

From: Greg Shepard <greg@bfsmail.com>
Sent: Tuesday, February 8, 2011 11:22 AM
To: undisclosed-recipients
Subject: Ra3 Questions-Answers

BRAD ASKED THE FOLLOWING QUESTIONS-ANSWERS IN CAPS:

If there are 40 units per tower and 300,000 units available then you would need 7,500 towers. From the videos and pictures, the most I have ever seen is 19 towers, enough for 760 units. Where are all the towers? THE 300,000 SYSTEMS (UNITS) THAT ARE AVAILABLE IS BASED ON THE NUMBER OF LENSES THAT ARE ON STANDBY. BUT SURELY YOU CAN SEE THE REASONING OF SMART BUSINESS TO NOT BUILD 300,000 SYSTEMS IN ADVANCE OF PEOPLE PURCHASING.

The "effective date" is from 2.2 of the Operation and Maint agreement. It is described as:
The Operator shall begin performing the Work on the date the Owner's Alternative Energy

Systems are installed at the Site (the "Effective Date").

This is what triggers the beginning of the \$150/year payment back to the members. HOWEVER, THIS MEANS WHEN THE SYSTEMS ARE UP AND RUNNING AND PRODUCING REVENUE. THAT IS WHAT TRIGGERS THE START OF THE FIVE-YEAR CLOCK STATED IN YOUR AGREEMENT AND WHAT ALSO TRIGGERS THE ANNUAL PAYMENTS OF \$150 PER SYSTEM.

Also, is there anyway that the payments of \$65/year/unit to pay the remainder of the purchase price could ever start before the unit starts paying back \$150/year to the member? NO, THE \$65 PER YEAR PER SYSTEM PAYMENTS ARE NOT REQUIRED UNTIL WE HAVE HAD FIVE FULL YEARS OF SUCCESSFUL OPERATION. THE PURCHASERS ARE IN CONTROL. YOU HAVE FIVE FULL YEARS OF COLLECTING THE \$150 PER SYSTEM PAYMENTS. IF THE PAYMENTS ARE NOT MADE OR MADE IN FULL, THEN PURCHASER'S CAN OPT OUT OF THE \$65/YEAR, SYSTEM CONTRACT AT THE FIVE YEAR POINT.

PLEASE, GO TO YOUR MEMBER OFFICE AREA. CLICK ON THE INFO AVAILABLE ON THE BOTTOM LEFT. THIS WILL TELL YOU HOW MUCH YOUR TOTAL NUMBER OF SYSTEMS WILL GENERATE AT THE FIVE-YEAR POINT AND AT THE END OF THE 35-YEAR POINT.

Thanks

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