



SCOUT
ENERGY ADVISORS

Solar Shade Structure Proposal

Sample Proposal for:
Chandler Christian Academy
19620 S McQueen Road
Chandler, AZ 85286

Please contact Lance Frank for your personalized proposal.
e: LFrank@ScoutSolar.com p. 480.547.4586

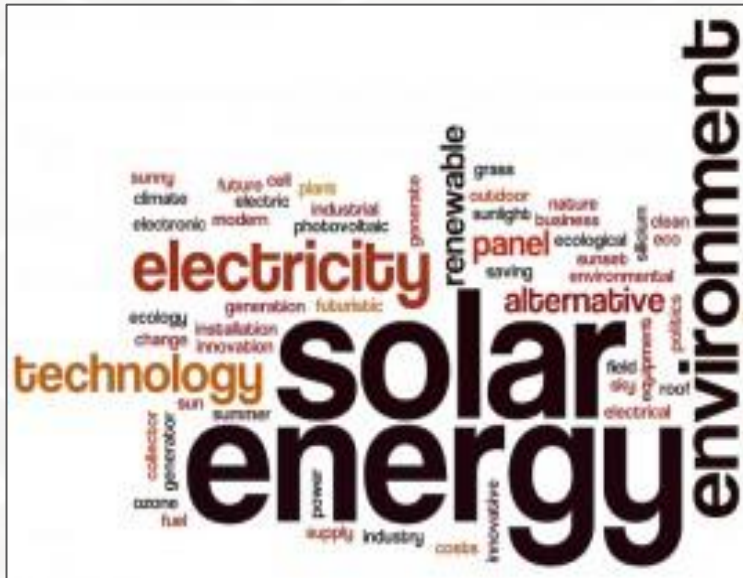
Scout
Energy
Advisors

Arizona's #1 provider of commercial solar
PPA's for private companies, charter schools
and non-profit organizations.



Introduction

Company History: Scout Energy Advisors



Scout Energy Advisors is a privately-owned solar power and energy efficiency project integrator based in Tempe, Arizona, established in 2008. The two principals and operations director's professional backgrounds are in investment banking, tax credit/incentives consulting and solar project management.

Our **team currently includes over 25 professionals** with specialized skills, including business development, engineering, solar array design, project management, steel erection and welding, construction, solar installation and project finance. **Our team has developed, installed and financed over 100 commercial solar photovoltaic (PV) power systems in the AZ market** which represent approximately 25 Megawatts (MW) of aggregate installed capacity.

Many of our clients initially hired Scout Energy Advisors for a specific project and subsequently requested we install solar arrays and LED lighting at all available facilities. We maintain an equity interest in, and provide operations and maintenance services (O&M) for all solar power projects financed through our Scout Solar Power Purchase Agreement (PPA), so you can rest assured our solar power systems are built to last and are guaranteed to provide solar power for your facility, for at least 20 years.



Solar Project Development Simplified



We provide a fully integrated, turnkey solution so you don't have to manage any aspect of PV project development. We've learned that relying on our capabilities ensures the highest level of quality, safety and efficiency for our solar energy projects.

Our flexible PPA platform and commercial solar expertise can help you reduce facility energy costs

We immediately reduce your facility's energy expenses.

Our customers buy renewable energy at a lower (\$/kWh) rate than they currently pay utilities, with no upfront Capex and most of our arrays are mounted on structures which provide shade for your facility's parking lots, walkways, playgrounds and sport courts.

We offer predictable energy prices.

You can accurately predict and manage your costs for the solar energy generated onsite for 20 years.

We can provide PPA financing for customers with unrated Credit.

Unlike our competition, which require an investment grade bond rating issued by S&P, Moody's or Fitch to provide a solar power purchase agreement (PPA) for your project, Scout Energy Advisors can finance privately held businesses, charter schools and non-profit entities such as churches and YMCA's without a bond rating, but determined to be creditworthy according to our proprietary credit scoring system.

We help you switch to solar seamlessly.

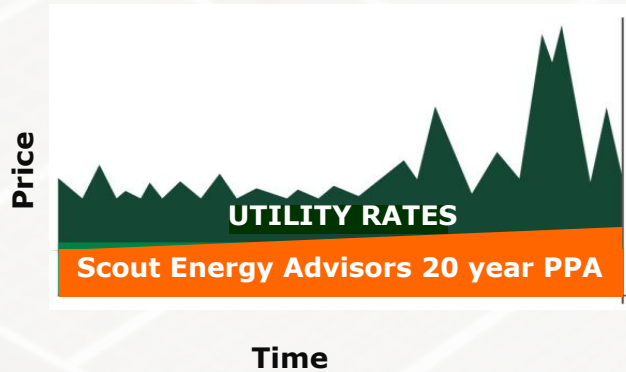
Scout Energy Advisors' experienced professionals take care of every step of the process and coordinate the construction schedule for your project to suit your facility's operational requirements, making the transition to solar as smooth as possible for our customers.

A PPA is far superior compared to a lease because there is no fixed payment, making it impossible to lose money.



Our solar energy systems offer predictable energy rates lower than your utility company's for 20 years

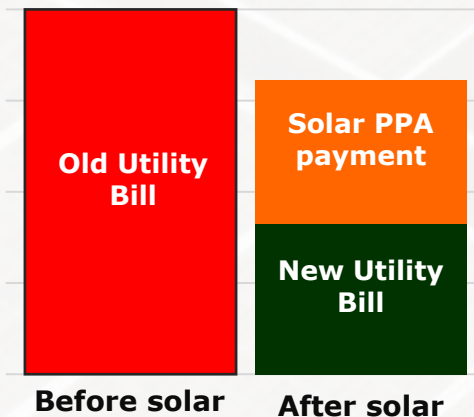
Pricing volatility in power markets.



Predictable cost of energy for 20 years.

Utility rates are volatile and frequently rise; historically between 2.5 – 3.5% per year over the past 20 years in AZ. A Scout Energy Advisors solar PPA guarantees performance and offers predictable rates for 20 years with annual rate escalator of only 1 – 2%; serving as a hedge against volatile market utility rates.

Save \$ on electricity every month.



Immediately reduce your energy costs.

Scout Energy Services customers see savings from day one with **no upfront costs or capital expenditure** (Capex), so you can invest the savings into additional high impact initiatives.

Cash Purchase or PPA Financing?

How a Scout Energy Advisors' PPA works

Scout Energy Advisors engineer, construct and maintain a PV system on your site.

- You simply “host” the system and only pay for the electricity generated and used onsite.

No upfront cost and immediate savings vs the utility's current (\$/kWh) rate.

- Scout Energy Advisors can fully leverage government incentives and depreciation which your organization may not have the tax appetite to exercise; lowering the overall PPA rate.

Shade structures for your parking lot, playground or sport court with no upfront Capex.

- Don't purchase a disposable, nylon shade canopy. We can provide a solid shade structure for your playground or parking lot and all you have to do is purchase the solar energy produced onsite.

Reduced electricity costs.

- Your (new lower utility bill) + (solar PPA payment) < old utility bill

Predictable electricity rates for the next 20 years.

- Protect yourself against utility rate escalation and uncertainty and lock in a low 1 – 3% annual escalator for all energy produced onsite over the 20 year term of your Scout Solar PPA.



Benefits: Scout Energy Advisors' PPA vs. Cash Purchase

Solar Power Purchase Agreement (PPA)

A solar PPA helps you save money from day one:

- We can deploy solar shade structures for your parking lot, playground or sport court with no upfront cost.
- Buy solar power with no upfront cost and only pay for the solar power the PV system generates.
- Secure a predictable \$/kWh energy rate that's less than the current market rate from your utility company.
- Protect yourself from volatile utility rate increases for the 20-year term of your Scout Solar PPA.
- Scout Energy Services installs, maintains, owns and guarantees the performance of the solar system.

Cash Purchase

Purchase the PV system from Scout Energy Advisors and enjoy the following benefits directly:

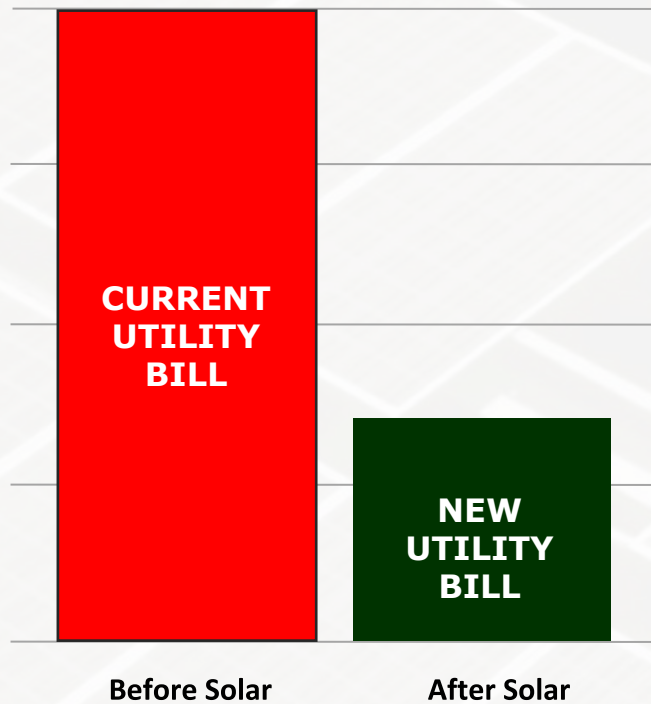
- Contract with Scout to design / build solar shade structures for your facility parking lot, playground or sport court.
- We can size your PV system to reduce your current utility bill up to 80% per month.
- Enjoy the benefits of U.S. Treasury's 30% investor tax credit and 5 year MACRS full depreciation of the asset.
- Scout installs the system and provides a 10 year warranty on the PV system (standard O&M services not included).
- You can maintain the PV system yourself or we can provide contracted O&M services for a monthly fee.



Monthly Impact: Cash Purchase vs Scout Solar PPA.

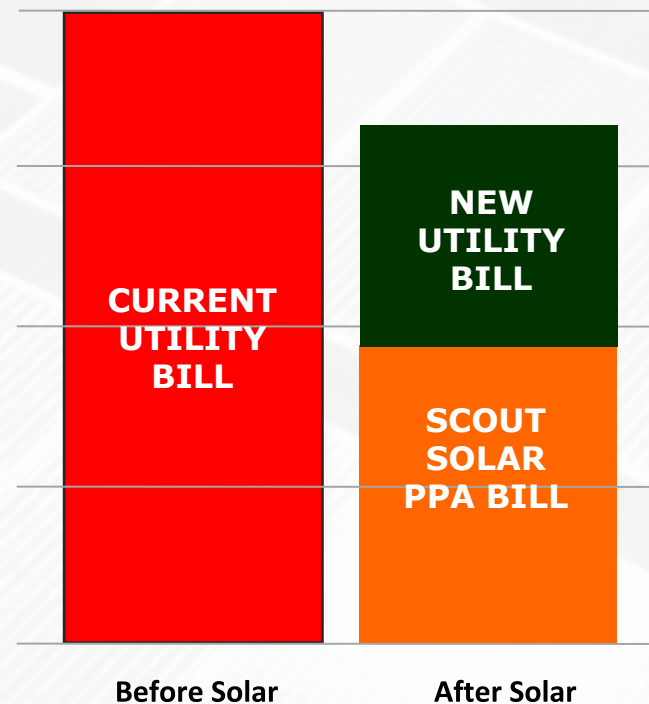
Cash Purchase - PV System

Substantial upfront investment. Energy savings pay off the Capex over time; typically 5 - 7 years to recoup investment



Power Purchase Agreement (PPA)

No upfront investment and pay a lower rate for solar electricity generated than your current utility rate

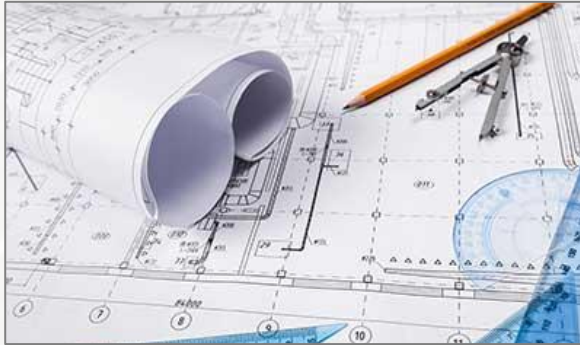


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Getting Started



Our project management experience streamlines the process: From pre-contract planning to electrification



We have a proven methodology.

Our experience stems from developing, financing and constructing > 24 MW of solar projects, including > 100 commercial projects in the AZ market.

We get the job done quickly and safely.

Our capabilities ensure that projects close quickly and efficiently, reduce the risk of cancellation and minimize the impact on your business. Above all, we're dedicated to safety.



We reduce project risk through a vertically integrated approach.

We constantly identify ways to lower costs, forecast policy changes and avoid potential project delays. We have a dedicated team focused on navigating common pitfalls of solar projects related to:

- Financing
- PV hardware and structural steel procurement
- Permitting and construction
- Federal and state tax credits
- PV system commissioning
- Ongoing operations and maintenance

The Scout Energy Advisors Process



Proposed PV System

Proposed PV System: Chandler Christian Academy.

380 kW PV Power Plant

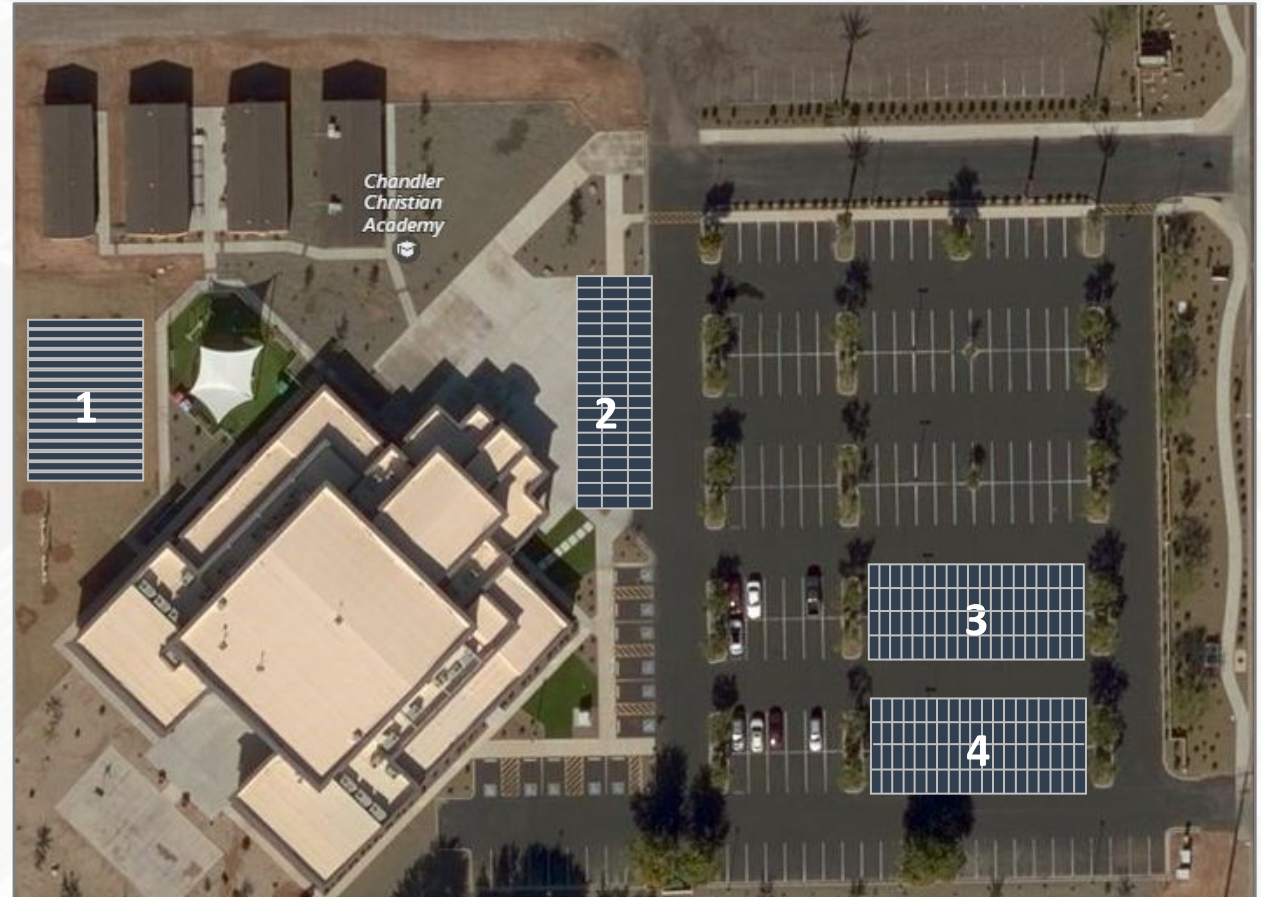
1. 90 kW elevated array (20')
2. 90 kW cantilever array @ pick-up area
3. 100 kW cantilever solar carport array
4. 100 kW cantilever solar carport array

Forecast PV Generation year 1:

627,380 kWh

Proposed PPA rate:

\$0.137 / kWh; 1% annual escalator



Proposed PPA Summary

		PPA Year	Forecast Annual Utility Bill w/o Solar	Annual Utility Bill w/o Demand	Portion of Bill offset by PV	Forecast PPA Payments*	Forecast Annual PPA Savings	Forecast: PPA + Utility	Forecast Savings w/o Demand*
PV System Size (kW)	380								
Initial Utility Rate	\$0.192	1	\$ 48,018.86	\$ 36,755.42	\$ 27,489.00	\$ 25,619.00	\$ 1,870.00	\$ 34,885.42	\$ 1,870.00
Utility Rate Minus Demand	\$0.147	2	\$ 49,212.13	\$ 37,668.79	\$ 28,172.10	\$ 25,745.81	\$ 2,426.29	\$ 35,242.51	\$ 2,426.29
Est. Annual Utility Increase	3%	3	\$ 50,435.05	\$ 38,604.86	\$ 28,872.18	\$ 25,873.26	\$ 2,998.92	\$ 35,605.94	\$ 2,998.92
Contracted Rate Escalator	1%	4	\$ 51,688.36	\$ 39,564.19	\$ 29,589.65	\$ 26,001.33	\$ 3,588.32	\$ 35,975.87	\$ 3,588.32
		5	\$ 52,972.82	\$ 40,547.36	\$ 30,324.95	\$ 26,130.04	\$ 4,194.92	\$ 36,352.44	\$ 4,194.92
Year 1 kWh Generation	627,380	6	\$ 54,289.19	\$ 41,554.97	\$ 31,078.53	\$ 26,259.38	\$ 4,819.15	\$ 36,735.82	\$ 4,819.15
Annual Derating	0.50%	7	\$ 55,638.28	\$ 42,587.61	\$ 31,850.83	\$ 26,389.36	\$ 5,461.47	\$ 37,126.14	\$ 5,461.47
Quoted \$/kWh Rate	\$0.137	8	\$ 57,020.89	\$ 43,645.91	\$ 32,642.32	\$ 26,519.99	\$ 6,122.33	\$ 37,523.58	\$ 6,122.33
		9	\$ 58,437.86	\$ 44,730.51	\$ 33,453.49	\$ 26,651.26	\$ 6,802.22	\$ 37,928.29	\$ 6,802.22
		10	\$ 59,890.04	\$ 45,842.06	\$ 34,284.81	\$ 26,783.19	\$ 7,501.62	\$ 38,340.45	\$ 7,501.62
		11	\$ 61,378.31	\$ 46,981.24	\$ 35,136.78	\$ 26,915.76	\$ 8,221.02	\$ 38,760.22	\$ 8,221.02
		12	\$ 62,903.56	\$ 48,148.72	\$ 36,009.93	\$ 27,049.00	\$ 8,960.93	\$ 39,187.79	\$ 8,960.93
		13	\$ 64,466.71	\$ 49,345.22	\$ 36,904.78	\$ 27,182.89	\$ 9,721.89	\$ 39,623.33	\$ 9,721.89
		14	\$ 66,068.71	\$ 50,571.45	\$ 37,821.86	\$ 27,317.45	\$ 10,504.42	\$ 40,067.03	\$ 10,504.42
		15	\$ 67,710.52	\$ 51,828.15	\$ 38,761.74	\$ 27,452.67	\$ 11,309.07	\$ 40,519.08	\$ 11,309.07
		16	\$ 69,393.12	\$ 53,116.08	\$ 39,724.96	\$ 27,588.56	\$ 12,136.41	\$ 40,979.67	\$ 12,136.41
		17	\$ 71,117.54	\$ 54,436.01	\$ 40,712.13	\$ 27,725.12	\$ 12,987.01	\$ 41,449.00	\$ 12,987.01
		18	\$ 72,884.81	\$ 55,788.75	\$ 41,723.83	\$ 27,862.36	\$ 13,861.47	\$ 41,927.28	\$ 13,861.47
		19	\$ 74,696.00	\$ 57,175.10	\$ 42,760.66	\$ 28,000.28	\$ 14,760.39	\$ 42,414.71	\$ 14,760.39
		20	\$ 76,552.20	\$ 58,595.90	\$ 43,823.27	\$ 28,138.88	\$ 15,684.39	\$ 42,911.51	\$ 15,684.39
		Total							\$ 163,932.23

Forecast savings vs utility over 20 year PPA Term

Project Summary:

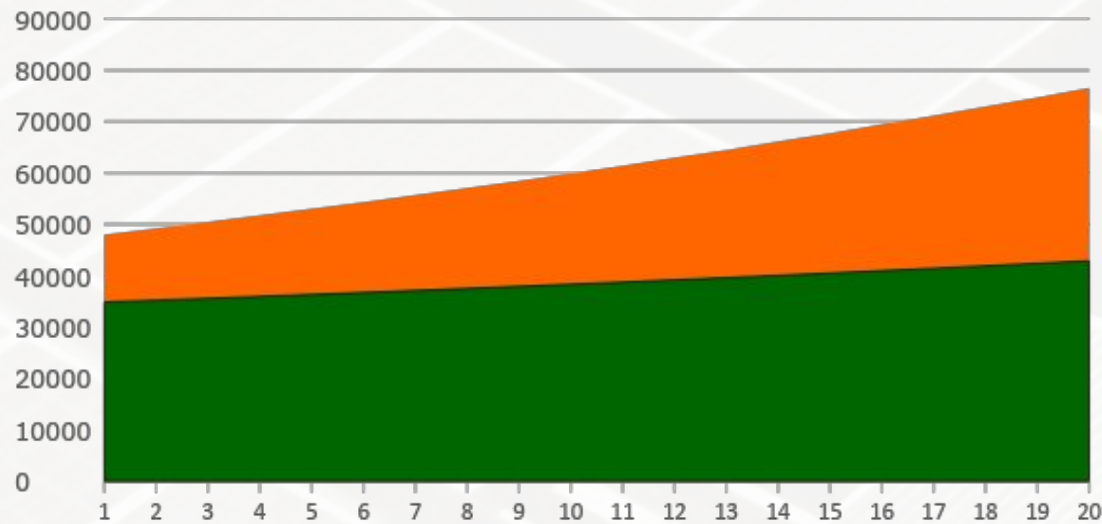
PV system rated output: 380 kW DC

Forecast PV Generation year 1: 627,380 kWh

Quoted PPA rate: \$0.137 / kWh; 1% annual rate escalator

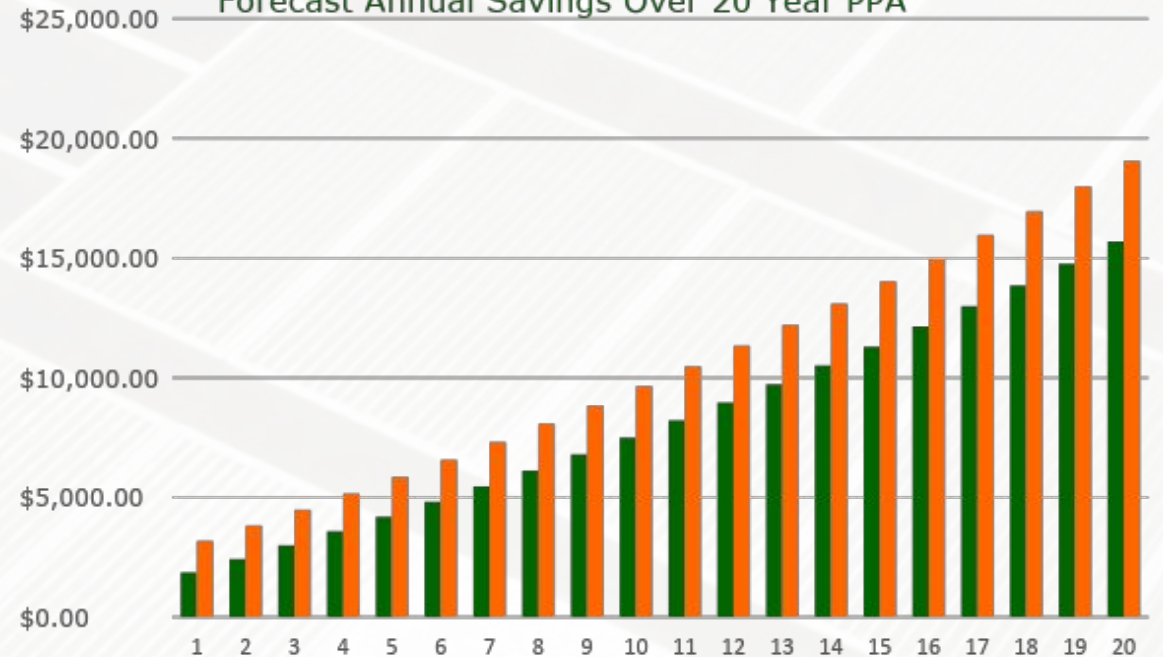
Savings Assumptions: Utility rate is based upon 20 year historical average of 3.03% increase per annum; 2016 billing served as baseline rate

Forecast Annual Payments: Scout Solar PPA vs. Utility



- Year of PPA
- Forecast Annual Utility Bill without Solar
- Total Bill Minus Demand
- Portion of Bill Affected by Solar
- Estimated Annual Solar Payments*
- Estimated Annual Savings with Scout Solar PPA + Utility

Forecast Annual Savings Over 20 Year PPA



- Estimated Annual Savings Without Demand*
- Estimated Annual Savings if Portion of Demand is Affected*



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Select Projects

Tempe Solar Park - Tempe, AZ

222 kW rooftop & parking structure PV arrays



Choice Academies - Adams Traditional School

396 kW Long Span Shade Canopy PV arrays



Elevated solar shade structure – Playground



LED lighting included



Elevated long span shade canopy – Basketball courts



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East Valley Institute of Technology (EVIT), Mesa, AZ

332 kW Cantilever Parking Structure PV arrays



Southwest Valley YMCA – Goodyear, AZ

460 Rooftop & Cantilever Parking Structure PV arrays



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Appendix

Value Comp: Cash Purchase vs. Scout Solar PPA

	\$ Cash Purchase	Scout Energy Advisors - Solar PPA
Financial Considerations Upfront Cost Monthly Solar Cost	Full Price \$0	\$0 Only pay for solar energy generated each month
Government Incentives Federal tax credit State, local & utility rebates Depreciation benefit	30% credit Paid to owner 5 year to MACRS	Incentives included to lower the \$/kWh PPA price
Premium Services Monitoring service Repairs under warranty O&M responsibility	5 years 10 years Purchaser	20 years 20 years Scout
System Considerations System ownership Option to upgrade @ 20 years	Own for 30 years No	You host; Scout owns & operates for the 20 year PPA term Yes, host may upgrade or purchase PV system @ FMV

City of El Mirage – El Mirage, AZ

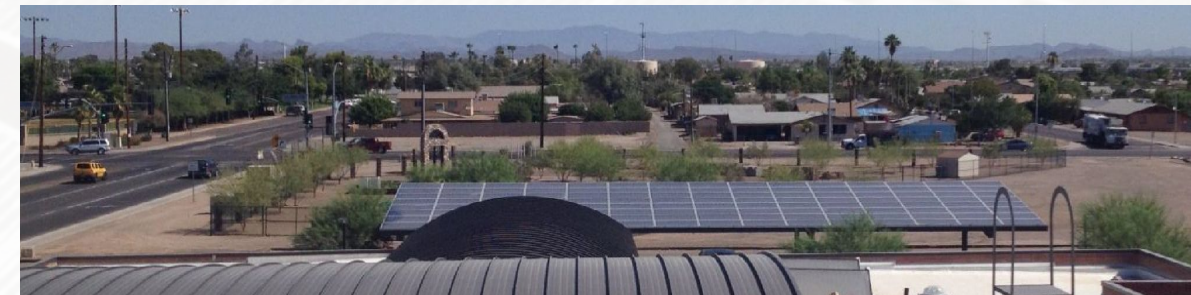
310 kW Cantilever Parking Structure PV arrays



Police Station PV carport array – 131 kW



Fire Station PV carport array #1 – 79 kW



Fire Station PV carport array #2 – 100 kW