Ovanova Construction Services LLC
Solar for Debra's Family Farm

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

Description

Meet Debra, the owner of Lockard's Produce, a third generation family farm. Debra proudly carries on the farming legacy that her parents and grandparents nurtured during the challenging times of the Depression era. Inspired by their resilience and determination, Debra is committed to cultivating healthy produce. Now, she's taken her mission one step further by going solar.

Thanks to a grant from the US Department of Agriculture, Debra's dream of integrating solar energy into Lockard's Produce is becoming a reality. With your support, we can build an 8.04 kW solar system coupled with 30.72 kWh battery storage.

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 support Debra at Lockard's Produce go solar. Let's sow the seeds of change together and reap the harvest of solar energy.

Use of Proceeds

The project has secured a 40% Investment Tax Credit (ITC) (which becomes available once the project is installed) and 50% USDA REAP grant (available after 1 month of electricity 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.

Impact

The energy produced by the project throughout its lifetime will avoid 174.77 Metric Tons of Carbon Dioxide equivalent, equivalent to 448,136 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.

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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.

Real Estate: All energy produced and equipment will be owned by Lockard's Produce, LLC, with a lease agreement in place for a period of 25 years between Debra Lockard and Lockard's Produce, LLC. Debra Lockard is a 100% owner of the business.

Incentives and Offtake: The project has received a 50% grant through the USDA REAP program (equal to $30,758.00). They have received acceptance from the USDA and will have signed the "Request for Obligation of Funds" by the time the money is transferred to the issuer. The grant funding will be made available after showing one 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.

The project falls under that category, so it will be eligible for the 30%. Additionally, Ovanova states the project does qualify for the Domestic Content Bonus of 10%. This equals to a total of 40% ITC (equal to $24,606.40).

Necessary Agreements and Permits: The building permit, electrical permit, interconnection agreement, and zoning and historical review approvals will have approved applications before construction starts. The building and electrical permits will involve a post-construction inspection for full approval. Zoning final approval will be granted upon the passing of both aforementioned inspections. The interconnection agreement will involve a site-specific meter installation after the passing of both aforementioned inspections and zoning final approval. This will yield permission to operate the system. The power purchase agreement will be submitted immediately after the electric utility grants permission to operate. All will be complete before the project is considered complete.

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 which becomes available once the project is installed.
II. Milestone 2: Receiving REAP grant, after showing 1 month of production data.

Completion of the milestones may happen anytime between 05/21/2024 and 05/21/2026. 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.

John Carey

John Carey
Chief Executive Officer | Ovanova Construction Services LLC
Date: 02 / 21 / 2024