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Upgrade to Commercial Solar Across Your Enterprise Using Only Federal Tax Liability Dollars

SolarOne Financial LLC is offering a unique Financing Product coupled with the ability to Finance, Design, Engineer, Procurement, Install and Service Commercial Solar Photovoltaics in 8 states.

A typical client is a Corporation or LLC with sales of \$25M+ and owned facilities, paying estimated quarterly taxes, with a Federal Tax Liability (at Corp 21%) equals \$1M. Which becomes the down payment for the transaction. A typical cashflow is as follows;

Company Sales	\$25,000,000
EBITDA	\$5,000,000
Federal Tax Liability	\$1,050,000 at 21% Corp rate, LLC would be - 38% approximately.

In this scenario, SolarOne Financial, LLC will review all company owned location(s) for viable candidates for Commercial Solar upgrades. We would address \$3,800,000 in Solar upgrades on specific buildings, with a down payment of \$1M, only Federal Tax Liability dollars, no investment. These installations will offset Federal Tax liability as follows;

Federal Tax Liability - Current Period	\$1,050,000
Solar ITC 30% of \$3.8M (installations same period)	-\$1,140,000 (any Fed Tax Liability ex. FICA)
First Year Bonus Depreciation 20% of \$3.23M	\$678,000 Deduction
First Year Bonus Depreciation 20% Cash Value (21%)	\$142,500 Cash Value

\$1M of current Tax Liability dollars are used to fund project(s), No investment as follows;

Creates a total of \$633K retained cash from Tax Liability, \$90K Cash and \$2.58M in depreciation deductions for use over years 2-6. Cash Value of \$2.58M (deductions) at 21% is \$543k (Five Year MACRS), if your EBITDA will support it. Federal push for Solar creates the opportunity to upgrade all of your facilities, even if it takes repeated years. This will last every year through 2032, so you can repeat this several times, if needed, over several tax years.

Building Values

The \$3.8M Solar Installation is 1,225 watts generating 1,700,000 kwh annually. At .10¢/kWh that reduces facility operation costs by \$174,000 first year. A typical method of valuing commercial buildings is **Cap Rate**. At an 8% Cap Rate the \$174,000 savings may increase building values approximately \$2M first year, improving balance sheet assets. An 8% Cap rate may increase building value \$12 for each \$1 in reduced operating costs. Every future local utility rate increase also increase your building's value over time, this may increase to \$4M, in 20 years at 3% inflation rate. A 5% Electricity inflation rate will increase these values.

Electricity Values

The \$3.8M Solar Installation is 1,225 watts generating 1,700,000 kwh annually. At .10¢/kWh that reduces facility operation costs by \$174,000 first year. This will increase at 3-7% annually as utility companies increase rates over time (inflation). **Projected at 3% annually over 30 year lifecycle the energy produced has a value, minus repair and maintenance costs, of approximately \$10M. After payments to SolarOne of \$3.5M over 10 years NETS a potential \$6.5M over 30 years. If electricity cost increase at 5% annually this number potentially increases to by \$2.1M to equal \$8.6M NET. US electrical GRID upgrade for vast electrification of EV's, etc., projections suggest a doubling of the US GRID within the two decades. International Energy Agency cost projections are \$2.5T through 2035.**

Payments to SolarOne Financial, LLC

The \$3.8M in Solar Installations minus \$1M Down create a balance to finance of \$2.8M at 3.49% APR fixed 15 year amortization and a 10 year balloon payoff. The 15 year amortization helps create smaller monthly payments which are fixed for 10 years, until balloon payment is due. Payments of \$20,000 monthly or \$240,000 annually for 10 years, balloon payment of \$1,099,588 on the 121st Month. Monthly payments will average less than the value of electricity produced over this period. Total of Payments to SolarOne Financial, LLC equals \$3.5M.

To Summarize;

Using only Federal Tax Liability dollars, the client (depending Federal Tax Liability) may realize;

- 1) 100% offset of current year Tax Liability with Solar Tax Credits ITC (30% Investment Tax Credit) generated the first year, from installations, if client EBITDA can support it.
- 2) Retain \$90K cash of tax liability and an additional \$2.58M in MACRS depreciation deductions in years 2-6, cash value 543K @21% corporate tax rate. (If an LLC this would increase to 38% or potentially \$980.4K).
- 3) Potential Increased Building Values @ 8% Cap Rate of \$2M, increasing to potentially \$4M in future years as value of electricity output increases over time.
- 4) Value of lifecycle electricity production from Solar Installation of \$10M, after normal repair and maintenance costs. This increases over time as Utilities increase rates. See DOE reports.
- 5) Payments to SolarOne Financial during first 10 years of \$3.5M (includes balloon payment), pays off finance contract obligations.

In total, the client may realize \$9M NET of all costs using only the tax liability dollars (\$1.05M) if you have the EBITDA (and Federal Tax Liability), to support it, which varies from company to company.

This program is a Real Estate and Tax Play in early years and an Energy Play throughout. Please see your Tax Professional as we do not offer tax advice, This is a pro forma evaluation, your actual results will vary from this example as every tax situation is different. The evaluation is for Corporation's with a federal tax rate of 21%. If you are an LLC the values would increase substantially, please contact us for LLC valuations.

Thank you,

Doug Griffin

Doug Griffin

CEO

SolarOne Financial, LLC