

FUNDING AGREEMENT

THIS FUNDING AGREEMENT (this "Agreement") is made as of April __, 2020 (the "Effective Date") by Strauss Wind, LLC, a California limited liability company ("Project Company") and the County of Santa Barbara, a political subdivision of the State of California ("County"), with reference to the following facts:

RECITALS

A. Project Company intends to develop, construct and operate the Strauss Wind Energy Project (the "Project") on certain real property located in the County of Santa Barbara, State of California, designated as Assessor's Parcel Number 083-080-004, 083-090-001, 083-090-002, 083-090-003, 083-090-004, 083-100-004, 083-100-007, 083-100-008, 083-250-011, 083-250-16 and 080-250-019 (collectively, the "Property").

B. County has approved a County Conditional Use Permit No. 16CUP-00000-00031 and County Variance No. 18VAR-00000-00002 for the Project (the "County Permits" or "County CUP"), subject to several Conditions of Approval. Project Company has received the following state and federal permits for the Project: California Endangered Species Act Incidental Take Permit No. 2081-2018-065-05 dated April 13, 2020 from the California Department of Fish and Wildlife (the "ITP"), and the Biological Opinion (File No. SPL-2018-00819-CLH) dated April 2, 2020, issued by the United States Fish and Wildlife Service (the "Biological Opinion"). The County Permits, ITP and Biological Opinion are collectively referred to in this Agreement as the "Permits".

C. County CUP Condition of Approval #11 and Condition of Approval #13 require Project Company to record conservation easements prior to the issuance of Zoning Clearance, and Condition of Approval #13 specifies that the required conservation easement must "protect[] the proposed conservation area in perpetuity" and be "controlled by a qualified conservation organization" approved by the County. U.S. Code Title 26, Section 170(h) defines "qualified organization" for purposes of receiving a "qualified conservation contribution."

D. Project Company has delivered two conservation easement Grant Deeds benefitting the County, one encumbering APN 083-080-004 and the other encumbering APN 083-090-001 and 080-090-002 (collectively, the "Scolari Conservation Easements"). Project Company desires to voluntarily grant to the County, instead of a third-party qualified conservation organization, the Scolari Conservation Easements as those conservation easements required by the County CUP Conditions of Approval.

E. The parties agree that the County is qualified to hold the Scolari Conservation Easements. County desires to accept Project Company's voluntary grant of the Scolari Conservation Easements on the condition that County funds are not required to be expended for the costs incurred by the County in monitoring, maintaining, and enforcing the terms of the Scolari Conservation Easements or any costs that will be incurred in transferring the Scolari Conservation Easements to a third-party qualified conservation organization in the future.

F. County CUP Condition of Approval #16 requires Project Company to obtain the ITP and Biological Opinion for the Project. Section 9 of the ITP issued for the Project requires Project Company to record a conservation easement consistent with the requirements of the ITP within six months of the effective date of the ITP. Project Company intends to record a

comprehensive conservation easement package that would encumber a portion of the Property, including the three parcels covered by the Scolari Conservation Easements, and satisfy both the County CUP Conditions of Approval and the ITP issued for the Project with respect to the conservation easements required under the Project Permits (the "Comprehensive Conservation Easements"), as referenced in Section 21 of the Scolari Conservation Easements Grant Deeds.

G. As consideration, in part, for County's acceptance of the Scolari Conservation Easements, Project Company herein agrees to reimburse the County for costs related to holding, managing, enforcing, and maintaining the Scolari Conservation Easements in perpetuity, as well as for costs related to the potential future transfer of the Scolari Conservation Easements to a third-party qualified conservation organization, with such reimbursement obligation to be secured by a performance security approved by the County, pursuant to the terms and conditions of this Agreement.

AGREEMENT

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Project Company Payment Obligation. Following County acceptance and recordation of the Scolari Conservation Easements, Project Company shall reimburse the County for its actual, documented costs and expenses (including but not limited to internal staff time) related to management of the Scolari Conservation Easements, including but not limited to monitoring and enforcing the Scolari Conservation Easements (the "Ongoing Management Costs"). Ongoing Management Costs may include, but are not limited to: periodic inspections of the property to assess compliance with the terms of the easement including documentation of compliance through written reports; administrative costs associated with scheduling and coordinating with the landowners, arranging access, coordination of resource monitoring and research activities; and repair and maintenance of infrastructure (signage, fencing) necessary for resource protection.

Additionally, Project Company shall reimburse the County for its actual, documented costs and expenses (including those amounts the County reimburses to a potential Transferee) related to transferring the Scolari Conservation Easements to a third-party qualified conservation organization (the "Transfer Costs").

The Project Company's obligation to reimburse the County for its Ongoing Management Costs and Transfer Costs are collectively referred to herein as the Project Company's "Payment Obligation".

The County shall submit monthly invoices to Project Company, along with an itemized account of all costs and expenses incurred by the County associated with Ongoing Management Costs and/or Transfer Costs. The County shall invoice Project Company for such costs and expenses incurred within 60 days of incurring them. Project Company shall remit payment to the County within 30 days of receipt of the County's invoice.

Project Company's Payment Obligation shall terminate only upon the occurrence of either of the following events: 1) the County vacates and abandons its interest in the Scolari Conservation Easements; or 2) the County transfers the Scolari Conservation Easements to a third-party qualified conservation organization ("Transferee") and the parties mutually agree to

terminate the Project Company's Payment Obligation.

2. Project Company Performance Security Obligation. The Project Company's Payment Obligation shall be secured by a Performance Security in the amount of \$4,750,000. The Performance Security shall be either a cash deposit in an escrow account in a form approved by the County, a Letter of Credit in a form approved by the County, or a Corporate Surety Faithful Performance Bond in a form approved by the County. The approved Performance Security is attached hereto as **Exhibit A**. The County shall have the right to draw on the principal sum if the County, in its sole discretion, determines that the Project Company has failed to perform its Payment Obligation.

The Project Company's obligation to maintain the Performance Security shall terminate only upon the termination of its Payment Obligation, as set forth in Section 1, above.

3. Recordation of the Comprehensive Conservation Easements. The County acknowledges that Project Company is working with the property owners of the Property and various governmental agencies, including the County, to finalize the Comprehensive Conservation Easements, as set forth in Section 21 of the Scolari Conservation Easements Grant Deeds.

In the event that the Project Company records the Comprehensive Conservation Easements, and the County determines that the Comprehensive Conservation Easements fully satisfy the purposes of the Scolari Conservation Easements and protects the Conservation Values set forth therein, and the Project Company and County agree to terminate the Scolari Conservation Easements upon the recordation of the Comprehensive Conservation Easements, then concurrent with such recordation, the Scolari Conservation Easements shall have no further force and effect and the County shall execute, acknowledge and record in the Official Records of Santa Barbara County an instrument vacating and abandoning the Scolari Conservation Easements. As set forth in Sections 1 and 2, above, the Project Company's Payment Obligation and Performance Security Obligation shall terminate in the event that the County vacates and abandons its interest in the Scolari Conservation Easements.

4. County Transfer of the Scolari Conservation Easements. The County will not transfer the Scolari Conservation Easements for a period of six months after the Effective Date. Thereafter, the County may transfer the Scolari Conservation Easements to a qualified conservation organization ("Transferee") that is authorized to hold conservation easements pursuant to California Civil Code Section 815.3 and in compliance with the provisions of the Scolari Conservation Easements (a "Transfer"). In the event the County decides to commence a Transfer, the County shall notify Project Company in writing. As set forth in Section 1, above, in the event a Transfer occurs and the parties mutually agree to terminate the Project Company's Payment Obligation, Project Company shall have no further Payment Obligation and the County shall return the Performance Security to Project Company.

5. Notices. Any notice, demand, request, consent, approval, or other communication that any party desires or is required to give to the other parties shall be in writing and be served personally or sent by recognized overnight courier that guarantees next-day delivery or by first class United States mail, postage fully prepaid, and addressed as follows:

To Project Company: Strauss Wind Energy Project
5901 Priestly Drive, Suite 300
Carlsbad, CA 92008
Attn: Daniel Duke

To the County: County of Santa Barbara
123 East Anapamu Street
Santa Barbara, CA 93101
Attn: Lisa Plawman

or to such other address as each Party shall designate by written notice to the other party. Notice shall be deemed effective upon delivery in the case of personal delivery or delivery by overnight courier or, in the case of delivery by first class mail, three (3) days after deposit into the United States mail.

6. Amendment; Replacement and Termination. This Agreement may be amended by the parties only by mutual written agreement. Any such amendment shall be consistent with the purposes of the Scolari Conservation Easements and California law governing conservation easements.

7. Additional Provisions.

(a) Controlling Law and Venue. The interpretation and performance of this Agreement shall be governed by the laws of the State of California, disregarding the conflicts of law principles of such state, and the venue for any arbitration, mediation, litigation, or other legal action to enforce or interpret the terms hereof shall be in the Superior Court for the County of Santa Barbara, Santa Maria Division.

(b) Severability. If a court of competent jurisdiction voids or invalidates on its face any provision of this Agreement, such action shall not affect the remainder of this Agreement. If a court of competent jurisdiction voids or invalidates the application of any provision of this Agreement to a person or circumstance, such action shall not affect the application of the provision to any other persons or circumstances.

(c) Assignment. The rights and obligations set forth in this Agreement are assignable. Each and all of the covenants and conditions of this Agreement shall inure to the benefit of and shall be binding upon the respective heirs, executors, administrators, successors and assigns of the parties.

(d) Entire Agreement. This Agreement, the recitals and exhibits hereto set forth the entire agreement between the parties and supersede all prior discussions, negotiations, understandings, or agreements of the parties relating to the Agreement.

(e) No Recording. Neither party shall record this Agreement or a memorandum of this Agreement in the Official Records.

(f) Counterparts; Electronic Signatures. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s)

thereon provided such signature page is attached to any other counterpart identical thereto. Facsimile, documents executed, scanned and transmitted electronically and electronic signatures shall be deemed original signatures for purposes of this Agreement, with such facsimile, scanned and electronic signatures having the same legal effect as original signatures. The parties agree that this Agreement may be accepted, executed or agreed to through the use of an electronic signature in accordance with the Electronic Signatures in Global and National Commerce Act, Title 15, United States Code, Sections 7001 et seq., the Uniform Electronic Transaction Act and California Uniform Electronic Transactions Act (Cal. Civ. Code §§ 1633.1 to 1633.17), as such laws may be amended from time to time. Any document accepted, executed or agreed to in conformity with such laws will be binding on both Project Company and the County the same as if it were physically executed.

[SIGNATURES APPEAR ON FOLLOWING PAGE]

IN WITNESS WHEREOF the parties have executed this Funding Agreement as of the Effective Date.

PROJECT COMPANY:

STRAUSS WIND, LLC,
a California limited liability company

By: BayWa r.e. Wind, LLC
Its Sole Member

By: [Signature]
Name: DANIEL DAVIS
Its: Authorized Signer

By: [Signature]
Name: Courtney Dana
Its: Authorized Signer

COUNTY:

ATTEST:

COUNTY OF SANTA BARBARA

Mona Miyasato
County Executive Officer
Clerk of the Board

By: [Signature]

By: [Signature]
Deputy Clerk Chair, Board of Supervisors

Date: April 27, 2020

APPROVED AS TO FORM:

Michael C. Ghizzoni
County Counsel

By: [Signature]

EXHIBIT A
FORM OF SECURITY
(STANDARD FORM)

CORPORATE SURETY FAITHFUL PERFORMANCE BOND

Whereas, **STRAUSS WIND, LLC** (hereinafter referred to as "principal") has entered into that certain Funding Agreement (hereinafter the "Funding Agreement") with the County of Santa Barbara (hereinafter "County"), to which this Performance Bond is attached and incorporated, in connection with County's acceptance of conservation easements required by the **CONDITIONS OF APPROVAL** of the **CONDITIONAL USE PERMIT** for the **STRAUSS WIND ENERGY PROJECT (CASE NO. 16CUP-00000-00031)**; and,

Whereas, said principal is required under the terms of the **Funding Agreement** to provide security for the faithful performance and completion of principal's "Payment Obligation", as that term is defined in the Funding Agreement.

Now, therefore, we, the principal and **ARGONAUT INSURANCE COMPANY**, as surety, are held and firmly bound unto County in the penal sum of **FOUR MILLION SEVEN HUNDRED FIFTY THOUSAND AND NO/100** dollars (**\$4,750,000**) lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The conditions of this obligation shall be and remain in full force and effect until such time that the principal's Payment Obligation is terminated under the terms of the Funding Agreement.


As a part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by County in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

Bond No. SUR0036141

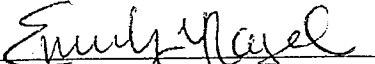
In witness whereof, this instrument has been duly executed by the principal and surety above named, on **April 24, 2020**.

STRAUSS WIND, LLC

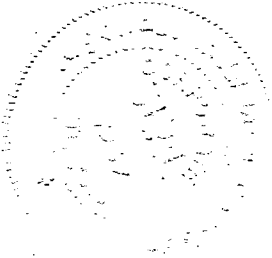


Courtney Dana
Authorized Signer

ARGONAUT INSURANCE COMPANY



Emily Nagel, Attorney-in-Fact



**Argonaut Insurance Company
Deliveries Only: 225 W. Washington, 24th Floor
Chicago, IL 60606**

United States Postal Service: P.O. Box 469011, San Antonio, TX 78246

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That the Argonaut Insurance Company, a Corporation duly organized and existing under the laws of the State of Illinois and having its principal office in the County of Cook, Illinois does hereby nominate, constitute and appoint:

Karl Choltus, Emily Nagel

Their true and lawful agent(s) and attorney(s)-in-fact, each in their separate capacity if more than one is named above, to make, execute, seal and deliver for and on its behalf as surety, and as its act and deed any and all bonds, contracts, agreements of indemnity and other undertakings in suretyship provided, however, that the penal sum of any one such instrument executed hereunder shall not exceed the sum of:

\$85,000,000.00

This Power of Attorney is granted and is signed and sealed under and by the authority of the following Resolution adopted by the Board of Directors of Argonaut Insurance Company:

"RESOLVED, That the President, Senior Vice President, Vice President, Assistant Vice President, Secretary, Treasurer and each of them hereby is authorized to execute powers of attorney, and such authority can be executed by use of facsimile signature, which may be attested or acknowledged by any officer or attorney, of the Company, qualifying the attorney or attorneys named in the given power of attorney, to execute in behalf of, and acknowledge as the act and deed of the Argonaut Insurance Company, all bond undertakings and contracts of suretyship, and to affix the corporate seal thereto."

IN WITNESS WHEREOF, Argonaut Insurance Company has caused its official seal to be hereunto affixed and these presents to be signed by its duly authorized officer on the 8th day of May, 2017.

Argonaut Insurance Company



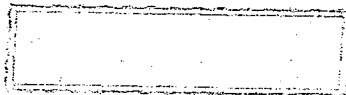
by: _____

Joshua C. Betz, Senior Vice President

STATE OF TEXAS
COUNTY OF HARRIS SS:

On this 8th day of May, 2017 A.D., before me, a Notary Public of the State of Texas, in and for the County of Harris, duly commissioned and qualified, came THE ABOVE OFFICER OF THE COMPANY, to me personally known to be the individual and officer described in, and who executed the preceding instrument, and he acknowledged the execution of same, and being by me duly sworn, deposed and said that he is the officer of the said Company aforesaid, and that the seal affixed to the preceding instrument is the Corporate Seal of said Company, and the said Corporate Seal and his signature as officer were duly affixed and subscribed to the said instrument by the authority and direction of the said corporation, and that Resolution adopted by the Board of Directors of said Company, referred to in the preceding instrument is now in force.

IN TESTIMONY WHEREOF, I have hereunto set my hand, and affixed my Official Seal at the County of Harris, the day and year first above written.

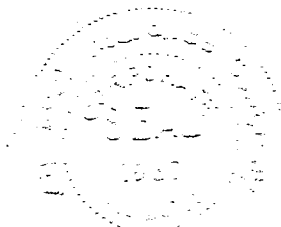


Kathleen M. Muebs

(Notary Public)

I, the undersigned Officer of the Argonaut Insurance Company, Illinois Corporation, do hereby certify that the original POWER OF ATTORNEY of which the foregoing is a full, true and correct copy is still in full force and effect and has not been revoked.

IN WITNESS WHEREOF, I have hereunto set my hand, and affixed the Seal of said Company, on the 24th day of APRIL, 2020



James Bluzard

James Bluzard, Vice President-Surety

NOTARY ACKNOWLEDGMENT

STATE OF OREGON

COUNTY OF MULTNOMAH

On April 24, 2020 before me, Nathan S. Wonder, a Notary Public, personally appeared Emily Nagel personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me all that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

WITNESS my hand and official seal.

Signature

Nathan S Wonder

