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**COSTCO CREDITS TEAM EFFORT AT START OF ITS
FIRST SOLAR ELECTRIC SYSTEM**

*City of Lancaster, Southern California Edison, SCHOTT Solar and PermaCity Corporation
Make Start of 600kW System a Reality*

LANCASTER, CALIF. July 25, 2006 – When it comes to delivering high quality products at high volume, COSTCO Wholesale Corp. leads the discount, variety store industry. So it should come as no surprise that the company should expect high quality and high volume (as in energy delivered by the sun) for its first photovoltaic (PV) or solar electric system, currently under construction at its Lancaster warehouse. Working with PermaCity Corporation, and through the cooperative efforts of the City of Lancaster, its local utility company, Southern California Edison, and the manufacturer of the PV system, SCHOTT Solar, COSTCO joins a growing corporate community, helping California and the nation explore and benefit from alternative energy sources.

At 600kW (DC), covering nearly 45,000 square feet, the PV system, which sits among more than 200 existing skylights, will be among the largest privately owned, commercial PV systems in the U.S. Its sheer size along with COSTCO's unique warehouse design, and this being the company's first PV installation, coupled with the city's permitting and inspection requirements could have been problematic. The potential for delays, misunderstandings and duplicated efforts were all around. However, with years of experience installing some of Southern California's largest commercial-grade PV systems, PermaCity had overcome many of these challenges before, needing only to design a now patent-pending, non-penetrating roof mounting system specifically for COSTCO's warehouse design.

“Once we had that in place and the city's pro-solar permitting process in progress, this project took on a life of its own, becoming a team effort,” said Jonathan Port, president

Teamwork gets COSTCO Solar Project Started - 2-2-2

and CEO of PermaCity Corporation. “Southern California Edison worked closely with COSTCO and us, managing the state’s PV rebate program. SCHOTT Solar provided us with the PV module’s technical detail we needed in order to build our customized mounting system and our state of the art monitoring system. It’s become a great team project.”

Craig Peal, assistant vice president for Energy/Building Controls at COSTCO Warehouse Corp. added, “Our mission is simple, sell top-quality merchandise to our members at the best possible prices. This philosophy applies to how we run our warehouses and the treatment we expect by our vendors. The SCHOTT Solar panels are top-quality and PermaCity is working with us to meet our needs at every turn. However, this is more than COSTCO adding solar power to one of its warehouse roofs; this is about exploring alternative energy and supporting California’s efforts to manage its energy requirements. We want to be a part of that.”

About the Installation

The 600kW system will use 1,860 SCHOTT Solar ASE-310 (310-watt) panels, the most powerful solar panels available on the market. A patent-pending adhesion (racking) system, developed specifically by PermaCity for COSTCO’s classic big box warehouse design holds the modules up off the aluminum roof at a 10 degree angle, increasing system performance while blocking the sun from beating down and heating up the roof, decreasing air conditioning load. PermaCity will also install its unique real-time system capable of monitoring the performance of each PV panel string.

About PermaCity

PermaCity Corp is a California Corporation with a mission to sell, lease, own, install and maintain environmentally sound distributed power generation systems (DPG) starting with solar electricity and solar thermal products. As a leading SCHOTT Solar dealer, PermaCity offers turnkey solar solutions including design, engineering, permitting and installation. PermaCity is a leading solar company in Southern California. PermaCity specializes in commercial and large residential systems. PermaCity is listed as a solar retailer and installer in both the Los Angeles Department of Water and Power (DWP) and the California Energy Commission (CEC) locations and qualified to do business throughout California. Installation is through PermaCity Construction Corp. (CA B C10 HIC 827864), a licensed, bonded and insured California General and Electrical Contractor, whose leadership has more than 20 years licensed experience.

About SCHOTT Solar, Inc.

SCHOTT Solar Inc. is one of North America's leading manufacturers and distributors of solar power components and systems, serving customers throughout the Americas. The company's U.S. headquarters and manufacturing facility in Billerica, Massachusetts, produces the largest solar power module available worldwide, the ASE 300™. SCHOTT Solar employs 900 people worldwide and has annual sales topping 300 million Euros (\$370 million USD). Globally, it produces more than 140 MW of photovoltaic cells.

SCHOTT Solar, Inc. is a subsidiary of SCHOTT Solar GmbH, a member of the SCHOTT Group. SCHOTT Solar, Inc. handles sales, marketing (Rocklin, California) and manufacturing (Billerica, Massachusetts) of polycrystalline photovoltaic solar panels throughout the Americas. For more information, please visit: www.us.schott.com/solar.

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