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Ovanova Construction Services LLC
Shifting Gears to Solar

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

Description

Embark on a sustainable journey with Jesse, the visionary owner of MB Reps, a reputable retail trade and secondhand car dealership business in Nashville, GA.

Securing a 50% grant from the US Department of Agriculture (USDA) Rural Energy for America Program (REAP), they are poised to transform their operations.

Your contributions will propel the construction of a cutting-edge 22.78 kW solar installation paired with a robust 61.44 kWh battery storage system.

Join them in steering towards solar innovation!

Team

We are a passionate General Contractor specializing in solar and storage. Our reach spans 22 states and over 60 utilities.

Our mission is to serve rural communities by providing solar systems that offer long-term value for property owners.

Today, our goal is to pave the way for MB Reps and help them shift gears to solar. Together, let's drive positive change and pave the road to a greener, more sustainable future.

Use of Proceeds

The project has secured a 40% Investment Tax Credit (ITC) (available after construction begins) and 50% USDA REAP grant (available after 1 month of production data).

The funds Ovanova is raising are used for one purpose: complete the solar and storage project and unlock the incentives that allow repayment for project backers.

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Impact

The energy produced by the project throughout its lifetime will avoid 495.19 Metric Tons of Carbon Dioxide equivalent, equal to 1,269,719 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 in Q1 2024.

Real Estate: The project is fully owned by the property owner.

The project has received a 50% grant through the USDA REAP program (equal to $85,285.50). They have received acceptance from the USDA and have been requested to sign the “Request for Obligation of Funds”. The grant funds will be made available after showing 1 month of production data.

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 fifty percent of their income from agricultural operations, as well as small businesses located in qualifying rural areas.

Ovanova states the project is eligible for the investment tax credit (ITC). The ITC is a tax credit that reduces the federal income tax liability for a percentage of the cost of a solar system that is installed during the tax year. Solar systems that are placed in service in 2022 or later and begin construction before 2033 are eligible for a 30% ITC if they meet labor requirements issued by the Treasury Department or are under 1 megawatt (MW) in size.

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The project falls under that category, so it will be eligible for the 30% ITC. Additionally, Ovanova states the project does qualify for the Domestic Content Bonus of 10% ITC. This equals to a total of 40% ITC (equal to $68,228.40).

**Please note that the loan requested, $143,280.00 is lower than the total project cost, which is equal to $170,571.00. The percentages of the REAP grant and the ITC apply to the total cost of the project.*

Permits: Ovanova has completed the engineered designs and is waiting for the professional stamps to be returned. Other than a state electrical permit (which is issued within a few days of submitting the stamped drawings) there are no other permits required.

Equipment: All equipment used in this project is commercially available. 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: The project will have General Liability Insurance.

Operations & Maintenance: Ovanova has a 20 - year Repair and Replace Agreement. For the next twenty years, Ovanoa's customers will never pay another dime to have their system repaired due to technical failure, even if the equipment is out of warranty.

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 ITC.
II. Milestone 2: Receiving REAP grant.

Completion of the milestones may happen anytime between 3/25/2024 and 3/25/2026. The expectation is that both milestones will happen during the 1st year & within 1-2 months of each other.

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 and interest will be repaid upon achieving Milestone 1 and 50% upon Milestone 2.

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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
	Total		$5,500

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

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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 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.

DocuSigned by:
John Carey
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John Carey
Chief Executive Officer | Ovanova Construction Services LLC
Date: 12/26/2023