



Solar Collector Inc.

Leasing + SPPA Project Information

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Cooperation company:

Hot Green Energy Investment Group

Company information

- Solar Collector Inc. is a manufacture of solar thermal products located in Los Angeles, and we also have our financing company named Hot Green Energy investment Group, a leading provide solar hot water lease + SPPA for commercial business owner.



- We believe that clean solar energy should be affordable for everyone. Therefore we offer you the groundbreaking solar lease option, the Solar Lease, which is a way for you to go solar without any upfront cost to save money and energy from day one after installation.
- Now you can afford to go solar without the high initial cost of installing the system. Instead of buying the equipment, you simply lease it from us. Solar Lease+SPPA is the most popular commercial solar financing option in this country!

- Your savings grow over time as utility rates continue to increase. Historically, utility rates have increased over 5% every year. With Solar Lease, you can lock in lower gas or electricity rates for the term of your lease.
- Solar Lease+SPPA can be a better investment than purchasing the system because you do not have a large upfront payment. You save money every month on gas or electricity bills, so you could be cash flow positive from day one. In addition, you do not have to worry about unexpected repair costs because they are covered under a Solar Lease warranty.

SPPA(Solar Power Purchase Agreement)

- Solar Power Purchase Agreement (SPPA) is a financial arrangement in which a third-party developer owns, operates, and maintains the solar thermal system, and a host customer agrees to site the system on its roof or elsewhere on its property and purchases the system's electric output from the solar services provider for a predetermined period. This financial arrangement allows the host customer to receive stable, and sometimes lower cost electricity, while the solar services provider or another party acquires valuable financial benefits such as tax credits and income generated from the sale of electricity to the host customer.

- With this business model, the host customer buys the services produced by the solar system rather than the solar system itself. This framework is referred to as the “solar services” model, and the developers who offer SPPAs are known as solar services providers. SPPA arrangements enable the host customer to avoid many of the traditional barriers to adoption for organizations looking to install solar systems: high up-front capital costs; system performance risk; and complex design and permitting processes. In addition, SPPA arrangements can be cash flow positive for the host customer from the day the system is commissioned.

Leasing + SPPA Project

- SPPA+ Lease & Procedures Requirements
- Project Examples
- Project cost & Lease payment Option
- Profit for customer & Project Safety
- After Service
- Qualification
- Green Energy

SolarPPA

- SolarCollectorInc. SolarPPA™ allows you to go solar without any capital investment and save money from day one.
- **No Capital Investment**
- Now you can go solar without the upfront cost. We install and maintain the equipment on your site. You pay little(lease payment)only for the solar electricity or gas you produce and use each month.
- **Reduce Operating Costs from Day One**
- When your business begins to generate its own solar power, your utility bill will drop significantly.
- The combination of your SolarPPA™ payment and reduced bill is typically less than what you pay the utility company today. As utility rates continue to rise, your savings will grow every year.



- **Fully Leverage Government Incentives**
- SolarCollectorInc. PPA™ can take advantage of federal, state and local incentives, grant programs, tax credits and depreciation. In some cases, SolarCollectorInc. can help organizations qualify for incentives they couldn't qualify for on their own.
- **Competitive Low Price**
- SolarCollectorInc. experience installing multi projects and our own manufacture and financial institutions allow us to pass our lower costs on to our customers. Our design team and construction experience allow us to efficiently manage your project without compromising quality or service.

Solar Lease

- We lease the solar water heating system to commercial owners (apartment-complex, hotel, motel, retirement/nursing house, restaurant, farm, slaughterhouse, est.) to reduce your gas or electricity bill payments every month.
- **\$0** payment for equipments and installation. You simply lease them.
- The combination of your low monthly lease payment and smaller gas or electricity bill is typically less than what you pay to the utility company today. You can start saving money from the very first day after installation.

Procedures Requirements



- Project Plan for commercial customer.
- Property owner will be customer.
- Agreement must be signed between customer and financing company with a five years minimum to a ten years maximum of lease period.
- State Rebate application.
- **Free 2 months** system test, which means no payment for the two month after installation.
- Customer leasing payment will be collected starting from the third month after installation. Payment is calculated according to the money saved from the first two month after installation. The payment will be a set amount to be collected on each month.

Project Example

DATE	09/01/2011
Name	Diamond Bar seafood Restaurant
Telephone	909-860-6339
Address	225 Gentle Springs Lane, Diamond Bar,CA,91765
Collector model	SCM 30L
Water demand/day	280 gallon
The Number of Tank	2
Suggestion Number of Collector	7
Provide BTU per Unit	36,4 MJ/ Day ; 34,5KBtu/day.
Total Provide BTU	48300BTU/h
Keeping Temperature	75° F -- 77° F

Equipment Fees	\$ 46,015
Installation & Materials Fee	\$ 30,000
Design Fee	\$ 6,720
City Permit Fee	\$ 1,341
Work station Fee	\$ 1,527
Other Fee	\$ 14,397
Total Cost for project	\$ 100,000

Project net cost

- Project total cost: \$ 100,000, investment from Financing company Hot Green Energy Investment Group, no upfront cost for customer. But property belongs to customer under SPPA agreement.
- Federal Tax Credit: 30% tax credit through 2016. 12. 31.  Financing company
 $\$100,000 * 30\% = \$30,000$
- CSI rebates (California State rebate) around 10% through 2017  Financing company
 $\$100,000 * 10\% = \$10,000$
- **Project net cost:**
 $\$100,000 - (\$3,000 + \$1,000) = \text{\$ 60,000}$

Lease payment

- Project net cost after tax credit and CSI rebate:
 $\$100,000 - (\$3,000 + \$1,000) = \$ 60,000$
- Total Lease payment: (project discount of Solar Collector Inc.)
 $\$ 60,000 / 2 = \$ 30,000$

Lease Payment Option:

- A. 3:7 70% of saving money per month
- B. 4:6 60% of saving money per month
- C. 5:5 50% of saving money per month

Advantage Disadvantage

A. 3:7
example:

Before solar system bill	\$3,000
With solar system installed	\$1,400
Saving money	$\$3,000 - \$1,400 = \$1,600$
Lease payment per month (70% of saving money)	$\$1,600 * 70\% = \$1,120$
For customer profit earn	$\$1,600 - \$1,120 = \$480$
Lease period	$\$30,000 / \$1,120 = 2,2\text{years}$

Advantage Disadvantage

B. 4:6

example:

Before solar system bill	\$3,000
With solar system installed	\$1,400
Saving money	$\$3,000 - \$1,400 = \$1,600$
Lease payment per month (70% of saving money)	$\$1,600 * 60\% = \960
For customer profit earn	$\$1,600 - \$960 = \$640$
Lease period	$\$30,000 / \$960 = 2,6 \text{ years}$

C. 5:5

Example:

Before solar system bill	\$3,000
With solar system installed	\$1,400
Saving money	$\$3,000 - \$1,400 = \$1,600$
Lease payment per month (50% of saving money)	$\$1,600 * 50\% = \800
For customer earn	$\$1,600 - \$800 = \$800$
Lease period	$\\$30,000 / \\$800 = 3,1\text{years}$

Profit for Customer

- Property owner.
- Value-added Tax
- Asset depreciation up to 30%.
- Tax credit.
- Safety system running for getting hot water and saving money from gas or electricity
- Bill payments.
- No damage of original property with city permit including insurance.
- 0 fee for the big upfront cost of solar water heating system.
- Earn 30% or 50% of saving payment every month.

0 Fee of System for Customer

- **No** material, application, and installation cost for customer. We take care of everything, but all we need is your cooperation and trust.
- We pay the total cost of solar thermal water heating system.
- First two months free, cash flow back direct to customers. Customers will get 80% or even 90% rate of return.
- We only collect the total of federal tax credit 30%, state rebate and lease fee from the money saved every month. The amount is a set amount calculated from the first two month after installation. Also the first two month of saved money is for you to keep.

Project Safety

- SCM 30L model has SRCC certified with OG-100 by U.S.A government.
- With City permit including insurance for system. No damage to customer's existing property (Layout, original tank est.)
- Our products will not replace the original parts. We will have them in good use.
- Solar system helps customer's original system running better in order to save the gas or electricity payments. Get more hot water every day.



After Service

- Your system will continue to perform for years to come.
- We continuously monitor your system to ensure it is running smoothly and performing as expected.
- We provide maintenance covered in the warranty life of the lease.
- When the systems are installed, ongoing maintenance is required for a short period of time to ensure it is running properly.

Qualification

	Qualified	Non-Qualified
Land/ Building Property	Owner	Non owner (If provide 3 years accounting statements will be considered)
Accounting statements	1 year accounting statement	
Tax	Tax Credit percentage >project cost	

Green Energy

- If you sell your property before the end of the lease, you can transfer the SPPA to the new owners if they qualify with excellent credit check, or you can prepay the credit and add it to your property cost.
- A solar system will help differentiate your place from other properties on the market—new buyers are looking for green place that are energy efficient and will help them save money on energy costs.

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Help link:

- CA CSI Thermal Handbook
www.gosolarcalifornia.org
- CSI-Thermal Application Database
www.csithermal.com
- Federal Tax Credit
www.treasury.gov/initiatives/recovery/Pages/1603.aspx
<http://www.energysavers.gov/financial/70010.html> (Solar Energy System)

Pictures Installation





Thank you for your time!
Feel free to contact us if you
have any questions.
Solar collector Inc.