

# Obsidian Opportunity Fund, LLC

## Investor Summary

Long Term Capital for Renewable Energy

### Overview

If you or your organization recently realized or expects to realize a gain on a sale of property, stock or real estate, Obsidian Opportunity Fund can reinvest that gain in a tax-advantaged manner.

Obsidian Opportunity Fund invests in solar, other renewable energy projects, infrastructure projects, and buildings located in Opportunity Zones where Obsidian can determine, based on our underwriting analysis and supported by an appraisal when appropriate, a residual value to secure repayment of your investment with gain.

Our targeted investment strategy is very simple:

For every dollar invested on day one, Obsidian Opportunity Fund targets a return of approximately \$2 in year ten. As an added benefit, under current law all of the gain on your Obsidian investment will be tax free.

### Obsidian Opportunity Fund is Open

Obsidian Opportunity Funds are accepting client deposits. Obsidian has accounts open to qualify capital gain dollars for roll-over benefits within the 180-day period required investment requirement to qualify Opportunity Zone investments.

Obsidian has several greenfield projects in Opportunity Zones open for qualified investment dollars

Obsidian has a large pipeline of projects under review for additional Qualified Opportunity Zone investment. We are looking for additional projects located in Opportunity Zones

### Obsidian Solar Opportunity Funds

Utility scale solar and other renewable development is complex. Successful investors must have expertise in land use permitting, complex tax structures, federal incentives, PURPA, FERC, and utility partnerships in addition to technical understanding of the equipment and interconnection. This makes utility scale solar and renewable investment an extremely difficult and inefficient market for the individual or corporation who is not a professional renewable energy investor.

Our Opportunity Zone program provides incentives, when coupled with Obsidian's experience as a utility scale renewable developer, that allow high net worth individuals and corporations to invest in solar and other renewable projects that simply have not been available to them.

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### Obsidian Opportunity Fund

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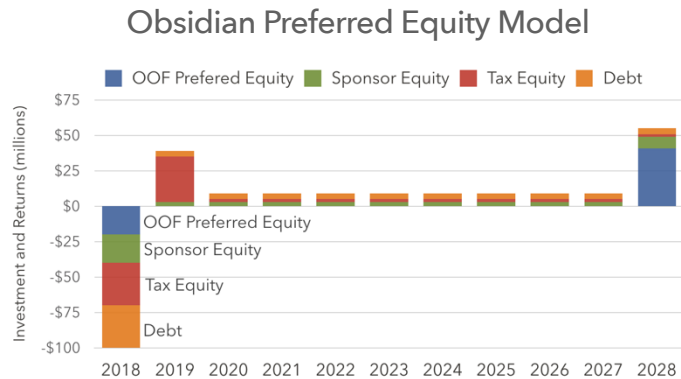
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Opportunity Zone investments maximize tax incentives when investments are made and held for long term gain. Traditional utility scale solar and other renewable project financing structures are largely focused on allocation of large income tax benefits and of the current income generated from the sale of electricity.

Obsidian will invest in long term Preferred Stock equity positions that derive value from the long-term equity value of the solar or other renewable project. This strategy compliments other positions in the capital stack and maximizes the tax efficiency of Opportunity Zones investments.



Obsidian does not compete with current income focused investors, we compliment them. This symbiotic relationship allows Obsidian to be a value-added partner to renewable developers, thus freeing up their capital for other projects.

### Obsidian Solar Fund Investor Features

Effective combined state and federal tax rates are reduced significantly by investing with Obsidian Opportunity Fund.

Targeted fund strategy is the return to investors 2X the initial investment in 10 years.

Fund management fees focus on success:

- 1.5% onboarding fee with a 0.5% annual management fee.
- Carried interest of 5% in the renewable investment capital,
- Split of 30-70 of the upside of the sale of the Fund's position only after return of 2X the initial investment.

### Why Solar and Other Renewables?

America's electrical energy generation is shifting from predominantly fossil fuel to renewable energy.

America's need for electrical power continues to rise and is expected to continue to rise as the electrification of transportation follows the shift in electrical power generation.

Solar and other renewable development is extremely complex and requires multidiscipline expertise spanning wide and diverse areas. The

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Obsidian team is a thought leader in development and financing.

Large amounts of equity capital are needed for renewable energy investment in the next several years.

Long term contracted cash flows with renewables make the investment resistant to short term market volatility.

The Preferred Equity structure allows us to provide equity type returns while providing some downside protection.

When combined with Opportunity Zone advantages, we believe we can offer targeted superior after-tax returns.

### Opportunity Zone Investment Program

The concept of deferred capital gains has long been a tenet of the real estate tax code through 1031 exchange. Opportunity Zones and Obsidian Opportunity Funds bring the concept of a 1031-type exchange to a much broader category of capital gains, while targeting investment in communities of need.

Established by Congress in the Tax Cuts and Jobs Act of 2017, Opportunity Zones are a new community development program to encourage long-term investments in low-income urban and

rural communities nationwide. Obsidian Opportunity Funds provide a tax incentive for investors to re-invest capital gains, from any source, into a fund that is dedicated to investing into Opportunity Zones.

An investor invests gain from another investment (e.g. sale of a company, sale of real estate, sale of stock) in Obsidian Solar Opportunity Fund. The investor receives two large tax incentives.

- (1) Zero capital gains tax on profits generated by the Obsidian Opportunity Fund (requires 10-year holding in the Opportunity Fund).
- (2) A deferral and reduction in federal and state capital gains tax on the original gain that is invested in Obsidian Solar Opportunity Fund.

### Opportunity Zone Investor Benefits Summary

- Obsidian Opportunity Fund can reinvest your capital gain in a tax-advantaged manner.
- For every dollar invested on day one, Obsidian targets a return of approximately \$2 in year ten
- Under current law that \$2 will be tax free.

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