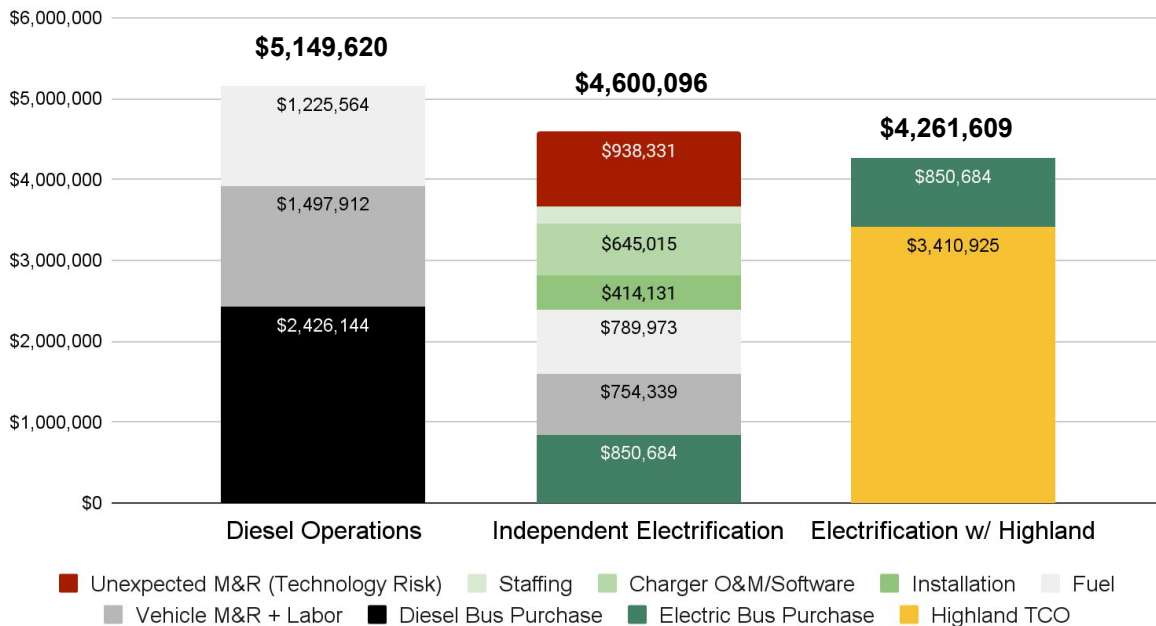


KWRL // Highland - Board Meeting Notes

Diesel Operations vs. Electrification Over 13 Years (14 Buses)



M&R = Maintenance and Repairs | O&M = Operations and Maintenance | TCO = Total Cost of Operations

Annual Cost of Operations - Year 1 Per Bus		
Diesel	Independent Electrification	Electrification w/ Highland
\$25,030	\$18,585	\$16,500

Highland Takes All the Technology Risk for 13 Years

- Highland removes all of the technology and financial risk to KWRL associated with the transition to electric school buses and associated chargers for the full duration of the 13-year contract.
- KWRL does not need to come out of pocket for any unexpected or rising costs (i.e. battery or charger replacement).
- Highland will reimburse KWRL at cost for all school bus maintenance and repairs, including battery replacement and other vehicle components outside of the manufacturer warranty.
- Highland will cover all charger maintenance and repairs, including the replacement of any charger(s) during the contract period.
- Highland will pay for all electricity (fueling) costs throughout the duration of the contract. KWRL will be shielded from rising energy costs.

Highland Financial Stability and Service Fee

- Well capitalized with \$253M in capital raised.
- Operates the largest electric school bus project in the country and has over 600 buses under contract.
- Highland creates an independent project LLC that insulates KWRL's project if Highland were to become insolvent. Provided that the base service fee is paid, project services will continue under the independent LLC.
- Highland only contracts with creditworthy entities for projects and equipment.
- Highland targets a 6% - 8% return on projects. That return covers Highland's overhead and the inherent risk involved in electrification technology. Highland does not receive its return on investment until well past the first half of any contract.

Sourcewell

- Highland has been vetted and evaluated via the competitive procurement process to have an approved Sourcewell contract.
- Highland is the only Turnkey Fleet Electrification vendor on Sourcewell.