

FORBEARANCE AGREEMENT

THIS FORBEARANCE AGREEMENT (the “**Agreement**”) is dated as of the ____ day of December, 2017, by and among NEW RESOURCE BANK, a California corporation (the “**Lender**”), BLUE SKY UTILITY - SUB 1, LLC, a California limited liability company (the “**Company**”), BLUE SKY UTILITY PORTFOLIO II 2017, LLC, a Delaware limited liability company (“Holdco”), and TN-REA TCF 2017, LLC, a Delaware, or its assigns (collectively, the “**Investor**”).

RECITALS

A. The Company has acquired the rights to construct and operate a solar photovoltaic system located at 35 E. Walker Street, Orland, California 95963 more particularly described in the Exhibit A attached hereto and made a part hereof (being hereinafter referred to as the “**Property**”).

B. Pursuant to that certain Amended and Restated Operating Agreement of Company dated _____, 2017 (the “**Company Operating Agreement**”), Holdco owns a 100% membership interest in the Company. Pursuant to the Operating Agreement of Holdco dated _____, 2017, Investor holds a ninety-nine percent (99%) interest in Company, and the Investor will make a substantial investment therein.

C. This Agreement is being entered into in connection with a loan (the “**Loan**”) being made by the Lender to the Company, to be secured inter alia, by a Security Agreement dated May 12, 2017, Assignment of Project Agreements dated May 12, 2017 and Assignment of System Documents and Other Collateral dated May 12, 2017 and UCC Financing Statements given by the Company (collectively, the “**Security Instrument**”). The Security Instrument and all other documents evidencing or securing the Loan are hereinafter referred to as the “Loan Documents”.

AGREEMENT

For mutual consideration, including the mutual covenants and agreements set forth below, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Defined Terms. Capitalized terms used herein and not otherwise defined shall have the meanings set forth in the Company Operating Agreement. In addition to the defined terms set forth in the Recitals to this Agreement, certain defined terms used herein shall have the meanings specified in Exhibit B attached hereto and made a part hereof.

2. Forbearance.

(a) During the Recapture Period only, the Lender and each Transferee agree to forbear from taking any action or exercise any remedy (at law or in equity) that would cause a Recapture Event or other disallowance of any part of the ITC (the “**Tax Credits**”) to the Investor. This provision shall not preclude the Lender from exercising its rights and remedies

with respect to a Permitted Transfer, under any guarantees of the Loan, or with respect to any other right or remedy available to the Lender under the Loan Documents that would not cause a Recapture Event or other disallowance of any part of the Tax Credits during the Recapture Period.

(b) Prior to commencing efforts to effectuate a Permitted Transfer during the Recapture Period, the Lender, the Company, the Holdco or each Transferee, as the case may be, shall provide written notice to Investor of its intention to effectuate a Permitted Transfer. None of the Lender, the Company, the Holdco nor any Transferee shall effectuate such Permitted Transfer unless the Lender, the Company, the Holdco or the Transferee, as the case may be, shall have received, within thirty (30) days after such notice to the Investor, either (i) the consent of the Investor to such Permitted Transfer, which consent shall be given if the Permitted Transfer does not cause a Recapture Event or other disallowance of any part of the Tax Credits; or (ii) an opinion of the Investor's counsel (at Investor's sole expense) that such Permitted Transfer, in and of itself, will not cause a Recapture Event or other disallowance of any part of the Tax Credits. Any attempted Permitted Transfer in violation of this Section 3(b) shall be void ab initio.

(c) Nothing in the documents executed in connection with the Loan or any replacement documents with any Transferee will preclude the Investor's right to collect any preferential return or distribution of available cash as the Investor may be entitled to as set forth in the as defined in the Holdco Operating Agreement as Investor may be entitled to as set forth in the Company Operating Agreement or Holdco Operating Agreement.

(d) The provisions of this Agreement are binding on the Lender and shall also be binding on any Transferee; provided, however, nothing herein shall bind or obligate the Lender to any provision of the Company Operating Agreement.

3. The Investor will not impede any foreclosure by the Lender of the Security Agreement or of any ownership interests in the Company or any sale or resale by the Lender of such ownership interests; provided, however, (i) such foreclosure, sale or resale does not result in admission of a person that would disqualify the Tax Credits, (ii) the Investor consents to the admission of any such substitute managing member other than the Lender or its affiliates, such consent not to be unreasonably withheld, conditioned or delayed, and (iii) the Lender shall have required such third party to such foreclosure, sale or resale to execute and enter into a forbearance agreement substantially in the form of this Agreement as a condition to such transfers.

4. The Lender shall, simultaneously with the giving of any notice of the occurrence of an event of default with respect to the Loan (a "Default Notice"), give a duplicate copy thereof to the Investor, provided the failure of the Lender to give such notice shall not be deemed to be a default of this Agreement nor excuse performance of any obligation of the Company under the Loan Documents. The Investor shall have the right, but not the obligation, to cure the event(s) of default listed in any Default Notice. For monetary defaults, the cure period shall be 5 days from the Lender giving the Default Notice. For all other defaults, the cure period shall be 30 day from the Default Notice. With respect to any such Investor cure, the Lender shall accept timely performance by or on behalf of the Investor as though, and with the same effect as if, it had been done or performed by the Company.

5. Collateral. Lender hereby represents and warrants that Environmental Attributes as defined in its Loan Agreement dated May 12, 2017 and Security Instrument does not include the investment tax credits allocated to Investor under Section 48(a)(3)(A(i) of the Code (“Tax Credits”) and that the Lender will not make any claim that Tax Credits are held as collateral by Lender even though Lender’s Loan Documents state “Tax Benefits” in Lender’s definition of Environmental Attributes.

6. Each individual executing this Agreement on behalf of the Company represents and warrants that he is duly authorized to execute and deliver this Agreement on behalf of the Company in accordance with Company Operating Agreement.

7. Any notice, election, communication, request or other document or demand required or permitted under this Agreement shall be in writing and shall be deemed delivered on the earlier to occur of (a) receipt, or (b) the date of delivery, refusal or nondelivery indicated on the return receipt, if deposited in a United States Postal Service Depository, postage prepaid, sent certified or registered mail, return receipt requested, or if sent via a recognized commercial courier service providing for a receipt, addressed to the Company, the Lender or the Investor, as the case may be, at the following addresses:

If to the Company:

Blue Sky Utility - Sub 1, LLC
1715 2nd Street
Napa, CA 94559
Attention: Barend Venter

If to the Holdco:

Blue Sky Utility Portfolio II 2017, LLC
1715 2nd Street
Napa, CA 94559
Attention: Barend Venter

with a copy to:

Kelly Wallace, Esq.
1207 Randolph Street
Napa, CA 94559
Attention: Kelly Wallace, Esq.

If to the Lender:

New Resource Bank
255 California Street, Suite 600
San Francisco, CA 94111
Attention: Michael Jones

with a copy to:

Law Offices of Charles R. Campbell, Jr.
700 Larkspur Circle, Suite 199
Larkspur, CA 94939
Attention: Charles R. Campbell, Jr.

If to the Investor:

TN-REA TCF 2017, LLC
c/o Renewable Energy Alternatives, LLC
718 W Business Hwy 60
Dexter, MO 63841
Attention: Michael W. Mills

with a copy to:

Leslie Sha Law Office LLC
9233 Ward Parkway, Suite 240
Kansas City, MO 64114
Attention: Leslie K. Sha

8. The term “Lender” as used herein includes any successor or assign of the named Lender herein, including without limitation, any co-lender at the time of making the Loan, any purchaser at a foreclosure sale and any transferee pursuant to a deed in lieu of foreclosure, and their successors and assigns, and the term “Company” as used herein includes any successor and assign of the named Company herein, respectively; provided, however, that such reference to the Company’s successors and assigns shall not be construed as the Lender’s consent to any assignment or other transfer by Company.

9. If any provision of this Agreement is held to be invalid or unenforceable by a court of competent jurisdiction, such provision shall be deemed modified to the extent necessary to be enforceable, or if such modification is not practicable, such provision shall be deemed deleted from this Agreement, and the other provisions of this Agreement shall remain in full force and effect, and shall be liberally construed in favor of Lender.

10. Neither this Agreement nor any of the terms hereof may be terminated, amended, supplemented, waived or modified orally, but only by an instrument in writing executed by the party against which enforcement of the termination, amendment, supplement, waiver or modification is sought.


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

12. Time is of the essence with respect to all provisions of this Agreement.

[SIGNATURE PAGE FOLLOWS]

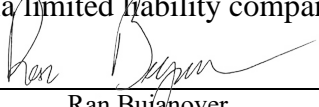
NEW RESOURCE BANK:

NEW RESOURCE BANK, a California corporation

By:  (SEAL)
Name: Michael Jones
Title: VP / Relationship Manager

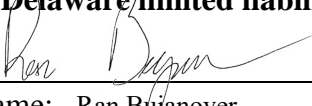
BLUE SKY UTILITY - SUB 1, LLC:

BLUE SKY UTILITY - SUB 1, LLC, a California limited liability company

By:  (SEAL)
Name: Ran Bujanover
Title: Authorized Signatory

BLUE SKY UTILITY PORTFOLIO II 2017, LLC:

BLUE SKY UTILITY PORTFOLIO II 2017, LLC, a Delaware limited liability company

By:  (SEAL)
Name: Ran Bujanover
Title: Authorized Signatory

TN-REA TCF 2017, LLC:

TN-REA TCF 2017, LLC, a Delaware limited liability company

By: Renewable Energy Alternatives, LLC, its Manager

By: _____ (SEAL)
Name: _____
Title: _____

EXHIBIT A

PROPERTY

PARCEL ONE:

Parcel 1 as shown on that certain Parcel Map filed in the office of the County Recorder of the County of Glenn, State of California on May 2, 1974 in Book 3 of Parcel Maps, at page 46.

APN: 041-071-011-0

PARCEL TWO:

Parcel 1 as shown on that certain Parcel Map filed for record in the office of the County Recorder, State of California, State of California, on November 14, 1974 in Book 3 of Parcel Maps, at page 94.

APN: 041-071-032-0

EXHIBIT B

DEFINED TERMS

“Code” means the Internal Revenue Code of 1986, as amended.

“Disqualified Transferee” means any of the following:

(a) a tax exempt organization described in Section 50(b)(3) of the Code unless the property is used by such organization predominantly in an unrelated trade or business the income of which is subject to tax under Section 511 of the Code; or

(b) the United States, any state or political subdivision thereof, any possession of the United States, or any agency or instrumentality of any of the foregoing; or

(c) a foreign person or entity (as defined in Section 168(h)(2)(C) of the Code) unless more than fifty percent (50%) of the gross income derived by the foreign person or entity is subject to U.S. tax or included under Section 951 of the Code in the gross income of a United States shareholder for the taxable year with or within which ends the taxable year of the controlled foreign corporation in which such income was derived; or

(d) a mutual savings bank, cooperative bank, or domestic building and loan association to which Section 593 of the Code applies; or

(e) a regulated investment company or real estate investment trust subject to taxation under subchapter M, Chapter 1 of the Code (but not including a “taxable REIT subsidiary,” as defined in Section 856(1) of the Code; or

(f) a cooperative organization described in Section 1381(a) of the Code; or

(g) a partnership or other pass-thru entity in which any Disqualified Transferee described in subparts (a) through (f), above, owns a direct or indirect partner or member interest.

“Recapture Event” means recapture, loss, reduction, or disallowance of the ITC for any reason other than the transfer by Investor of its Membership Interest in the Holdco.

“Recapture Period” means the period commencing as of the date of this Agreement and ending on the next business day following the fifth (5th) anniversary of the date on which the Property is first placed in service.

“Taxes” means any and all liabilities, losses, expenses and costs that are, or are in the nature of, taxes, fees or other governmental charges, including interest, penalties, fines and additions to tax, including, but not limited to additions to tax due to a Recapture Event, imposed by the Internal Revenue Service.

“Permitted Transfer” means taking direct or indirect ownership of any member interest (an **“Ownership Interest”**) in the Company.

“Transferee” means the Lender, its successors and assigns, any designee of the Lender or any other party taking an Ownership Interest in connection with or following a Permitted Transfer.