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May 19, 2008

Sean Flaherty
1527 William Penn Dr.
Naperville
IL 60563

Re: Patented MARS 3000 Aeration System for Pond 3

Dear Sean,

Firstly, we would like to thank you for giving us the opportunity to propose our system for your ponds. We find it very exciting to propose the patented MARS aerator because it is a revolutionary solution. Not only does it create aesthetically pleasing pond ecosystems for people to be around, but it is also the long term solution that saves you money when compared to pond management alternatives such as chemical treatments. Indeed, the patented Double Bubble Technology™ employed by the MARS makes it unrivalled as a solution to pond management.

Here is our proposal to install the MARS 3000 Aeration system in pond 3 at Century Farms.

I. Requirements

Pond 3 is unusual in its characteristics; while only being approximately 1.45 acres in size, it has 'U' shape and extreme depth changes which can vary from as much as 6' in places to just 2' or less in others. When determining the quantity and size of MARS Aeration units required to create the sustainable pond ecosystems necessary for successful long term pond management, we look at factors such as size, depth and shape. With pond 3 having such variation in these variables it would be difficult to adequately treat the pond using one or two units. Therefore, we have devised a plan that utilizes two of our 'low profile' models – which stand 18" high – and two of our 'ultra low' units standing less than 12" tall.

By having four different points of MARS Aeration treatment we will achieve an equal profile of distribution that we are confident will create the sustainable pond ecosystem that no longer requires chemical or other treatments.

There has been a legitimate concern that has come up in discussions that I would like to address briefly. While the patented Double Bubble Technology™ employed by the MARS churns up bottom sediments, it does not do so in a way that detracts the next body of water that receives the overflow of water. The venturii action, the process by which the static tube (large bubble) component of the MARS lifts bottom sediments towards the surface where they can be oxygenated, is a gentle and slow process that occurs over a long period of time. The rate at which this occurs is designed to be equal to the rate of oxygenation. Therefore, the bottom sediments, which are essentially nutrients, are never capable of flowing downstream in the case of a storm event.

Pond 3 currently has a Kasco circulator (AC) and an Otterbine Tital (DC) in place. It has been established that these will remain in place and work along side our system. Our electrician has determined that a new sub-panel will need to be installed to accommodate both the MARS compressors and existing circulators. 5 15Amp double-pole circuit breakers will be installed and three sets of wires will need to be run in conduit from the sub-panel to the $\frac{3}{4}$ horsepower compressors. The compressor base, which will sit close to the meter socket and sub-panel, has a 1900 receptacle box mounted on it; this receptacle acts as a disconnect for the compressor and the internal cooling fan that are plugged into it.

Early this summer we will harvest algae as well as in the autumn and following spring as necessary. When we harvest algae we remove the nutrient load that is choking the pond. The properly aerated pond is now a beautiful sustainable ecosystem that requires minimal future maintenance.

II. Costs

The price of a MARS installation is all inclusive of everything required to successfully manage a pond. The price of \$5,000 per 'low profile' unit and \$2,500 per 'ultra low' unit installed includes:

- 1) All components to the system:
 - MARS unit
 - Compressor
 - Weatherproof enclosure and concrete base
 - Flexible weighted tubing
- 2) Algae harvesting (as necessary)
- 3) Installation of the aeration system

Therefore, all of the MARS equipment and services mentioned above can be provided at a cost of \$15,000 (fifteen thousand dollars).

Our electrician evaluated the necessary electrical configuration and determined the following work will need to be completed:

- 1) Installation of a new electrical sub-panel that will be used to distribute power
- 2) 5 15Amp single-pole circuit breakers
- 3) Running wire in conduit out of the meter socket to the sub-panel, then from the sub-panel to the compressors
- 4) Re-wiring the existing circulators into the sub-panel
- 5) Wiring of both the circuit breaker and the 1900 receptacle

The cost of completing the electrical configuration, both materials and labor has been estimated at \$1,850 (one thousand eight hundred and fifty dollars).

Therefore, to properly treat the pond 3 units need to be installed for a total cost of **\$16,850** (sixteen thousand eight hundred and fifty dollars).

III. Purchase Agreement Terms

By accepting this proposal Century Farms homeowners association (HOA) agrees to:

- a. Incur all possible costs of system maintenance and equipment replacement should it be necessary.
- b. To leave the MARS 3000 Aeration System running 24 hours a day 365 days a year.
- c. Cease all chemical, biological or any other treatments.
- d. Pay the aforementioned purchase cost upon system installation and start-up

Upon acceptance of this proposal Sheaffer & Roland, Inc. agrees to:

- e. Remove the system and refund the aforementioned equipment costs, if after a minimum period of 3 years from date of acceptance of this proposal, the homeowners of Century Farms are not satisfied that the MARS has lived up to expectations. This equipment cost will be calculated as \$3,500 (three thousand five hundred dollars) per \$5,000 of the total services rendered; algae harvesting constituting a sunk cost over the three year period.
- f. Provide algae harvesting at the following points:
 - i. 40 days after initial installation
 - ii. Late spring (or after the first algal bloom has occurred)
 - iii. Mid summer (if needed)
 - iv. Fall (if needed)

IV. Lease to Own Offer

Recognising that the Homeowners Association might not have the capital required on hand to complete the installation, we are able to offer a 'Lease to Own' offer as an alternative method of payment. The table below gives a breakdown of the arrangement.

Number of Units	3
Price Per Unit	\$5,000.00
Total MARS Cost	\$15,000.00
Electric Installation	\$1,850.00
Down payment	\$0.00
Investment	\$16,850.00
Lease Interest rate	8.00%
Lease term (years)	7
Annual Payment	(\$3,151.53)
Monthly Payment	(\$262.63)

V. Conclusion

The fact is that in the long term not only is the patented MARS the most cost-efficient solution to pond management, it is also the solution that works the best – creating aesthetically beautiful ponds that the community wants to be around, not just ponds that do not have algae on them! This improves the local environment, residents' quality of life and ultimately adds value to their property.

We appreciate your interest and look forward to receiving your response. Call me if you have any questions,

Sincerely,
SHEAFFER & ROLAND, INC.



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Business Development Manager

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ACCEPTED THIS _____ DAY OF _____ 2008

BY: _____
Sean Flaherty (Century Farms Subdivision)