

# Ovanova Construction Services LLC

## Light Up Rural America

Debt Note	Repayment in 2 Installments	Annual Interest Rate 10%
Tenor 2 Years	Minimum Investment \$5	Increments \$1

**Description** Light up rural America by investing in a portfolio of 3 solar and storage projects.

- I. Funds raised will be used to cover the development and construction of 1 of the 3 projects of the portfolio, contingent upon receiving a US Department of Agriculture (USDA) Rural Energy for America Program (REAP) grant acceptance letter before 1/24/24.
- II. Projects have applied for the US Department of Agriculture (USDA) Rural Energy for America Program (REAP). Receiving REAP approval means that 50% of the project will be funded through the grant upon providing 1 month of power production data.
- III. If by 1/24/24 none of the projects have received an acceptance letter from the USDA, money will be returned to investors with no fees.

**Team** Ovanova is a passionate General Contractor specializing in solar and storage. Our reach spans 22 states, collaborating with over 60 utility companies. Ovanova's mission is to serve rural communities by providing solar systems that offer long-term value for property owners. We're committed to excellence and are trusted partners in delivering top-tier solar solutions, particularly in areas where grid outages are a concern.

We're here to light up your world with sustainable, reliable energy!

## Use of Proceeds

The Offering will only be considered successful if at least one of the projects in the portfolio receives an acceptance letter from the USDA within the Offering Period (by 1/24/2024). The table below summarizes the possible scenarios, provided the Target Offering Amount (\$120,000) is reached within the Offering Period.

Scenario	Outcome
None of the projects receive an acceptance letter from USDA REAP within the Offering Period.	Principal will be returned to investors. Investors will get 100% of their investment back. Fees incurred will be covered by Ovanova.
At least 1 project receives an acceptance letter from the USDA REAP within the Offering Period.	Campaign is considered successful. Funds will be used to cover the development and construction phase of the project that received the acceptance letter.
2 or 3 projects out of the 3 project portfolio receive an acceptance letter from the USDA REAP within the Offering Period.	Campaign is considered successful. Funds will be used to cover the development and construction phase of the 3 projects that received the acceptance letter.

## Impact

The energy produced by the project throughout its lifetime will avoid 2,838 Metric Tons of Carbon Dioxide equivalent, equivalent to 7.2 million miles driven by an average gasoline-powered car (US EPA, 2023).

## About

Engineering & Execution: Ovanova, operating under an Unlimited Building/General Contractors license, boasts 5 years of experience in managing construction projects, including over 100 solar installations. The company's founder, John Carey, is a seasoned project management professional with over 5 years of experience, having managed numerous construction projects in the solar industry, both residential and commercial. Collectively, John Carey and the Ovanova project management team possess an impressive 30 years of experience in the solar sector and have successfully completed residential and commercial projects spanning 22 states. They hold product certifications from Lux solar inverters, Sol-Ark solar inverters, Lumin smart electrical panels, and K2 solar racking.

Ovanova works closely with their engineering and design team, which includes their own in-house engineers responsible for the design of all projects. These designs are then meticulously reviewed and stamped by the consulting design firm, Current Renewables Engineering Incorporated. This firm is composed of licensed Professional Engineers

(PEs) who have extensive experience in the solar industry since 2018. They specialize in providing site assessments, design, engineering, and stamping services for solar, storage (Battery Energy Storage Systems (BESS)), and electric vehicle infrastructure (EVI) projects. This collaborative effort ensures that every Ovanova project is built to the highest standards of quality and reliability.

Interconnection: They will be applying for interconnection once they receive an acceptance letter from USDA REAP.

Real Estate: Projects are fully owned by the property owner.

Incentives: All projects have applied for the REAP program and are on track to hear back from the USDA in the next few months.

REAP offers financial support to agricultural producers and rural small businesses for renewable energy system installations and energy efficiency enhancements. Eligible applicants include agricultural producers deriving at least 50% of their income from agricultural operations, as well as small businesses located in qualifying rural areas.

In addition to the grant, the applicants Ovanova serves typically live in communities which qualify for bonus Investment Tax Credits (ITC). The Inflation Reduction Act (IRA) made these tax credits transferable (sellable) for people who do not have the tax liability to benefit from them fully. Combining the benefits of the USDA grant with transferring the tax credits are what allow the projects to be repaid quicker relative to normal solar projects and loans.

Permits: Projects are pending construction, electrical permits, and the interconnection agreement with the utility. They will apply once they receive an acceptance letter from USDA REAP. The expectation is that the process takes 1 month. Given the projects are small, interconnection is less challenging than what it would be for larger utility scale projects.

Equipment: All equipment used in this project is commercially available, by the following standards:

- The systems consist of Tier 1 equipment and components that have both a proven and reliable operating history and proven performance data for at least 1 year specific to the use and operation to the proposed applications.

Insurance: All projects will have General Liability Insurance.

Operations & Maintenance: Ovanova has a 20-year Repair and Replace Agreement.

For the next twenty years, Ovanova's customers will never pay another dime to have their system repaired due to technical failure, even if the equipment is out of warranty. When the batteries reach a 60% state of health, their batteries will be restored to full health to mitigate the concerns of having batteries that are not operating at their fullest

potential. This level of service is unique in the industry and is necessary to alleviate the fear of transitioning from dirty-energy consumers to clean power.

### Financial Information

10% annual interest based on the number of months elapsed. The investor will receive payment of principal and interest in 2 installments upon completion of:

- I. Milestone 1: Monetization of the Investment Tax Credit (ITC).
- II. Milestone 2: receiving REAP grant.

Completion of the milestones may happen anytime between 1/23/24 and 1/22/26. The expectation is that both milestones will happen during the 1st year & within 1-2 months of each other. Each milestone represents approximately 50% of the principal.

### Example

Below you will find 3 examples of Loan Amortization making the following assumptions:

- Hypothetical initial investment amount of \$10,000.
- The time between achieving Milestone 1 and Milestone 2 is estimated to be within 1 to 3 months. For simplicity, 2 months have been considered.
- Assumption that 50% of principal will be repaid upon achieving Milestone 1 and 50% upon Milestone 2.

#### Scenario 1. Payment at Maturity Date (2 Years)

		Month 22	Month 24
Milestone 1	Principal	\$5,000	
	Interest	\$916.67	
	Total	\$5,916.67	
Milestone 2	Principal		\$5,000
	Interest		\$1,000
	Total		\$6,000

Principal	\$10,000
Interest	\$1,916.67
Total	\$11,916.67

## Scenario 2. Payment within 1 Year

		Month 10	Month 12
Milestone 1	Principal	\$5,000	
	Interest	\$416.67	
	Total	\$5,416.67	
Milestone 2	Principal		\$5,000
	Interest		\$500.00
	Total		\$5,500.00

Principal	\$10,000
Interest	\$916.67
Total	\$10,916.67

## **Risk Disclosure**

In making an investment decision, investors must rely on their own examination of the issuer and the terms of the offering, including the merits and risks involved. Investments on Climatize are speculative, illiquid and involve a high degree of risk, including the possible loss of your entire investment.

## **Representation Attestation**

The content of this document is based entirely upon Ovanova's representations.

Ovanova, hereby certifies and attests that, to the best of their knowledge, the information provided in this document dated 26 October 2023 is true, accurate, and complete to the best of their knowledge at the time of this attestation.

This attestation is made with the understanding that it may be relied upon by Climatize Earth Securities LLC for legal and official purposes.

Ovanova understands the legal and binding nature of this attestation and acknowledges that any false or misleading information provided herein may have legal consequences. This Agreement will be construed and interpreted in accordance with the laws of the State of California (other than their choice-of-law provisions).

**DocuSigned by:**  
  
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John Carey  
Chief Executive Officer | Ovanova Construction Services LLC  
26 October 2023