

TO: The Collection
FROM: Energy Storage Hawaii LLC
DATE: 4-23-20

RE: Solar Project
Replies to Inquires at April 21 Virtual Meeting

Q1: Earlier a \$60,000 savings was given and now it is about \$24,000, why the difference?

Answer: The previous version depended on production estimates initially given by 4 contractors. After one contractor was selected, Photonworks Engineering (PWE), the true impact of shading and what carport structure was feasible was worked on.

Shading will cause a substantial production deficit in this project. As PWE and investor worked through the design and what sectors of the system were shaded, losses greater than 25% were shown. Hand held and computer software based shading analyses were done. Until this shading analysis took place, it was not possible to give accurate production numbers. Two site visits for shading analyses alone and I think over 10 designs gave us the current production estimate. Contractors are not ordinarily liable for their production estimates and are instead motivated by selling the largest system.

In conclusion there will be savings with an expectation of more than the \$24,000. This amount will increase after year 5 and continue for the life of The Collection.

Q2: What equipment is specified for the project?

Answer: Solaredge inverters with optimizers, Structural Solar's carport material, and REC solar panels.

There was a change to the REC panel from the Sunpower offering. This bears explanation. The REC panel offered 3 perceived benefits: (1) it closely rivals the SPR efficiency; (2) REC is seen as a company that, cross my fingers, will be around for the warranty period. SPR has been sold off twice now and is yet perceived as the most expensive panel commonly in the market; and (3) the slight cost savings allows using more of the available parking lot space. This latter point applies to the area next to the pool and BBQ strip. In normal design, we would not put panels in an area with greater than 20% performance defect. This would result in a hole being left when looking down from above. We balanced the slight cost savings to just go ahead with putting panels to achieve a uniform look. Please appreciate this was not an economic decision on investor part. This added cost at less performance is yet a problem for the investor.

Q3: Can you show the layout of the PV array?

Answer: Yes. The electrical and structural plans that exist now and updates will be provided. The data sheets for the inverter and panels as well.

Q4: What will the loan payment be for the Association for consideration of the loan assumption?

Answer: At present projection, the tax basis is \$1,245,960 and monthly loan payment in year 6 is \$4,257.60. When the monthly loan payment of \$4,257.60 is divided by the average monthly production of kWh it comes out to 13 cents a kWh.