the Property and the Site, including, but not by way of limitation, the water, soil, and geology, and the suitability thereof and of the Site for any and all activities and uses which BQ Energy, its successors or assigns may elect to conduct thereon; or
  - (2)** the manner, construction, condition, and state of repair or lack of repair of any of the Property.
- C.** BQ Energy expressly acknowledges that City makes no warranty or representation, express or implied, or arising by operation of law, including, but in no way limited to, any warranty of condition, habitability, merchantability, or fitness for a particular purpose of the Property.
- D.** BQ Energy further agrees that City has not warranted and does not warrant that the Property or any improvements located thereon now or in the future will meet or comply with the requirements of any safety code or regulation of the State of Texas, the City of Farmers Branch, the County of Dallas, or any other authority or jurisdiction. BQ Energy hereby further acknowledges and agrees that City does not make any representations or warranties regarding compliance of the Property with Applicable Environmental Laws, as hereinafter defined; provided, however, City hereby represents that as of the Effective Date it has received no notice, and has no knowledge, of any unresolved violations of Applicable Environmental Laws regarding the Property and that City is unaware of any investigations of alleged

violations of Applicable Environmental Law that have not yet resulted in a notice of violation.

8. **Consent to Electrical Interconnection.** City agrees to provide City's consent to BQ Energy applying to Oncor Electric Delivery Company, LLC for electrical interconnection for the Project substantially in accordance with the Form of Landowner Consent attached hereto as **Exhibit "D"** and incorporated herein by reference.
9. **"Effective Date" Defined.** As used in this Option Agreement, the term "Effective Date" means the date (i) this Option Agreement bears the signatures of authorized representatives of all Parties, whether on the same instrument or counterparts as provided herein and (ii) the Initial Option Fee has been paid.
10. **Termination of Option.** BQ Energy's right to exercise the Option shall terminate, and City shall have no further obligation to offer to lease the Site to BQ Energy, on the earliest of the following:
  - A. On the termination of the Option Term if the Option is not exercised by BQ Energy prior to the end of the Option Term;
  - B. On the Effective Date of the Lease;
  - C. The date BQ Energy delivers written notice that BQ Energy desires to terminate development of the Project; and
  - D. The date the Parties agree in writing to terminate this Option Agreement if prior to the end of the Option Term.
11. **Amendment.** No amendment of this Option Agreement shall be effective unless and until approved in writing by both Parties.
12. **Notices.** All notices, requests, demands or other communications required or permitted hereunder shall be in writing and shall be deemed to have been fully and completely made when given by hand, by confirmed facsimile transmission, by overnight delivery by Federal Express or other reliable courier or the mailing of such by registered or certified mail, addressed as follows:

If intended for City, to:

City of Farmers Branch  
Attn: City Manager  
13000 William Dodson Parkway  
Farmers Branch, Texas 75234

With a copy to:

Peter G. Smith  
Nichols, Jackson, Dillard, Hager & Smith, L.L.P.  
500 North Akard, Suite 1800  
Dallas, Texas 75201

If intended for BQ Energy, to:

BQ Energy Development, LLC  
Attn: Paul F. Curran, Managing Director  
400 Market Industrial Park, Suite 32  
Wappingers Falls, NY 12590

Any Party may at any time and from time to time by notice in writing to the other Party change the name or address of the person to whom notice is to be given as hereinbefore provided.

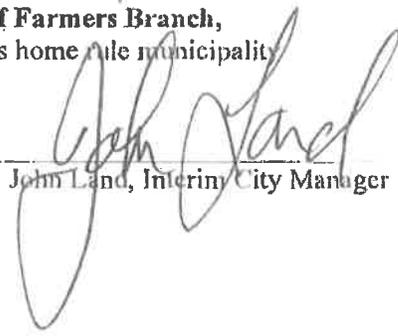
13. **Successors and Assigns.** This Option Agreement shall bind, and inure to the benefit of, the Parties and their respective successors and assigns. Neither Party will have the right to assign this Agreement, which consent shall not be unreasonably withheld or delayed; provided, however BQ Energy shall have the right to assign this Option Agreement or any of its rights hereunder without the prior written consent of City to a wholly-owned affiliate of BQ Energy formed for purposes of developing the Project. Notwithstanding anything in this Section 13 to the contrary, no assignment of this Option Agreement shall be effective and binding on City, whether or not City's consent to the assignment is otherwise required, unless the assignee of this Option Agreement has agreed in writing to assume all obligations of the assignor to this Option Agreement, and a copy of such assignment delivered to City.
14. **Governing Law.** This Option Agreement is entered into and is intended to be performed in the State of Texas, and the validity, enforceability, interpretation and construction hereof shall be determined and governed by the laws (other than conflict of laws provisions) of the State of Texas. Venue for any action under this Option Agreement shall be in a state district court of competent jurisdiction in Dallas County, Texas, the personal and subject matter jurisdiction of said court to which the Parties agree to submit.
15. **Severability.** Invalidation of any one of these covenants, conditions, or restrictions of this Option Agreement by judgment or court order shall in no way affect any other provisions, and all other provisions shall remain in full force and effect.
16. **Entire Agreement.** This Option Agreement constitutes the entire agreement between the Parties with respect to the subject matter hereof, and no statement, promise, representation or modification hereof by any person, if any, and whether oral or written, shall be binding upon any Party.
17. **Counterparts.** This Option Agreement may be executed by the Parties in separate identical counterparts; each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument. Each counterpart may consist of a number of copies hereof each signed by less than all, but together signed by all of the Parties.

18. **Exhibits.** The exhibits to this Option Agreement are attached hereto and incorporated herein by reference as if fully set forth herein.
19. **Business Day; Deadlines.** For purposes of this Option Agreement, a “business day” is any day that is not a Saturday, Sunday, a federally recognized holiday, the Friday after Thanksgiving, or Christmas Eve. If the last day for performance of a task within this Option Agreement, including the last day of the Option Term (as extended as provided herein) falls in a day that is not a business day, said last day shall be extended to the next day that is a business day.

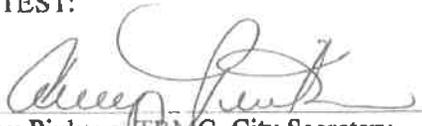
***[Signatures on Following Page ]***

SIGNED AND AGREED on this 1 day of June 2022.

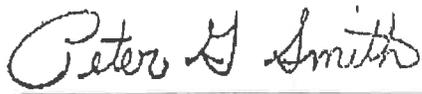
City of Farmers Branch,  
a Texas home rule municipality

By:   
John Land, Interim City Manager

ATTEST:

  
Amy Piukana, TRMC, City Secretary

APPROVED AS TO FORM:

  
Peter G. Smith, City Attorney

SIGNED AND AGREED on this 1st day of June 2022.

BQ Energy Development, LLC,  
a New York limited liability company

By: 

Name: Paul Curran

Title: Managing Director



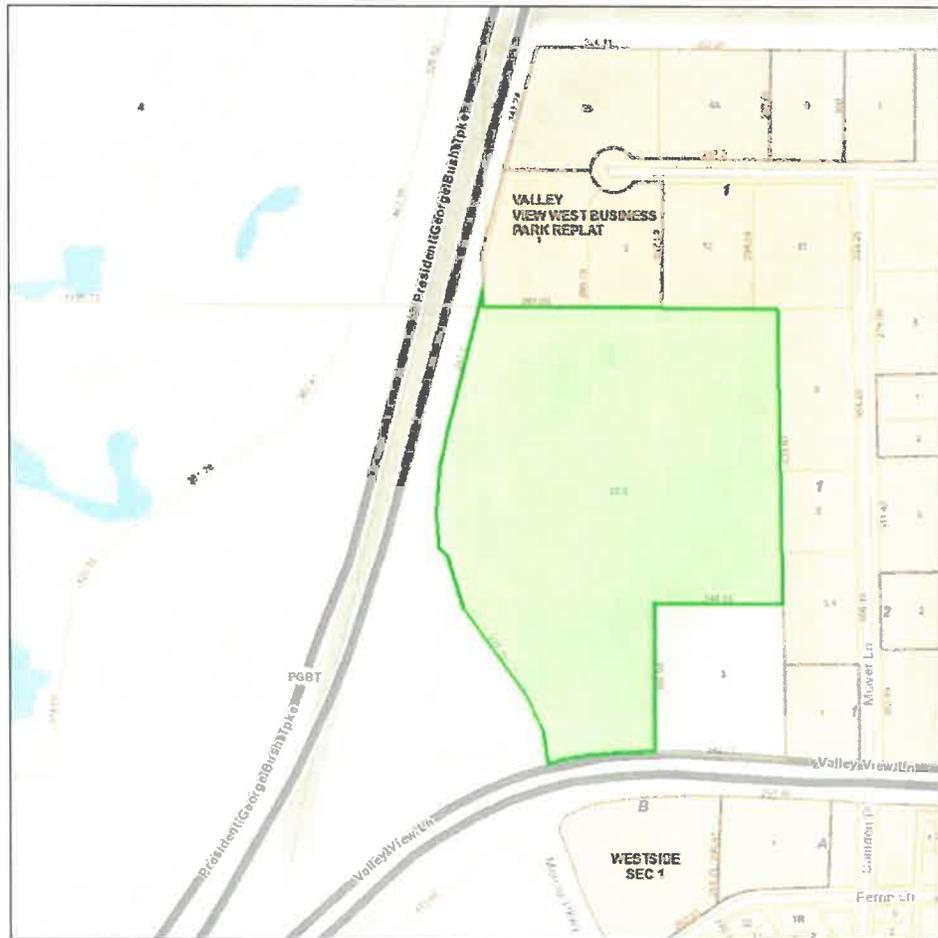
**EXHIBIT "A"**  
**DEPICTION OF THE PROPERTY**

The City of Farmers Branch is the owner of real property located at 1349 and 1399 Valley View Lane, Farmers Branch, Dallas County, Texas, said real property being identified by the Dallas Central Appraisal District as Parcel ID Nos. 65026706510370100 and 65026706510030000, respectively, and depicted in the map below.

**1399 Valley View Ln, Farmers Branch, TX**

DCAD ID: 65026706510370100

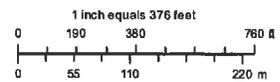
Date of copy: 2/24/2022



This product is for informational purposes only and may not have been prepared for or be suitable for legal, engineering, or surveying purposes. It does not represent an on-the-ground survey and represents only the approximate relative location of property boundaries.



  
Dallas Central Appraisal District  
2948 N Stemmons Freeway  
Dallas, TX 75247-6195  
(214) 631-1342  
www.dallascad.org



DCAD, NCTCOG, USGS, Esri, Inc



**EXHIBIT “C”  
FORM OF OPTION EXERCISE**

PROJECT: CITY OF FARMERS BRANCH SOLAR PROJECT

**NOTICE OF EXERCISE OF OPTION TO LEASE REAL PROPERTY**

\_\_\_\_\_  
(Date)

To:

City of Farmers Branch  
Attn: City Manager  
13000 William Dodson Parkway  
Farmers Branch, Texas 75234

In accordance with the terms and conditions of the Option to Lease Real Property Agreement (“Option Agreement”) Effective on the \_\_\_\_ day of \_\_\_\_ 2022, which Option Agreement bears the Project Name and Site Description set for the above, Notice is hereby given that BQ Energy Development, LLC hereby exercises said option and requests execution of the Lease.

BQ Energy Development, LLC

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

Name: \_\_\_\_\_

Title: \_\_\_\_\_





City of Farmers Branch  
13000 William Dodson Parkway  
Farmers Branch, Texas 75234

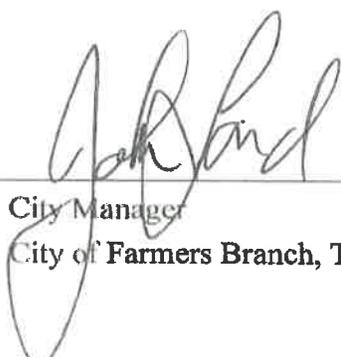
June 1, 2022

**Oncor Electric Delivery Company LLC**  
**Attn: Distributed Resource Specialist**  
**1616 Woodall Rodgers Fwy**  
**Dallas, TX 75202-1234**

The City of Farmers Branch (the "City") and BQ Energy Development, LLC ("BQ Energy") have entered into an Option to Lease Real Property Agreement for the Project on or about June 1, 2022 with a development term of up to three (3) years. The Project is to be located on property owned by the City located at 1349 and 1399 Valley View Lane, Farmers Branch, Texas identified by the Dallas Central Appraisal District as Parcel ID Nos. 65026706510370100 and 65026706510030000, respectively, and generally depicted in the map attached to this letter (the "Site"). The City is working exclusively with BQ Energy to develop an approximately 6.25 MWac of renewable energy storage, generation, and distribution system (the "Project") on the Site.

This Landowner Consent Form certifies that BQ Energy is authorized by the City to file for an electrical interconnection of distributed generation with Oncor and apply for all relevant and applicable landfill use permits, including those required by the Texas Commission on Environmental Quality for the purposes of developing the Project on the Site.

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

  
City Manager  
City of Farmers Branch, Texas

