

September 30, 2021

Dr. Pam Magee, Executive Director/Principal Palisades Charter High School (Pali-High)
 On Behalf of the Palisades Charter High School Board of Trustees
 15777 Bowdoin St.
 Pacific Palisades, CA 90272

Via Email

Dear Dr. Magee:

This letter of intent (the “**LOI**”) sets forth certain non-binding understandings and certain binding commitments for the development of the solar energy and possible battery storage project described below by PermaCity, a division of Catalyze Holdings, LLC, a Delaware limited liability company (along with its investors, affiliates or related special purpose vehicles, collectively “**PermaCity**”), and Palisades Charter High School Board of Trustees (“**Tenant**”) and/or assigns.

Nature of this LOI. Except in the sections below entitled “Confidentiality”, “Exclusivity” and “Expiration”, it is understood and agreed that this LOI is a statement of our mutual intentions with respect to the proposed transaction, does not constitute an obligation binding on either party, does not contain all matters upon which agreement must be reached in order for the transactions to be consummated, and creates no rights in favor of either party. A binding commitment with respect to the proposed transaction will result only upon execution and delivery of one or more definitive agreements executed between PermaCity and **Tenant** containing the applicable terms set forth below and such other terms on which the parties may mutually agree (“**Energy Savings Agreement**” or “**ESA**” and “**Solar Lease**” collectively **Definitive Agreements**”).

Anticipated Terms of the Definitive Agreements

Project	<p>A Hybrid of both “Behind,” and “In Front” of-the-meter solar photovoltaic renewable energy and battery storage project located at 15777 Bowdoin St. Pacific Palisades CA, 90272 the “Project”</p> <ul style="list-style-type: none"> ● 3.6 MW DC Solar PV ● Potential 1.0 MW/2.0 MWh Battery Energy Storage System (BESS) installation contingent upon SGIP and/or applicable other incentives being attained. ● Pay directly to roof contractor for a portion of new roof costs for areas where Solar PV is added at a budget cap of \$1,400,000.
Energy Saving Agreement (ESA)	<p>The transaction will involve selling the savings generated by the Project from PermaCity or an affiliate designated by PermaCity to Tenant under the following terms:</p> <ul style="list-style-type: none"> ● ESA Term: 25 years + two 5-year extensions at PermaCity’s option ● Year 1 ESA Payments to PermaCity \$117,825/yearly* with 3% annual escalator <p>*The ESA price is based on PermaCity selling over-produced electricity to LADWP’s Feed in Tariff program at \$0.14/ kW hour and sharing the proceeds with Tenant.</p>
Estimated Year 1 Production	6,007,603 kWh
Estimated Cumulative Savings	<p>\$ 3,092,538 with roof budget included</p> <p>*Estimated Savings during ESA Term are included as Exhibit A</p>

Target Signing Date for the Definitive Agreements	60 calendar days from the execution date of this LOI.
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Confidentiality. The parties have entered into a nondisclosure agreement, dated as of even date herewith (the “**Confidentiality Agreement**”), and acknowledge and agree that the terms and conditions thereof shall apply to the terms of this LOI and that the content of this LOI is strictly private and confidential and may not be disclosed to persons other than any professional advisors engaged by either of them in connection with the Project who are bound by similar confidentiality restrictions.

Exclusivity. You agree that during the Exclusivity Period (as defined below) you will not, and will cause your affiliates, employees, representatives, contractors and agents acting on your and their behalf not to, directly or indirectly discuss, solicit, entertain offers for, negotiate or execute, any agreements with any party other than PermaCity for the development the Project or entering into a ESA or Solar Lease. Landowner shall promptly send PermaCity notice of any offers received from third parties with respect to the development of the Project or entering an ESA or Solar Lease, together with notice of all material terms of such offers.

The “**Exclusivity Period**” shall mean the period commencing on the date this LOI is countersigned and terminating on the earlier of (i) execution of a Power Purchase Agreement and Solar Lease and (ii) 60 days from executing this LOI, unless extended or sooner terminated by written agreement of the parties.

Due Diligence. The terms set forth in this LOI are based on the limited information provided to PermaCity to date. PermaCity reserves the right to verify its assumptions underlying the anticipated LOI terms. You shall provide PermaCity with full and free access to your personnel, contractors, agents, the Project site, counterparties (subject to your participation in any discussions), and all other documents and information related to the Project which are reasonably required by PermaCity, subject to the confidentiality provision below.

Costs. Each party shall be responsible for its respective costs and expenses incurred in connection with this LOI and the negotiation and execution of the Power Purchase Agreement and other transaction documents.

Limited Representations and Warranties. Each party represents and warrants that it has full authority to enter into this LOI and that this LOI is a valid, legally binding and enforceable agreement. Each party further represents, warrants and covenants that it shall comply with all applicable laws, rules and regulations in performing its obligations under this LOI.

Entire Agreement. This LOI and the Confidentiality Agreement constitute the entire agreement between the parties and supersede all prior oral written agreements and understandings between the parties as to the subject matter thereof. This LOI may be amended or modified only by a writing executed by the parties.

Choice of Law and Dispute Resolution. This LOI shall be construed under and governed by the laws of New York. Any dispute that arises regarding this LOI that cannot be resolved by informal negotiations shall be submitted to nonbinding mediation. If the parties cannot agree upon a mediator, either party may request that the American Arbitration Association, in California, appoint a neutral and otherwise qualified mediator. Each party shall bear its own mediation costs. Injunctive relief may be sought by any party without resorting to mediation to prevent irreparable harm. In any judicial action, the Prevailing Party (as defined below) shall be entitled to payment from the opposing party of its reasonable costs and fees, including, but not limited to, attorneys’ fees arising from the civil action. “**Prevailing Party**” means

the party that most substantially prevails in its claims or defenses in the civil action. The parties waive their rights to a jury trial.

Counterparts. This LOI may be executed and delivered electronically in one or more counterparts each of which will be deemed to be an original and all of which, when taken together, will be deemed to constitute one and the same LOI.

Expiration. The terms of this LOI will expire on October 15, 2021, if PermaCity has not received a countersigned copy of this LOI by close of business on such date.

We look forward to working with you on the further development of the Project.

[SIGNATURES ON FOLLOWING PAGE]

CATALYZE HOLDINGS, LLC

By: _____
Steve Luker, CEO

Date: _____

Approved and Accepted on Behalf of the Palisades Charter High School Board of Trustees

By: _____
Dr. Pam Magee
Executive Director/Principal

Date: _____

Exhibit A

Estimated Savings During ESA Term With Roof Budget Included

ESA Year	Estimated Pre-Solar Utility Cost	Estimated Bill Savings from Solar	Estimated ESA Payment to PermaCity	Net Savings
1	\$ 263,016	\$208,798	(\$117,825)	\$90,973
2	\$ 270,906	\$213,986	(\$120,753)	\$93,233
3	\$ 279,034	\$219,298	(\$123,750)	\$95,548
4	\$ 287,405	\$224,737	(\$126,819)	\$97,918
5	\$ 296,027	\$230,304	(\$129,961)	\$100,343
6	\$ 304,908	\$236,003	(\$133,176)	\$102,827
7	\$ 314,055	\$241,836	(\$136,468)	\$105,368
8	\$ 323,477	\$247,807	(\$139,838)	\$107,969
9	\$ 333,181	\$253,919	(\$143,287)	\$110,632
10	\$ 343,176	\$260,174	(\$146,817)	\$113,357
11	\$ 353,472	\$266,576	(\$150,429)	\$116,147
12	\$ 364,076	\$273,129	(\$154,127)	\$119,002
13	\$ 374,998	\$279,834	(\$157,911)	\$121,923
14	\$ 386,248	\$286,696	(\$161,783)	\$124,913
15	\$ 397,835	\$293,718	(\$165,745)	\$127,973
16	\$ 409,770	\$300,903	(\$169,800)	\$131,103
17	\$ 422,063	\$308,254	(\$173,948)	\$134,306
18	\$ 434,725	\$315,776	(\$178,193)	\$137,583
19	\$ 447,767	\$323,472	(\$182,536)	\$140,936
20	\$ 461,200	\$331,346	(\$186,979)	\$144,367
21	\$ 475,036	\$339,401	(\$191,524)	\$147,877
22	\$ 489,287	\$347,641	(\$196,174)	\$151,467
23	\$ 503,966	\$356,070	(\$200,930)	\$155,140
24	\$ 519,085	\$364,691	(\$205,796)	\$158,895
25	\$ 534,657	\$373,510	(\$210,772)	\$162,738
Total	\$ 9,589,370	\$ 7,097,879	\$ (4,005,341)	\$ 3,092,538