

NEIGHBORHOOD SUN

2020 Report

Dear investors,

Thanks to our investors, we've had a few huge wins in 2021. These wins have increased the value of the company, expanded our impact and set us up nicely for this year. We utilized the money we raised well. We increased our assets under management by 550%, secured contracts for two massive portfolios, and expanded our tech and financial teams. It truly means a lot to have everyone's support and it helps us fulfil our mission to bring the promise of solar to everyone, not just the select few.

We need your help!

Investors who want to get more involved are always welcome. We need help making our new Wefunder round a grand slam! We hope to be able to raise \$2 to \$3 million on Wefunder with our new convertible note round and need everyone out there spreading the word for us. Besides fundraising, we also have needs for business development, especially in securing partnerships with national NGO's. Finally, we are interested in the California market and could use some help better understanding it.

Sincerely,

Wilson Chang

Board Director

William Bumpers

Board Chair

Kim Kolt

Board Director

Gary Skulnik

CEO

Our Mission

We want to be a national company with more than 300,000 customers as part of our distributed utility of the future. Community solar is the start for us, because it helps fight climate change and save people money, but we are excited to expand into related clean energy business lines.



How did we do this year?

Report Card

A-



The Good

We secured contracts for two very large portfolios with operations in multiple states, increasing our ARR substantially.

We merged with Astral Power, giving us a large footprint in New York, and new strength to our management.

Our Sun Engine(™) software platform went live and we increased our AUM by 550%.



The Bad

Project delays caused a lower than expected customer acquisition revenue.

The New Jersey program will not be as attractive to us because of poor regulations promulgated in 2021.

Our experience with outside vendors, namely door to door teams, was less than optimal and we've ended those relationships.

2020 At a Glance

January 1 to December 31



\$893,222 **+23%**
Revenue



-\$1,089,584
Net Loss



\$276,655 **+147%**
Short Term Debt



\$1,000,141
Raised in 2021



\$670,135
Cash on Hand
As of 03/15/22

INCOME

BALANCE

NARRATIVE

Management's Discussion and Analysis of Financial Condition and Results of Operations

You should read the following discussion and analysis of our financial condition and results of operations together with our financial statements and the related notes and other financial information included elsewhere in this offering. Some of the information contained in this discussion and analysis, including information regarding the strategy and plans for our business, includes forward-looking statements that involve risks and uncertainties. You should review the "Risk Factors" section for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

Overview

Neighborhood Sun runs the Sun Engine(tm) advanced software platform, which provides customer acquisition and management to connect thousands of residents to community shared solar projects. Our team of 25+ is dedicated to bringing the promise of solar to everyone, not just the select few.

We want to be a national company with more than 300,000 customers as part of our distributed utility of the future. Community solar is the start for us, because it helps fight climate change and save people money, but we are excited to expand into related clean energy business lines. Forward-looking projections cannot be guaranteed.

Milestones

Neighborhood Sun Benefit Corp was incorporated in the State of Maryland in November 2016.

Since then, we have:

- Proven track record of success- kilowatts under management grew 550% in 2021.
- Sun Engine (tm) advanced software platform is best in breed, fueling rapid growth.
- Community Solar is the hottest part of the entire solar space. Massive growth ahead (not guaranteed).
- Senior management and board have the experience, industry connections, and knowledge to succeed.
- A mission-focused company with a B Corp score that leads the entire community solar industry!
- Recent merger with Astral Power gives us access to massive New York market and stronger mgt team.
- Customer acquisition model beats the competition.

Historical Results of Operations

- *Revenues & Gross Margin.* For the period ended December 31, 2020, the Company had revenues of \$893,222 compared to the year ended December 31, 2019, when the Company had revenues of \$727,676. Our gross margin was 33.52% in fiscal year 2020, compared to 91.79% in 2019.
- *Assets.* As of December 31, 2020, the Company had total assets of \$291,163, including \$197,061 in cash. As of December 31, 2019, the Company had \$39,542 in total assets, including \$16,533 in cash.
- *Net Loss.* The Company has had net losses of \$1,089,584 and net losses of \$211,339 for the fiscal years ended December 31, 2020 and December 31, 2019, respectively.
- *Liabilities.* The Company's liabilities totaled \$302,487 for the fiscal year ended December 31, 2020 and \$161,876 for the fiscal year ended December 31, 2019.

Related Party Transaction

Refer to Question 26 of this Form C for disclosure of all related party transactions.

Liquidity & Capital Resources

To-date, the company has been financed with \$153,000 in debt, \$1,155,000 in equity, \$1,975,000 in convertibles, and \$95,000 in SAFEs.

After the conclusion of this Offering, should we hit our minimum funding target, our projected runway is 18 months before we need to raise further capital.

We plan to use the proceeds as set forth in this Form C under "Use of Funds". We don't have any other sources of capital in the immediate future.

We will likely require additional financing in excess of the proceeds from the Offering in order to perform operations over the lifetime of the Company. We plan to raise capital in 12 months. Except as otherwise described in this Form C, we do not have additional sources of capital other than the proceeds from the offering. Because of the complexities and uncertainties in establishing a new business strategy, it is not possible to adequately project whether the proceeds of this offering will be sufficient to enable us to implement our strategy. This complexity and uncertainty will be increased if less than the maximum amount of securities

offered in this offering is sold. The Company intends to raise additional capital in the future from investors. Although capital may be available for early-stage companies, there is no guarantee that the Company will receive any investments from investors.

Runway & Short/Mid Term Expenses

Neighborhood Sun Benefit Corp cash in hand is \$670,135, as of March 2022. Over the last three months, revenues have averaged \$109,058/month, cost of goods sold has averaged \$20,640/month, and operational expenses have averaged \$323,287/month, for an average burn rate of \$234,869 per month. Our intent is to be profitable in 18 months.

We have a pipeline of new projects that we are contracted to manage and many of those projects are coming online for us in Q2 2022. We also have significantly increased sales already in 2022 compared to 2021. On the expense side, our costs have increased significantly as we expanded our team to add financial, technology and sales personnel, which will help fuel further growth in 2022 and beyond.

Our revenue should increase to an average of \$300,000 per month. Our expenses should remain approximately the same as they currently stand (about \$323,000/month) though they may increase with new funding to support the further growth of the company.

We are not yet profitable, and we need about \$2-\$3 mm to fund operations until we reach the point of profitability. However, we are planning to invest further in the company in order to accelerate revenue growth, launch new business lines, and expand to new markets.

We have raised capital outside of Wefunder, which covers our current burn. Additionally, we currently 'testing the waters' for a second equity crowdfunding campaign on Wefunder. And plan to embark on a Series A fundraising campaign in the future. Our current group of investors have supported the company through several rounds of funding and we don't expect that to change.

Any projections in the above narrative are forward-looking and not guaranteed.

Net Margin: -122% Gross Margin: 34% Return on Assets: -374% Earnings per Share: -\$0.58

Revenue per Employee: \$42,534 Cash to Assets: 68% Revenue to Receivables: 949% Debt Ratio: 104%

[📄 Neighborhood_Sun_Benefit_Corp_Financial_Statements_-_Audited.pdf](#)

We ❤️ Our 1523 Investors

Thank You For Believing In Us

| | | | | | | |
|----------------------------|------------------------------|------------------------------|----------------------------|---------------------------|-------------------------|-------------------------|
| Matty Guerin | Tan Quan Nguyen | Emily Tokarowski | Jeremy Jacobschn | Ronald Cunningham | Ayman Awad | Chris Brown |
| John Shake | Peter F Cikalo | Coventry Capital Partners... | Evan J SEGAL | Linda Fraser | Rae Lynn Nettles | Herman Venter |
| Tom Balanco | Howard Harding | Per Olof Valdemar Persson | Brian Bellef | Sahana Zutshi | Christopher J Reed | Christopher J Reed |
| Michael J Benefiel | Craig Jonas | Jerry Tsai | Clayton Kern | Subrata PAL | David Gillie | Patrick McCarthy |
| Amy Rodriguez | Anthony A Cook | Venket KANDANALA | Charlton Vergara | Joseph Charles | Christina Truax | Louis Scalmanini |
| Connor Doherty | Tim Jackson | Richard M Santay | Tim DeMasters | "Imran Razak | Shanna Dean | Jeffrey Steinberg |
| Nax Hapkin | Todd Pardo | Gary Smith | Michael J Fugar | Alex Harvey Kaufman | Roman Dzadzic | Dajan Baker |
| Matt Riordan | Stephen Darryl Bowe | Emmanuel Thomas | Arnoud HAVET | Kevin Duree | Nicholas Scott Gleason | Allen Norvell |
| Gerry Cardinal III | Jimmy Morris | Cameron Lawless | Travis Jackson | Austin Partridge | Basilian Pleujer | Karen K Sikes |
| Pranee Young | Annabelle Simmons" | Daniel Herrera | Kurt Huggins | Sung Yun LEE | Patrick Antonio Bradley | Johnny Evans |
| Jessica Hutson | Vijaya Kumar POTTI | Mike Cozart | Eric Cronet | Chester Homan | Gensheng Tan | Lealofi Falai |
| Scott Hinkle | Daniel Zawacki | Paul Smith | Neryk Davydov | Vem Chuang | Dennis Surucu | Allen Ward |
| Stephen Chambers | Patrick Hiltson Robinson | Amy Slaten | Kim Leftwich | Fulgencio Vidal | Travis Adam Udd | Andrew Jazwinski |
| Howard T. Jones | Jerome Zhu | Emmanuel CHUKWUMA | Access Ventures investm... | Tarwin Stroh-Spijer | Alan Pence | Damon D Olafson |
| Kim Thomas | Laxman Khanal | Oriana Kelly | Robert Fax | Jason Samfield | Tushar Patel | Tyrone Turner |
| Sebastian Andreas Soren... | Todd A. Thoman | Stephen Schiera | Uroczay Demond Bradley | Justin Entrekis | Ijeoma Nsaka | Konstantinos Spalliaris |
| Chris Campbell | Brian Ososky | Stephan S Taylor | John K Roberts III | Andrea Richie | Michelle Laucke | Marcel Nienhuis |
| Jonathan Foreman | Kevin Rivera | Tamarat Alumu | Christopher Semel | Julie Gauze | Chinemelu Elnu | Henry C Hight |
| John Overstreet | Andre Harrell | Nathan Argenta | Camilo Zambrano | Pichou Etinde | Paul J Chambers | Mark Samuels |
| David Macario | Joseph Carothers | Prasad Bagewadi | Viktor Rogachev | Donald Joshua | Hatem Rowaihy | Dean Hawkey |
| Bryan Saint-Louis | Dane Brown | Erin O'Brien | John Rickgarn | Mohd Shaharuddin Bin M... | Sean Stobart | Steven L Slabough |
| Frank Rodgers | Nicholas Scott Giasson | Coventry Capital Partners... | Rowan Ozastad | Christopher Burkert | José E Wright | Jason Coansh |
| Jesus M. Pizarro Rodriguez | Robert Kyle Martin | Hiah Shull Olmsted | Daniel Herrera | Glenda Kerry | Laurel Perkins | Keith Carey |
| David Gillie | Kim Thomas | Robert Kyle Martin | Jeremy Jacobschn | Herman Venter | Terrence Fitzgerald | Jonathan Foreman |
| Louis Scalmanini | Coventry Capital Partners... | Richard M Santay | Chester Homan | Stephen Schiera | Marak Vrba | Joseph Richardson |
| Jack Lebowitz | Gary Skulnik | Alex Barnes | Zachary Williams | Alan Miller | Paul Washington | Ivan Arangelov |
| William Cunningham | Jack James | Shane Pittson | Nicolas Radin | Arlene Goldberg-Gist | William Dillon | Eduard Abramov |
| Alex Rodriguez | Jacques Sadio | Troy Green | DM Diver | Randolph Schultz | Lesty Senat | Kristin Gamzon Cook |
| Matt Lipsky | Jean Casey | Philecia Rajnauth | Yvonne Yeboah | Everette SPIGNER | Ross Willard | Bill Schauman |
| John Llewellyn Wright | Kenneth Distance | Claude Kacser | Taroneca Reginald Solomon | Eric Sunfajust | Eider TORRES | Anvind Toopra |
| Gary Palmer | Shannugam Mukundan | Chuong Huysh | William Barnes | Jesse Card | Dr Blackmoor | Khan Akmal |
| Nail Young | Francois Pereira | Joseph CHRISTY | Larry Yonish | Fernando Bonilla | Ban Parry | Jeff Brasted |
| Felipe Andres Piedra | Anthony Veloso | Jiachao Yang | Joe Connelly | David Pellum II | Scott E Kaplan | Scott Larson |
| Richard Krejcarek | Thomas Hyde | Joel Gabriel | Darrin Lens | Howard Warren | Rebecca Casuga | Lauren George |
| Anay Nguyen | Stephen Forcey | Jonathan Markle | Nick Daimonico | Mohit Agarwal | David Simmons | Juan Carlos Zamora |
| Omar Shamsaldoun | Yannis Bessris | DCAI LLC | Darlyne Nguyen | Daniel St Juste | Stephen Carr | Miguel Rivera Figueroa |

Patricia Casanova
 Wellars Muhoza
 Qasbiadi Jilivski
 Craig Ephraim
 Carey Mason III
 Edward Neblock
 Barry Bistreich
 Chad Portner
 Steven Hellerman
 Darrington Eummin
 Michael Tades
 Tuyet Tran
 Dylan McDonough
 Jack Honor
 Howard Kohn
 Sean Orr
 Fabian Ramirez
 Justin Olson
 Spencer Ellsworth
 Nico Sachse
 Joseph Pilleise
 Miriam Goldberg
 Scott Low
 Donna Berry
 Nancy E. Walters
 Robert T. Kallaway
 Michael Kean
 John Lee
 Jared Spears
 David L. Steinberg
 Sean Harrington
 John Arnold
 John Hulzin
 David Caplin
 Thaddeus Onwuaka
 Allyn Laurie SIMON
 Joseph Traub
 Margaret Wilder

Sharré Carpenter
 Donna De Matte
 Curtis Brown
 Al Roche
 Chandu Jagadeeswararajah
 James Jung
 Matt Burk
 Ann Rosenthal
 Joel Garcia
 Steven Gray
 Sean Harrington
 Kenneth Plerre
 Conor Carkrum
 William Weech
 Sheila Shover
 Dawn Mullinax
 Thomas L. Lattimer
 Charlie Fox
 Hamid Boughazi
 David Betzford
 Jeff Sendbo
 Carole Menetrez
 PeiLu Chiu
 Mark Kroehler
 Debra Laurencio
 Bruce Evans
 Leslie D. Markham
 Elizabeth Terry
 Edward Kelly Medlock
 Edward Mikula Jr.
 Alan Felsen
 Qutubuddin Ghulamali
 Jennifer Shapiro
 Pawan Bhatta
 Robert A. Ellis
 Katrina Zhang
 Albert Maas
 James Astemborski

Roni Shapir
 Rajinder Gauri
 Charlotte Garley
 Ardon Reif
 Meira Tofanelli
 Jonathan Lasko
 Paul Castro
 Jonathan Charry
 Julio Jose Mora
 Jake Satko
 Christie Okoroafor
 Douglas Harvey
 Mary Kennedy
 Paul Berman
 Edwin COOPER
 Keith Anderson
 Chad Curtin
 Chadson Woods
 Charles Hoopes
 Donald Goldberg
 Michael Carmel
 Alex Garlen
 Justin Richardson
 Nancy Falk
 Paul Charlanen
 Joyce A. Windland
 Jacob Carleay
 Andrew Corn
 Patricia Oseroff
 Emiliano Duch Navarro
 Virginia C. Smith
 David E. Siskind
 Jay Carlini
 Victoria T. Barthelmes
 James Palmer
 IRA Josephs
 Marian Westley
 Jose Cuadrado

Jason Puccio
 Alec Griffiths
 Eumanaal Dailey
 Brian Alejandro Yapas
 W Kim Colich
 Michael Edwards
 Ramesh K Tentu
 Benjamin R Glass-Siegel
 Betsy Dawey
 Samuel Godfrey
 Guyan Doan
 Dee Williams
 Nancy Joy Allichin
 Joshua Kermond
 Joseph Yawe
 Shamel Proctor
 Julie Romanosky
 Ted Ko
 Chao Huang
 Janis B. Alcorn
 Michael Carmel
 Karen McCarthyChow
 Blair Reamy
 Thomas L. Lattimer
 Diane Bark
 Bruce Kamer
 Daniel M. Hellerstein
 Beatrix Vandervossen
 Nancy Dimaio
 Matthew Lupes
 Dawn Felsen
 Doris Ross
 Robert J Woodruff
 Kelly Vialmo
 Marju Rink-Abel
 Mary Kennedy
 Jason Andrew
 Andrea Lightman

Marilee Jones
 William Johnson, IV
 Meredith Pavlick
 Elliott Gudakupe
 Jeff Plotkin
 Nancy St. Yves
 Kyle Miller
 Chao Huang
 Christopher Lizzardo
 Clifford J Sells
 Lorraine Ciano
 Canute Johnson
 Michael Busing
 Dennis Parker
 Ricky Bell
 Peter Ensign
 Gordian Boteilho
 Lee Weiner
 Jason Rigby
 Dean Huysamen
 Jerry Robert Cziek
 Dina R Lassoov
 Alex Mathews
 Anthony Elson
 Claudia Leight
 Dean Wright
 Donna Graham
 John Arzu
 Sam Conte
 Jason Loviglio
 Promodh Malhotra
 Stuart Hean
 John Bilsar
 Polina Pinchevsky
 Michael Scopaniak
 Emily Lawson
 Cheryl Greenberg

Marilee Jones
 Leonard Chijioke Ezenwa
 Alex Lukawerkau
 Dr Sikpa Sander
 Joachim Knill
 Sara Pomare
 Joseph Tokarowski
 Anil Lakamsani
 Lisa Spain
 Dave Sillman
 Peter Dascar
 Julie Romanosky
 Daniel So-Schoos
 Miriam Goldberg
 Angela D OWENS
 Edward Kelly Medlock
 Karen Mitchis
 Timothy Skane
 Laura Weich
 David Stockwell
 Peter Camperos
 James R MICHAUD
 David Sonoda
 Jackson Tan
 Colin Goddard
 Nathan Driggers
 Albert L.Homme
 Adam Monette
 Robert Grader
 Joan Taylor
 Shirley Blakely
 James Marshall
 Fred George
 Brian Strumfels
 Leah Haygood
 Stanley Tomkiel
 Ajampur Shankar

Patricia Casanova
 Dave Drapac
 Ben Yoon
 Janice Cohen-Mitchell
 Linda Black
 Mark Schoning
 Clarence Disheroun
 Steven Preston
 James Alexander Leahy
 Joseph Field Flanagan
 Keith Pearson
 Barbara Dent
 Deborah Becker
 Alex Mathews
 Pritam Kumar
 Dean Huysamen
 Achara Mah
 Wendy Brown
 Stephanie Burrows
 IRA Burnim
 Robert Lubran
 David Ehrenstein
 David Lefever
 James Matthews
 Susan Weinstein
 Howard Simms
 Andrew Thomas
 Mark Schoning
 Esteban De Dobrzynski
 Albert Baumann
 Amy Kelley
 Margo Dickson
 John Michael Ziegler
 Ray L
 Robert Gerwin
 Albert Scott Moreau
 Adam Capage

Thank You!

From the Neighborhood Sun Team



Gary Skulnik
CEO



Thom Smith
Chief Revenue Officer
Thom has spent the last decade successfully scaling national sales teams in the green tech industry. Under his leadership, residential startup Astrum Solar grew to be the 4th largest residential solar co. in the US with over 10,000 systems installed.



John Wilson
Chief Technology Officer
John brings 25 years experience in IT management. He was VP of Operations at Bullfrog Power and was responsible for all software development for 14 years. John held several senior technology positions at Fidelity National Information Services.



Emily Tokarowski
VP of Marketing
Emily has been with Neighborhood Sun for almost five years, advancing in various roles to become VP of Marketing and a powerful leader in the company. She has an M.S. in STEM entrepreneurship.



Yasi Jiang
VP of Finance
Prior to co-founding Astral Power, Yasi helped launch Lumina Solar, a residential solar installer based in Maryland. Ms. Jiang is a CPA and previously worked at Baker Tilly and the Royal Bank of Canada.



Cara Humphrey
VP of Strategic Sales
Cara oversees Community Partnership Program and other campaigns. She was with Astrum



Armando Gaetaniello
VP of Business Development



Dave Carpenter
VP of Business Development
For over a decade Dave has worked in multiple roles in the



Janani Ravi
Manager of Customer Development
Prior to managing the Customer Development department

in 2010 and served as Sales Manager of NY. Prior to Astrum, Cara worked at the forefront of commercial energy efficiency & the hybrid vehicle industry.



Armando has been with Neighborhood Sun for five years serving in various sales roles and advancing to become VP of Business Development, where he leads our efforts to acquire new solar partnerships. He has an M.Sc. in Global Environmental Change Mgt.



DAVE IN MULTIPLE ROLES IN THE solar industry, ranging from field salesperson to senior management. Dave works with Armando in communicating the many benefits of Sun Engine to potential solar partners.



DEVELOPMENT DEPARTMENT, Janani taught ESL in the US, Germany, and India. She possesses two B.A. degrees in English and International Studies from Virginia Tech, and she completed her M.A. in ethics in Bochum, Germany.



Details

The Board of Directors

| DIRECTOR | OCCUPATION | JOINED |
|---------------------------------|--|--------|
| Kim Kolt | Investor @ Bay Bridge Ventures | 2021 |
| Wilson Chang | Investor/Entrepreneur @ Hudson Sustainable Investments | 2021 |
| Gary Skulnik | Clean energy executive @ Neighborhood Sun | 2016 |
| Ian Sneed | Director of Operations @ Galt Power | 2020 |
| William Bumpers | Lawyer @ Self | 2017 |

Officers

| OFFICER | TITLE | JOINED |
|------------------------------|---|--------|
| Gary Skulnik | President Vice President Secretary CEO President Treasurer Secretary CEO | 2016 |

Voting Power [?]

| HOLDER | SECURITIES HELD | VOTING POWER |
|--------------|-----------------------|--------------|
| Gary Skulnik | 623,268 Common shares | 26.5% |

Past Equity Fundraises

| DATE | AMOUNT | SECURITY | EXEMPTION |
|---------|-------------|-----------------|---------------------------|
| 11/2017 | \$325,000 | Common Stock | Regulation D, Rule 506(b) |
| 07/2018 | \$95,000 | Safe | Section 4(a)(2) |
| 12/2018 | \$230,000 | Common Stock | Regulation D, Rule 506(b) |
| 04/2019 | \$50,000 | | Other |
| 12/2019 | \$50,000 | | Other |
| 01/2020 | \$53,000 | | Section 4(a)(2) |
| 06/2020 | \$600,000 | Preferred Stock | Regulation D, Rule 506(b) |
| 09/2021 | \$1,000,141 | | 4(a)(G) |
| 02/2022 | \$1,975,000 | | Regulation D, Rule 506(b) |

The use of proceeds is to fund general operations.

Convertible Notes Outstanding

| ISSUED | AMOUNT | INTEREST | DISCOUNT | VALUATION CAP | MATURITY |
|------------|--------------------------|----------|----------|---------------|-------------------------|
| 02/15/2022 | \$1,975,000 [?] | 4.0% | 21.43% | \$27,500,000 | 10/22/2023 [?] |

Outstanding Debts

| LENDER | ISSUED | AMOUNT | OUTSTANDING | INTEREST | MATURITY | CURRENT? |
|--------------|------------|----------|------------------|----------|------------|----------|
| Intuit | 04/11/2019 | \$50,000 | \$0 [?] | 12.0% | 01/11/2020 | Yes |
| Gary Skulnik | 12/11/2019 | \$50,000 | \$0 [?] | 1.2% | 12/31/2020 | Yes |
| Intuit | 01/27/2020 | \$53,000 | \$0 [?] | 9.99% | 01/27/2021 | Yes |

Related Party Transactions

None.

Capital Structure

| CLASS OF SECURITY | SECURITIES (OR AMOUNT) AUTHORIZED | SECURITIES (OR AMOUNT) OUTSTANDING | VOTING RIGHTS |
|--|-----------------------------------|------------------------------------|---------------|
| Preferred Stock | 175,979 | 146,656 | Yes |
| Common Stock | 10,000,000 | 1,882,712 | Yes |
| SECURITIES RESERVED FOR ISSUANCE UPON EXERCISE OR CONVERSION | | | |
| Warrants: | 0 | | |
| Options: | 67,000 | | |

Risks

The Company may never receive a future equity financing or elect to convert the Securities upon such future financing. In addition, the Company may never undergo a liquidity event such as a sale of the Company or an IPO. If neither the conversion of the Securities nor a liquidity event occurs, the Purchasers could be left holding the Securities

in perpetuity. The Securities have numerous transfer restrictions and will likely be highly illiquid, with no secondary market on which to sell them. The Securities are not equity interests, have no ownership rights, have no rights to the Company's assets or profits and have no voting rights or ability to direct the Company or its actions.

There are ongoing and future risks from the COVID-19 pandemic that may impact our ability to scale. If the economic fall-out from COVID-19 worsens, there may be less community solar projects financed and built. Stay-at-home orders impact our ability to acquire new customers.

The Company may never receive a future equity financing or elect to convert the Securities upon such future financing. In addition, the Company may never undergo a liquidity event such as a sale of the Company or an IPO. If neither the conversion of the Securities nor a liquidity event occurs, the Purchasers could be left holding the Securities in perpetuity. The Securities have numerous transfer restrictions and will likely be highly illiquid, with no secondary market on which to sell them. The Securities are not equity interests, have no ownership rights, have no rights to the Company's assets or profits and have no voting rights or ability to direct the Company or its actions.

Your ability to liquidate your investment is limited because of transfer restrictions, and the lack of a trading market.

We expect to have further needs for capital following this offering, which will result in further need to get new investment.

There are many risks associated with our expansion. The Company plans to initiate and then expand a distribution network, including through representative agreements and/or through licensing arrangements. Any expansion of operations the Company may undertake will entail risks since any expansion may involve specific operational activities which may negatively impact the profitability of the Company. Expansion of operations may ultimately involve expenditure of funds beyond those available to the Company and may divert management's attention and resources away from its existing operations.

We could be adversely affected by changes in customer preferences and technology. The community solar project industry is subject to rapid and significant changes in customer preferences, needs and technology. There can be no assurance as to the effect of such technological changes on the Company or that the Company will not be required to expend substantial financial resources in the development or implementation of new competitive technologies in the future. There can be no assurance that the occurrence of any of these events would not have a material adverse effect on the Company's business and the results of its operations.

Ability to Implement and Manage Growth Strategy. Although the Company expects to experience significant growth in a relatively short period of time, and its operations may grow rapidly, the Company's revenues may not continue to grow at the same rate. Implementation of the Company's growth strategy may impose a significant strain on the Company's management, operating systems and financial resources. Failure by the Company to manage its growth, or unexpected difficulties encountered during expansion, could have a material adverse impact on the Company's results of operations or financial condition.

Our future success depends on the efforts of a small management team. The loss of services of the members of the management team may have an adverse effect on the company. There can be no assurance that we will be successful in attracting and retaining other personnel we require to successfully grow our business.

The Company has only a limited operating history on which investors may base their evaluation of us and there are various particular risks associated with the Company's community solar business.

Description of Securities for Prior Reg CF Raise

Additional issuances of securities. Following the Investor's investment in the Company, the Company may sell interests to additional investors, which will dilute the percentage interest of the Investor in the Company. The Investor may have the opportunity to increase its investment in the Company in such a transaction, but such opportunity cannot be assured. The amount of additional financing needed by the Company, if any, will depend upon the maturity and objectives of the Company. The declining of an opportunity or the inability of the Investor to make a follow-on investment, or the lack of an opportunity to make such a follow-on investment, may result in substantial dilution of the Investor's interest in the Company.

Issuer repurchases of securities. The Company may have authority to repurchase its securities from shareholders, which may serve to decrease any liquidity in the market for such securities, decrease the percentage interests held by other similarly situated investors to the Investor, and create pressure on the Investor to sell its securities to the Company concurrently.

A sale of the issuer or of assets of the issuer. As a minority owner of the Company, the Investor will have limited or no ability to influence a potential sale of the Company or a substantial portion of its assets. Thus, the Investor will rely upon the executive management of the Company and the Board of Directors of the Company to manage the Company so as to maximize value for shareholders. Accordingly, the success of the Investor's investment in the Company will depend in large part upon the skill and expertise of the executive management of the Company and the Board of Directors of the Company. If the Board Of Directors of the Company authorizes a sale of all or a part of the Company, or a disposition of a substantial portion of the Company's assets, there can be no guarantee that the value received by the Investor, together with the fair market estimate of the value remaining in the Company, will be equal to or exceed the value of the Investor's initial investment in the Company.

Transactions with related parties. The Investor should be aware that there will be occasions when the Company may encounter potential conflicts of interest in its operations. On any issue involving conflicts of interest, the executive management and Board of Directors of the Company will be guided by their good faith judgement as to the Company's best interests. The Company may engage in transactions with affiliates, subsidiaries or other related parties, which may be on terms which are not arm's-length, but will be in all cases consistent with the duties of the management of the Company to its shareholders. By acquiring an interest in the Company, the Investor will be deemed to have acknowledged the existence of any such actual or potential conflicts of interest and to have waived any claim with respect to any liability arising from the existence of any such conflict of interest.

Minority Ownership

An Investor in the Company will likely hold a minority position in the Company, and thus be limited as to its ability to control or influence the governance and operations of the Company.

The marketability and value of the Investor's interest in the Company will depend upon many factors outside the control of the Investor. The Company will be managed by its officers and be governed in accordance with the strategic direction and decision-making of its Board Of Directors, and the Investor will have no independent right to name or remove an officer or member of the Board Of Directors of the Company.

Following the Investor's investment in the Company, the Company may sell interests to additional investors, which will dilute the percentage interest of the Investor in the Company. The Investor may have the opportunity to increase its investment in the Company in such a transaction, but such opportunity cannot be assured.

The amount of additional financing needed by the Company, if any, will depend upon the maturity and objectives of the Company. The declining of an opportunity or the inability of the Investor to make a follow-on investment, or the lack of an opportunity to make such a follow-on investment, may result in substantial dilution of the Investor's interest in the Company.

Exercise of Rights Held by Principal Shareholders

As holders of a majority-in-interest of voting rights in the Company, the shareholders may make decisions with which the Investor disagrees, or that negatively affect the value of the Investor's securities in the Company, and the Investor will have no recourse to change these decisions. The Investor's interests may conflict with those of other investors, and there is no guarantee that the Company will develop in a way that is optimal for or advantageous to the Investor. For example, the shareholders may change the terms of the articles of incorporation for the company, change the terms of securities issued by the Company, change the management of the Company, and even force out minority holders of securities. The shareholders may make changes that affect the tax treatment of the Company in ways that are unfavorable to you but favorable to them. They may also vote to engage in new offerings and/or to register certain of the Company's securities in a way that negatively affects the value of the securities the Investor owns. Other holders of securities of the Company may also have access to more information than the Investor, leaving the Investor at a disadvantage with respect to any decisions regarding the securities he or she owns. The shareholders have the right to redeem their securities at any time. Shareholders could decide to force the Company to redeem their securities at a time that is not favorable to the Investor and is damaging to the Company. Investors' exit may affect the value of the Company and/or its viability. In cases where the rights of holders of convertible debt, SAFES, or other outstanding options or warrants are exercised, or if new awards are granted under our equity compensation plans, an Investor's interests in the Company may be diluted. This means that the pro-rata portion of the Company represented by the Investor's securities will decrease, which could also diminish the Investor's voting and/or economic rights. In addition, as discussed above, if a majority-in-interest of holders of securities with voting rights cause the Company to issue additional stock, an Investor's interest will typically also be diluted.

Restrictions on Transfer

The securities offered via Regulation Crowdfunding may not be transferred by any purchaser of such securities during the one year period beginning when the securities were issued, unless such securities are transferred:

- to the issuer;
- to an accredited investor⁶;
- as part of an offering registered with the U.S. Securities and Exchange Commission; or
- to a member of the family of the purchaser or the equivalent, to a trust controlled by the purchaser, to a trust created for the benefit of a member of the family of the purchaser or the equivalent, or in connection with the death or divorce of the purchaser or other similar circumstance.

Valuation Methodology for Prior Reg CF Raise

The offering price for the securities offered pursuant to this Form C has been determined arbitrarily by the Company and does not necessarily bear any relationship to the Company's book value, assets, earnings or other generally accepted valuation criteria. In determining the offering price, the Company did not employ investment banking firms or other outside organizations to make an independent appraisal or evaluation. Accordingly, the offering price should not be considered to be indicative of the actual value of the securities offered hereby.

Before making an investment decision, you should carefully consider the \$15,000,000 evaluated valuation and the factors used to reach such valuation. Such valuation may not be accurate and you are encouraged to determine your own independent value of the Company prior to investing.

As discussed in "Dilution" below, the valuation will determine the amount by which the investor's stake is diluted immediately upon investment. An early-stage company typically sells its shares (or grants options over its shares) to its founders and early employees at a very low cash cost, because they are, in effect, putting their "sweat equity" into the Company.

When the Company seeks cash investments from outside investors, like you, the new investors typically pay a much larger sum for their shares than the founders or earlier investors, which means that the cash value of your stake is immediately diluted because each share of the same type is worth the same amount, and you paid more for your shares (or the notes convertible into shares) than earlier investors did for theirs.

There are several ways to value a company. None of them is perfect and all of them involve a certain amount of guesswork. The same method can produce a different valuation if used by a different person.

Liquidation Value-The amount for which the assets of the Company can be sold, minus the liabilities owed, e.g., the assets of a bakery include the cake mixers, ingredients, baking tins, etc. The liabilities of a bakery include the cost of rent or mortgage on the bakery. However, this value does not reflect the potential value of a business, e.g. the value of the secret recipe. The value for most startups lies in their potential, as many early stage companies do not have many assets (they probably need to raise funds through a securities offering in order to purchase some equipment).

Book Value-This is based on analysis of the Company's financial statements, usually

looking at the Company's balance sheet as prepared by its accountants. However, the balance sheet only looks at costs (i.e. what was paid for the asset), and does not consider whether the asset has increased in value over time. In addition, some intangible assets, such as patents, trademarks or trade names, are very valuable but are not usually represented at their market value on the balance sheet.

Earnings Approach-This is based on what the investor will pay (the present value) for what the investor expects to obtain in the future (the future return), taking into account inflation, the lost opportunity to participate in other investments, the risk of not receiving the return. However, predictions of the future are uncertain and valuation of future returns is a best guess.

Different methods of valuation produce a different answer as to what your investment is worth. Typically liquidation value and book value will produce a lower valuation than the earnings approach. However, the earnings approach is also most likely to be risky as it is based on many assumptions about the future, while the liquidation value and book value are much more conservative.

Future investors (including people seeking to acquire the Company) may value the Company differently. They may use a different valuation method, or different assumptions about the Company's business and its market. Different valuations may mean that the value assigned to your investment changes. It frequently happens that when a large institutional investor such as a venture capitalist makes an investment in a company, it values the Company at a lower price than the initial investors did. If this happens, the value of the investment will go down.

Company

Neighborhood Sun Benefit Corp
- Maryland Public Benefit Corporation
- Organized November 2016
- 21 employees

8455 Colesville Rd.
Suite 1025
Silver Spring MD 20910

<http://neighborhoodsun.solar>

Business Description

Refer to the [Neighborhood Sun](#) profile.

EDGAR Filing

The Securities and Exchange Commission hosts the [official version of this annual report](#) on their EDGAR web site. It looks like it was built in 1989.

Compliance with Prior Annual Reports

Neighborhood Sun has previously not complied with the reporting requirements under Rule 202 of Regulation Crowdfunding.

Delayed filing.

All prior investor updates

You can refer to the company's [updates page](#) to view all updates to date. Updates are for investors only and will require you to log in to the Wefunder account used to make the investment.