

**From:** Greg Shepard <greg@rapower3.com>  
**Sent:** Thursday, July 19, 2012 5:44 PM  
**To:** undisclosed-recipients  
**Subject:** Ra3 Convention Manual  
**Attach:** 2012 RA3 Convention Manual.pdf; Untitled attachment 02279.txt

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TO ALL:

Attached is a PDF of our 2012 Convention Manual. Feel free to copy it or use it in any way that might be helpful to you.

Regards, Greg

Greg Shepard  
RaPower3-Chief Director of Operations  
4035 South 4000 West  
Deseret, UT 84624  
[www.rapower3.com](http://www.rapower3.com)

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**Plaintiff  
Exhibit**

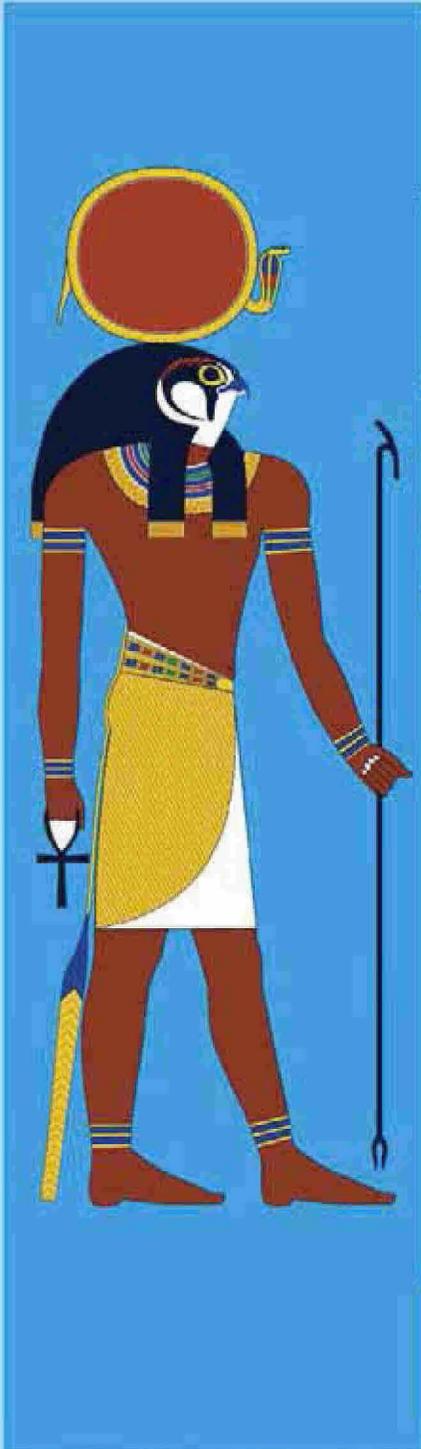
504

# RAPOWER3 2012

## NATIONAL CONVENTION

JUNE 25-26-27

SALT LAKE CITY, UTAH



**OUR NAME:** Ra is the ancient Egyptian Sun God and the #3 refers to the three ways people can earn income from the power of the sun.

**Greg Shepard:**  
Chief Director of Operations





## WELCOME

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**Greg Shepard: RaPower3**  
**Chief Director of Operations**

Welcome to our 2012 RaPower3 National Convention. The past year has been quite an amazing ride. We exceeded our expectations in growth from all perspectives. We expect this next year will see our growth to be even more amazing as we concentrate on manufacturing and construction.

I would like to thank all of our RaPower3 Team Members. Without you, this growth would not have been possible nor would our view of the future be so grand. This year we will truly embark together on a noble journey of bringing clean renewable energy to our country in an unprecedented way.

Our installation cost is far lower than anyone else as is our cost of operation. Our ability to mass-produce all components is unparalleled. RaPower3, with the help of energetic and enthusiastic team members, will make 2012-2013 an unforgettable year.

### **THE FOCUS OF RAPOWER3**

RaPower3 is focused on solar energy and technologies that can expand solar projects to 24/7 capabilities. We are only interested in larger scale commercial projects in the United States and its territories. Projects in other areas of the world, although, are continually being evaluated.

Greg Shepard, Chief Director of Operations, says, "RaPower3, at the present time, intends to use technologies patented by International Automated Systems (IAUS stock symbol). The arrangements made with IAUS provide RaPower3 with a unique mechanism to offer a network-marketing program that surpasses all others. We are proud of the fact there are no application fees or any monthly financial requirements. That's why everyone makes money with RaPower3 because of federal tax incentives, and the rental income from energy produced along with generous commissions.

### **ABOUT GREG SHEPARD**

Mr. Shepard has had a passion for green energy for years and wants to help our country and the world breathe cleaner air and help communities become energy independent. He had visited quite a variety of energy facilities before choosing IAUS technologies. He has been a successful businessman in Salt Lake City for thirty years. Education: Bachelors from Oberlin College in Ohio, Masters of Science from the University of Oregon and a Doctorate from Brigham Young University.

# RAPOWER3

## 2012 CONVENTION SCHEDULE

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### MONDAY JUNE 25TH

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#### Salt Lake City Library: 210 East 400 South

Leadership Meeting: 6:30 PM to 8:30 PM:

For RaPower3 Team Members who want to build a dynamic successful business through our RaPower3 Network Marketing Business Model. Featuring Greg Shepard's Five Power Axioms for Success. Seating limited to 40.

### TUESDAY JUNE 26TH

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#### Salt Lake City Library Auditorium

**8:15 AM:** Registration

**9:00 AM:** Welcome-Introductions

**9:10 AM:** Where we are at & what's been accomplished in the last year: R&D, Manufacturing, Construction and RaPower3 Team Membership

**9:30 AM:** The Ra3 role behind the scenes: Glenda Johnson & Roger Freeborn

**10:00 AM:** Breakthrough Technology #1 & #2: The evolution of the Solar Lenses, their refractive, mass production and efficiency capabilities along with their immense complexities and lower cost advantage. The Circuit Board with its revolutionary ability to smoothly regulate voltages from DC to AC and back to DC along with its great efficiency, low cost and mass production capabilities in a variety of markets. Randy Johnson

**10:30 AM:** Breakthrough Technology #3: The Turbine and its superior modular, mass production, and efficiency capabilities along with its lower cost advantage. Neldon Johnson

**11:00 AM:** Breakthrough Technology #4 & #5: Dual Axis Tracking System with its simplicity, efficiency and cost savings when tracking a thousand towers from a single computer. The Concentrators and their ability to create 2,500-degree temperatures for the inexpensive production of zinc batteries along with their low cost mass production capabilities. Neldon Johnson

**11:30 AM:** Breakthrough Technology #6 & #7: The Heat Exchangers & the Closed Loop System and their huge cost, mass production and efficiency advantage. The Biomass Energy System and their huge low cost, mass production and efficiency advantages in producing energy from waste, garbage or any form of biomass. Neldon Johnson

### 12:00 NOON LUNCH BREAK (ON OWN)

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**1:15 PM:** Breakthrough Technology #8: The Zinc Battery with its IAS advantage in mass production, size, weight, cost and the far-ranging implications in the home, business and transportation energy markets. Neldon Johnson

**1:45 PM:** Breakthrough Technology #9 & #10: The evolution of the Frames (wind-resistant braces) to withstand 90 MPH winds. The Capacitors with their astonishing ability to rapidly and cheaply recharge lithium and zinc batteries used in transportation. Neldon Johnson

**2:15 PM:** Delta manufacturing and construction plans for 2012  
Other project plans both foreign and domestic plus a forecast on our Bonus Contracts;  
Neldon Johnson

**2:45 PM:** Tax Forms and RaPower3 team member's 2012 tax situations. Material Participation-Active/Passive Rules-Bryan Bolander CPA

**3:30 PM:** Mid-Level & High-Level Construction Companies:

**Kevin and Kory Jardine will share their insights on providing mid-level construction projects using local workers and Joseph Anderson former Bechtel manager of a number of hydroelectric projects will talk about the complexities of using a high-level construction company for bigger projects worldwide.**

**4:15 PM:** Questions & Answers-Panel: Neldon Johnson-Greg Shepard-Roger Freeborn-Bryan Bolander-Joseph Anderson-Kevin and Kory Jardine

**5:00 PM:** Session Ends

### **WEDNESDAY JUNE 27TH FIELD TRIP**

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**9:00 AM:** leave Salt Lake City for Delta

**10:45 AM:** Meet at the gas station in Lynndyl

**11:00 AM:** Look at the transmission lines going to California and going west

**11:10 AM:** Look right on way to Delta. See the smoke coming from coal plant

**11:15 AM:** See the Manufacturing Plant

### **12:30 NOON: LUNCH IN DELTA**

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**1:45 PM:** Go to the Project Site

**5:30 PM:** Back in Salt Lake City

# RECENT ACCOMPLISHMENTS

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- 1. Highlights from Jan. to March 2012:** Purchased a big lift truck for the new 30,000 square foot manufacturing plant. Had the best ever first quarter sales. Purchased two heavy-duty concrete pumps with trucks for our construction project. Had four big truck loads of steel delivered: enough for 300 towers. Poured the concrete base in the new manufacturing plant for our 89,000 lb mold-making machine. Finalized the location and date for our RaPower3 National Convention. Purchased two cranes for the construction project. Purchased 1,280 acres for solar projects. Received five new patents. Manufactured and delivered on-site 700 trusses. Built the mold that mass-produces the frames for the solar lenses. Purchased a Robotic Welder and developed a Circuit Board. Received white papers and engineers are presently creating the software for the circuit board. Purchased a drill truck for digging a hole four feet in diameter and fifteen feet deep in which to place the tower. Created molds for other important manufacturing parts such as the mold to connect the frames to the trusses along with a seal. Completed the mass production process for the jet nozzles. After four tries, discovered the proper coating to protect our solar heat exchanger from melting.
- 2. Highlights from April 2012:** Finished the final mold for the strut connecting the lens frame to the Truss. Every mold for every component for mass manufacturing has now been completed. The last pieces of equipment for the assembly lines for the automated mass production of components have been ordered. Construction plans for the Delta project being finalized. Completed the first phase of the software engineering for the circuit board.
- 3. Highlights from May to early June 2012:** Completing the manufacturing plant. Nearing completion of the software engineering for the Circuit Board and the readiness for the construction of CSP towers in Delta, Utah.
- 4. Growing RaPower3:** Reached a thousand team members from all corners of the United States.

# **RaPower3 TEAM MEMBER COMPENSATION CONTRACT**

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## **GLENDA JOHNSON: RAPOWER3 ADMINISTRATOR**

glendaejohnson@hotmail.com

Topics: What goes on behind the scenes. Commissions, bonuses, information on the member log-in site, etc.

## **RAPOWER3TEAM MEMBER COMPENSATION CONTRACT**

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Team Member (1) agrees to the following two methods of compensation:

The First Method of Compensation: Team Member (1) will receive compensation of 5% of whatever a new sponsored team member pays to RaPower-3. The new sponsored team member will be placed directly below Team Member (1). This is called the first level of Team Member (1). Then, as the new sponsored team member sponsors others, Team Member (1) will receive compensation of 1% for level two on whatever those sponsored team members pay to RaPower-3. This same process will continue through subsequent levels until level six. Level six is the cut-off level.

The Second Method of Compensation: Team Member (1) agrees to the following compensation schedule stemming from revenues generated from the sale of power. Team

Member (1) would receive compensation of 5% of whatever revenue was generated from the sale of power from his/her sponsored first-level team member(s). Team Member (1) would also receive 1% compensation from all revenues generated from levels two through six.

Each Team Member can sponsor as many Team Members as they would like. The compensation schedule is always the same. Five percent for level one, and one percent for levels two through six.

In the event, the Purchaser has elected to only pay ten percent of the down payment, the five percent commission will be based on the amount of that ten percent. The rest of the commission will be paid only after the balance of the down payment is paid.

Higher commission sales can be earned by a Team Member, if he/she achieves the necessary number of systems sold each month. If a Team Member sells a total of 8 or more systems each month, the commission rate is 10% for that month. The 10% commission rate only applies to the months that 8 or more systems are sold. This commission rate only applies to level one sales.

### **SIGN-UP RULES:**

1. Spouses cannot sign-up each other.
2. You cannot sign-up your underage children underneath you.
3. You can sign-up children and/or relatives that are of age and pay taxes.
4. You can sign-up other businesses that you may be involved in underneath you as long as they are separate business entities with their own federal identification number.
5. When you sign-up, you must pay for your upfront costs with an Automatic Check or send a check to us within 15 days. If we do not receive these required funds as directed, then you will be automatically removed as a RaPower3 Team Member. NO EXCEPTIONS.





**BREAKTHROUGH TECHNOLOGY #1 & #2: RANDY JOHNSON**

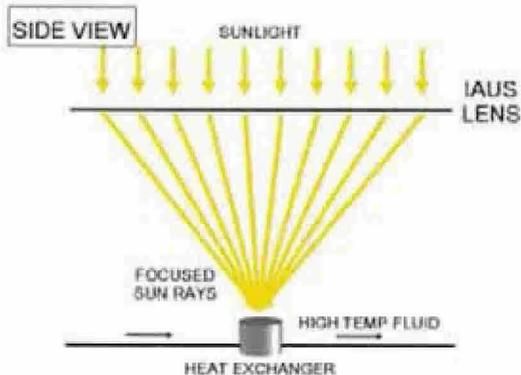
**#1: The Evolution of the Solar Lenses.**

Their refractive, mass production and efficiency capabilities along with their immense complexities and lower cost advantage.

Because of proprietary considerations, detail cannot be given about the lens making process. However, suffice it to say the first challenge was to build a mold or roller that would enable mass production of lenses. It is thought to be a scientific impossibility. No longer. IAUS has done it. A finished mold/roller is a copper cylinder eight feet in length and about 22-inches in diameter. The cylinder is then shipped to Lucite for manufacturing. Each minimum run produces about 9,000 lenses. Annually, one mold can produce 350 megawatts of solar lenses

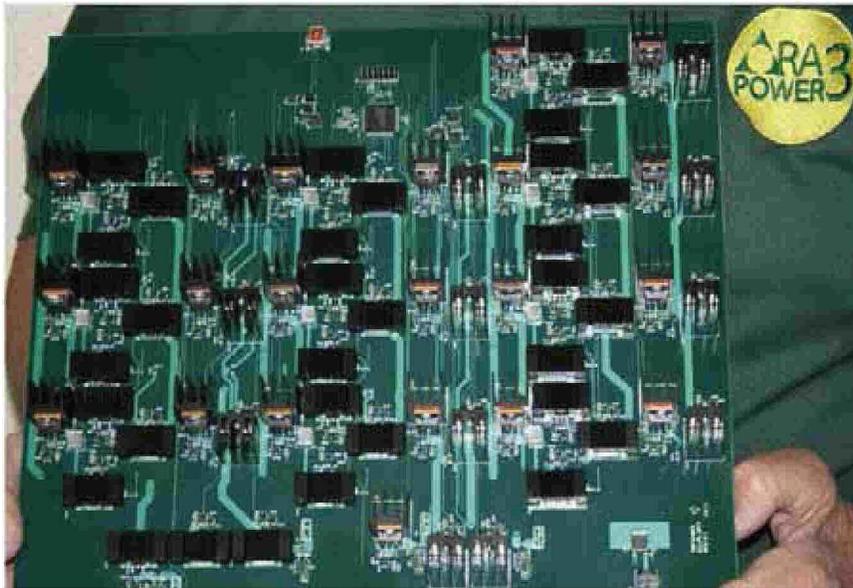
IAUS does not use expensive mirrors. They have produced a Fresnel lens to refract the sun's rays instead of reflect. The error ratio of reflecting the solar rays from a mirror to its target is four times greater than refracting rays. Mirror-based CSP support trusses, hinges and tracking systems require significantly high tolerances to maintain focus and remain correctly dialed in.

With IAUS's Fresnel lens, the cost of manufacturing has been drastically reduced due to the absence of tight tolerances. IAUS's unique solar panels have been independently tested and show efficiencies of over 90%. This lens has produced temperatures from 1,600-1,800 degrees



Fahrenheit with a 30+ inch diameter focal point in the field. Finally, with the new patented Concentrator temperatures can reach 2,500 degrees.

IAUS has the capability of making many molds per year and Lucite has no limitations on the number of molds that can go on their production lines. Specifically, the Lucite panels are made up of a very durable, engineering grade monomer material that has been known to last more than 60 years. These panels are also 100% recyclable.



**The IAUS Circuit Board. The Central Processing Unit (CPU) is the small object in the middle at the top.**

## **#2: The Circuit Board.**

With its revolutionary ability to smoothly regulate voltages from DC to AC and back to DC along with its great efficiency, low cost and mass production capabilities in a variety of markets.

The circuit board is an extremely important part of one of our patented technologies. It is frankly worth a lot all by itself because it is so revolutionary and will be used in a variety of areas. The circuit board has been completed. Software engineers are now working on the software programming. It is complex but at this stage things are moving along OK. When done, there will be an imbedded chip placed in the circuit board. It is a Computer Microprocessor that incorporates the functions of a computer's central processing unit (CPU) on a single integrated circuit and controls the compilers on the board. In simpler terms, it will regulate all the voltages creating a significant increase in efficiency.

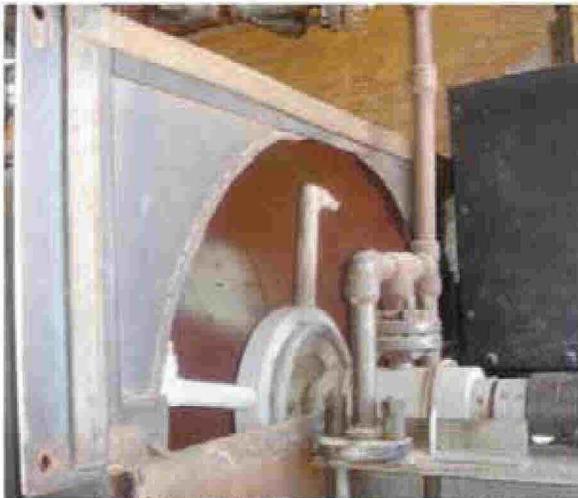
The imbedded chip, for example, will be a must to have in every future computer. However, for our purposes, in regards to energy, it will be used with transformers. There should be a fifteen percent greater efficiency with the imbedded chip. So we can make huge amounts of money just using it on our nation's transformers. No permits needed. No projects to build. Just use it on existing power sources. Again, putting this into perspective: a city that uses a hundred megawatts of power, they would now be able to get the same amount of power with 85 megawatts. This means their city can grow in population for a decade, on average, without the need of adding more power to their energy mix.

## **BREAKTHROUGH TECHNOLOGY #3: NELDON JOHNSON**

### **The IAUS Turbine**

International Automated Systems, Inc. has developed a new breakthrough bladeless turbine technology. It is a patented propulsion turbine, which some believe may revolutionize electrical power generation and low-cost hydrogen fuel production. IAUS's unique turbine has many advantages over traditional turbine designs. Rather than relying on turbine blades to spin the turbine cylinder, IAUS's Propulsion Turbine is designed to turn the cylinder without blades.

Mirror-based Concentrated Solar Power (CSP) use a traditional steam cycle to turn a conventional, bladed steam turbine and generator. IAUS's steam cycle does not require large expansion



**Runs at 17,000 RPM (Revolutions Per Minute) with 500 Horse Power weighing only 60 pounds and only two moving parts. Neldon Johnson stated, "It's the most efficient engine ever built"**



**The turbine manufacturing machine can produce 100 turbines per day.**

tanks to superheat the steam; it does not require water-cooled cooling towers to condense the steam; and it does not require the expensive and sophisticated monitoring devices for Balance of Plant due to the rugged durability of IAUS's proprietary turbine.

The proprietary turbine is bladeless. This turbine can run on both high quality and low quality steam with a bi-phase flow capability. This bladeless propulsion turbine can run directly on super-heated, high-pressure water. The expansion or phase change (flashing) from water to steam happens right at the nozzle of the turbine.

In a conventional power plant, the water is boiled and flashed to steam in a large, high-pressure tank. The steam is sent through a series of super-heating stages. This type of system is very expensive to build and maintain, and further a traditional turbine typically requires an 18-24 month lead time from order to delivery. IAUS's turbine production lead time is a fraction of this.

IAUS's system does not need an expensive boiler. Instead their turbine uses smaller, high-pressure tubing. It is much safer, less expensive and easier to manage. This is a significant advantage over traditional systems required by conventional turbines. It also can be custom designed for smaller to medium size applications. This allows for staging power in and out and inexpensively segmenting a power plant into smaller sectors that improves issues of downtime while offering low-cost redundancy.

IAUS's turbine has been independently tested and verified. Their turbine competes and is comparable to the output and life cycle of current turbines.





#### **BREAKTHROUGH TECHNOLOGY #4 & 5: NELDON JOHNSON**

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##### **DUAL AXIS HYDRAULIC TRACKING SYSTEM**

Four of the discs or pods are mounted to a single tower equipped with dual-axis, automated tracking. This means no matter where the sun is in the sky, the tracking system will position the panels to receive a direct hit from the sun. This creates maximum efficiency.

IAUS has designed and tested their dual-axis tracking structure to follow the sun, monitor wind-speed, and measure the sun's energy per square meter. The design and manufacturing process for this dual-axis tracking system has been built with high volume and mass production in mind.

Some adjustments were made from the original design during fabrication and installation such as lengthening the ram drives and reducing the number of rings and hydraulic rams by nearly half.

This gear replacement is a unique landmark pivot design for dual-axis tracking that, to our knowledge, has never been done. The new component took longer to refine than expected but has not disappointed.

Dual-axis tracking produces an increased number of solar hours per year. An IAUS solar power plant can produce up to 30%+ more annual energy than a fixed plate PV solar power plant of the same size.



**IAUS Inventor, Neldon Johnson, at the Pilot Plant Site with the Concentrator.**

**THE CONCENTRATOR:**

Photo Shows The Concentrator Elevates the Temperature to Several Thousand Degrees. This Gives IAUS Some Huge Advantages Over the Competition in 24/7 Capabilities in making zinc-air batteries.

The Holy Grail for renewable energy is the ability to go 24/7 and do it for the same price as coal. We now have that ability with the zinc battery.



**Neldon Johnson the inventor lighting brush on fire with just the Concentrator.**

The Concentrator or Condenser shown is the key to this technology as it can produce temperatures in the 2,500-degree range. Look at the box attached to the tower; this is where the computer goes to track the sun. Also, look in the background at the many towers.



**This photo shows a clear picture of the Concentrator and the emanating heat. The Concentrator is the key to making a zinc battery that is key in producing inexpensive 24/7 clean renewable energy. This is something no one else in the world is even close to doing. WE ARE!**



**One of the presses at the manufacturing plant that mass-produces the concentrators.**





### **BREAKTHROUGH TECHNOLOGY #6 & 7: NELDON JOHNSON**

**#6 The Heat Exchangers and Closed Loop Systems and their huge cost, mass production and efficiency advantage.**

The photo above shows the new solar energy system heat exchanger. We call it the Magic Ball. There are patents on this heat exchanger. It is literally one thousand times smaller than a conventional heat exchanger, thus the term Magic Ball. It's shown with an outlet/inlet pipe.

#### **HOW IT WORKS:**

The sun hits our solar lenses. There are four per tower. The sun's rays are heated up to about 1,500 degrees. Then, the rays go from the solar lenses to the concentrators. Each disk has a concentrator. Thus, we also have four concentrators per tower. Each tower produces about 40 kilowatts of power.

On December 1, 2011, for the first time, the sun hit the lenses and then the concentrator. Boy, was it hot. We believe it to be around 2,500 degrees. Within the heat exchanger, the heated liquid/water converts to steam and will go to the turbine and then to the generator, which will produce electricity.

Each concentrator will have its own heat exchanger and is placed at the bottom of the concentrator. Because the temperatures are so hot, a small motor will rotate the "Magic Ball" to prevent it from melting. Our manufacturing process coats the ball with a carbon compound to further resist melting. The heat exchanger is produced at our own manufacturing plant for a cost effective price.

#### **IAUS CLOSED-LOOP SYSTEM**

The third party engineering review was conducted by reputable engineers with Ph.D. and M.S. degrees in Physics, Mechanical Engineering and Nuclear Engineering from prestigious Universities such as M.I.T., U.C. Berkley, U.C. Davis, and DePaul. Collectively, these scientists have many years of accumulated specialized expertise in optical engineering and efficiency, thermal dynamics, combustion stability, liquid rocket engine performance, system optimization, mechanical and fluid systems analysis, solid and gel propellant performance, structural dynamics, rotating machinery and vibration with application to turbine blade rubbing. This review supports that

the IAS bladeless turbine and solar panels meet and in some cases exceed all performance and efficiency projections. Perhaps the most telling outcome of this independent engineering review was the conclusion that the IAS bladeless steam turbine can operate as a part of an overall closed-loop system or as a stand-alone component.

The composite analysis also supports that compared to other solar technologies the IAS technology has a higher overall annual efficiency factor than photovoltaic (PV), traditional concentrated solar power (CSP) such as towers and troughs, and is better or comparable to CSP dish technology. The net conclusion is that based on the functionality and the low-cost design, an IAS solar thermal power plant needs to convert only 5% of the gross annual solar energy hitting its panels to electricity in order to compete with the lowest priced solar technology available today. An IAS solar thermal power plant has an annual solar-to-electric efficiency of nearly 24%.

Solar Plants: Water is heated to about 1,800 degrees by the sun through the solar lenses and heat exchanger. This super heated pressurized water then goes to the IAUS turbine and by means of steam the turbine turns creating electricity. After this process, the steam condenses back to water by a Steam Condenser and finally through a High Pressure Pump the water is reclaimed and reused. Thus, the process is repeated over and over. This is called a Closed-Loop System so vitally important in conserving precious water resources in desert areas.

### **COOLING TOWERS**

Cooling towers are a critical component of traditional turbines to help maintain the Balance of Plant. Because of the unique nature of IAUS's turbine, the actual working chamber can be used as both a direct heat exchanger and water recovery system on the condensing side. This eliminates the need and cost of the cooling tower.

The proprietary turbine can recycle water in a closed loop. This is a perfect fit for the areas of the Southwest where water conservation is very important. Also, the excess heat that is normally wasted in the cooling towers can instead be put to some other use. Heat storage and other heat byproducts can increase the efficiency of the plant from 20+ percent up to 70 percent.

The absence of both an expansion tank, traditional turbine and cooling towers not only significantly reduces the overall cost of equipment and installation, but also reduces daily operations and maintenance costs which translates into a lower wholesale price for electricity per kWh produced.

**#7 The Biomass Energy System and their huge low cost, mass production and efficiency advantages in producing energy from waste, garbage or any form of biomass.**



The sun doesn't shine at night, nor can you create solar energy on cloudy days. Therefore, what do you do to produce power 24/7? IAUS has a number of ways to do this and one way is our Burner System that can use any form of biomass. These products also qualify for a 30% tax credit. Any plant or vegetation can be used for example. If you can grow it quickly and cheaply and in abundance, then this is what we want. RaPower3 is looking at several possibilities in this area.

In addition, there are three specific and quite interesting projects being considered each with a different biomass product. First, west Texas offers cotton residue that can be used to produce 100 megawatts of power along with solar energy.

Second, algae can be cheaply grown in many places. Third, pig poop. Yes, pig poop. This may be the best of all. Imagine burning pig poop to produce clean renewable energy. There is a huge pig farm in the Milford, Utah area that might be used by RaPower3 and IAUS for a project.

Other promising ways the Burner System can be utilized is using human waste and/or garbage as the burning component. Instead of taking garbage to a landfill, we can now use the Burner System and create massive amounts of energy with net-zero emissions. The same technology for creating energy from pig poop can also be used with human waste. All of the above methods can be installed quickly for large projects at a competitive price with all forms of energy sources including coal.



**The Biomass Heat Exchanger.** It is about four feet high-three feet wide and sixteen feet long. The yellow things you see in the background are not part of RaPower3/IAUS. This patented Heat Exchanger is revolutionary. Not only because it is so inexpensive to build, but also because it is so small. This Biomass Heat Exchanger will produce a whopping twenty megawatts of power (enough for a city of 20,000 people). This Heat Exchanger is one one-thousandths the size of our competitors' heat exchangers. Almost ALL piping has been eliminated. Quite an achievement.

### **BREAKTHROUGH TECHNOLOGY #8: NELDON JOHNSON**

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The Zinc Battery: The concentrator is the key to making a zinc battery with its extraordinary temperature of 2,500 degrees. This temperature makes it possible to convert zinc-to-zinc oxide and therefore being able to cheaply produce a zinc battery.

IAUS has a huge advantage in mass production, size, weight and cost. This creates far-ranging implications in the home, business and transportation energy markets.

### **BREAKTHROUGH TECHNOLOGY #9 & #10: NELDON JOHNSON**

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#### **#9 WHAT ARE THESE WIND-RESISTANT BRACES?**

Ingenious really. The louvered lenses we had before kept breaking when the wind would get at a certain level. It wasn't bad, but in Neldon's mind unacceptable. So, because his primary training has been in radio frequency, he applied that knowledge to the wind-resistant braces. At certain wind levels, the louvered lenses would start vibrating at a certain frequency and then break. The wind-resistant braces deal in the harmonics of the lenses by creating a much higher frequency and thus there are hardly any vibrations. These new lenses with the new lens braces have been laboratory tested at over ninety miles per hour without damage.



**Left: Neldon shows the big lens with the solar lens wind resistant braces. Right shows Neldon Johnson training one of the assembly line workers at the manufacturing plant. Two frames a minute can be manufactured.**

#### **#10 The Capacitors**

With their astonishing ability to rapidly and cheaply recharge lithium and zinc batteries used in transportation.

# Manufacturing and Construction Plans for 2012

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Choosing sites for solar energy projects has to be done with care and thought. The following is a checklist of details to consider when choosing a location:

1. **Annual sun hours.** Charts are available illustrating in precise terms the average annual hours the sun shines in any location in the United States. Twenty-two hundred hours of sun per year is an optimum number that is available in parts of the Southwestern United States including Utah.
2. **The expense of the land, either for purchase or lease.**
3. **Is the land relatively flat?** Solar projects with any technology works best on flat land without trees or mountains that create shade.
4. **Availability of water.** Many solar technologies require vast amounts of water. This is one reason RaPower3 has selected IAUS because they use a closed loop system. This means they reuse the water. But, they still need some water.
5. **Transmission Lines and Substations.** It cost about one million dollars per mile to build transmission lines. Therefore, if a solar site can be found near major transmission lines and a substation, this would be a huge plus.
6. **Available acres.** It requires about five acres of land per megawatt of power. One hundred megawatts would therefore need five hundred acres of land.
7. **Power Purchase Agreements (PPA) and Permits.**

RaPower3 and IAUS are eyeing a number of locations: Utah, Arizona, Nevada, Texas and California. These sites have near the optimum annual sun hours per year on flat inexpensive land. In addition, they have water available with major transmission lines and substations in close proximity. Hundreds of megawatts of power can be produced on the available land. It is the position of RaPower3 that IAUS can obtain advantageous PPAs and Permits at these locations. Utah sites are in the Delta and Milford areas of Utah. Other projects outside the above states are also possibilities both foreign and domestic.

## **BRYAN BOLANDER: CPA**

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### **Tax Forms and RaPower3 team member's 2012 tax situations. Material Participation-Active/Passive Rules**

Bryan Bolander is our Utah RaPower3 CPA and does taxes for RaPower3 Team Members from all over the country. Bryan is a brilliant CPA. He graduated Magna Cum Laude from the University of Utah in 1977 and passed the CPA exam on his first sitting. He also served several years ago as the President of the Utah Association of CPA's. His email is bryan@vcb-cpa.com but it's for RaPower3 clients only.

(This letter is available at rapower3.com)

Dear CPA, Accountant or Tax Attorney:

Thank you for coming to this page to learn more about our RaPower3 Tax Benefit program on behalf of your client(s). The subjects discussed below are different topics that should be helpful in your research.

\*\*\*Please note: This is Not An Investment. It is simply a Purchase of solar energy equipment. Therefore, there is no K-1 form, prospectus or securities issue. Your client will be issued a letter, at some point, stating that his/her systems have been Placed-In-Service.

This is not a purchase of solar panels for a residence, but rather a purchase of Alternative Energy Systems for commercial renewable energy projects. Energy is to be put on the grid to provide electricity to retail customers/utilities.

Finally, your client, as a result of the purchase, will have a side business either as a sole proprietor or as a LLC. In the event electricity is produced by your client's systems and an adequate power purchase agreement can be signed, income from these systems may be realized. Your client will also be a RaPower3 Distributor who will be qualified to sell systems to others and receive commissions. When commissions or income is received from the sale of power, RaPower3 will issue 1099 forms.

Your client, in purchasing systems, may be eligible for the 30% tax credit and the 50% bonus depreciation available in 2012. Each system costs \$3,500 and thus a \$1,050 tax credit per system may be available (Use tax forms 3468 and 3800). Your client may also be able to use the \$2,975 depreciation available per system purchased (Use forms 4562 and Schedule C). Typically, you may go back one year on the tax credit and forward twenty years on the tax credit. The Depreciation and NOL is the same as any other business as far as going back and going forward. This is part of the ARRA - American Recovery and Reinvestment Act.

## **MID-LEVEL & HIGH-LEVEL CONSTRUCTION COMPANIES**

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### **Kevin and Kory Jardine will share their insights on providing mid-level construction projects using local workers:**

Kevin and Kory Jardine have had a wealth of construction experience in Utah. Both have B.S. degree in construction. They have been project managers or an MEP Engineer for the City Creek project and extensive Salt Lake Airport development. They have worked for the largest construction companies in Utah and Kory worked for two years with Bechtel. They have proven organization capabilities and can put together a highly qualified team for IAUS projects throughout the western United States.

#### **KEVIN JARDINE QUOTES:**

“There is wisdom in working with local construction managers with the right skill set to roll out the initial phase of the CSP tower construction. Benefits include economy of fees, involvement of local communities, and full-time and personal commitment to the success of the program.”

“With the baseline information gleaned from Neldon’s prototype work, a well-managed combination of local labor, subcontractors, suppliers, together with appropriate project management technology will provide the best balance of cost, quality, and schedule, all leading to insure the best value of Rawpower3 team members.”

### **Joseph Anderson former Bechtel manager of a number of hydroelectric projects will talk about the complexities of using a high-level construction company for bigger projects worldwide.**

Mr. Anderson was educated in civil engineering at a university in Scotland and received a certificate under Bechtel’s Executive Plan. Mr. Anderson has been Program or Project manager on some of the largest construction projects ever undertaken in the world: Jubail Industrial City, James Bay Hydroelectric project and Deputy Managing Director of the Eurotunnel.

#### **JOSEPH ANDERSON QUOTES:**

“The overall concept is very realistic particularly when you relate his technology to renewable energy.”

“Neldon Johnson has been very thorough in developing the various appurtenances that allows him to create his new energy process.”

“There are certain features that are very unique such as the turbine that I find particularly innovative and minimizes ongoing maintenance.”

# LEADERSHIP MEETING

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- I. Where were headed:** What are the opportunities if IAUS can produce as expected? How can you take advantage being ahead of the curve? Let's take a look at the numbers.
- II. Providing leadership in RaPower3 is simply a matter of taking care of business:** your business. There is a huge amount of money to be made as you develop your business. Developing your business means you concentrate in two areas: Making new sales and taking care of your downline. The following is a list of basic principles that will help you be a leader for those in your group as you grow your business into a successful moneymaking enterprise:
- 1. Nurture your downline, especially your level-one, people.**
    - A. Do they know how to login to our member login site?
    - B. Are they interested in building a business of their own?
    - D. Do they know about all of the info areas available on both the main rapower3.com website and the member login site?
    - E. Do they know how to approach others in selling systems?
    - F. Ask, "What can I do to help you?"
    - G. Do they know how to take full advantage of the RaPower3 tax benefits?
    - H. Guide your people at tax time with a CPA or a software program that you are personally familiar with.
  - 2. Keep lists of all your contacts and categorize them with notes. You need phone numbers and e-mail addresses.**
  - 3. Learn everything on both the rapower3.com website and the member login site.**
  - 4. If any of your downline people are not interested in building their own business, ask them for three references and then you make the sale.**
  - 5. Remember, if your people are happy, meaning they received all their tax benefits, then they will purchase even more systems. That means you make commissions all over again.**
  - 6. Have your people make a copy of their refund check so the both of you can use it as a valuable tool in your presentations.**
  - 7. What would you add to this list?**

**RaPower3 in 30 Seconds:** This is your chance to tell the RaPower3 story in 30 seconds. Please come prepared to do this in front of everyone at our leadership meeting. A nice prize will be given to the person who does it best.

**Answering the Toughest Questions:** Bring one tough question to the meeting. As a group, we will get everyone's input and give the answer as best we can.

## **THE FIVE POWER AXIOMS FOR SUCCESS**

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**Power Axiom #1:** Establish a noble goal(s). Your goal needs to be carefully thought out. You need to balance RaPower3 with everything else going on with your main business, family, church and personal life. However, to be successful you need to stretch yourself, be organized and consistent. Any goal must be measurable and have a timeline.

**Come prepared with you noble RaPower3 goal(s).**

**Power Axiom #2:** Establish a massive work ethic plan. On a scale of one to ten, how hard are you willing to work to attain your goal(s)? Be an Eleven! Come prepared to show your plan.

**Power Axiom #3:** Keep you eye single to the glory of attaining your goal. There are no problems in life only challenges. Problems are what you see when you take your eye off your goal. Stay focused.

**Power Axiom #4:** We all have a "date with destiny." Our decisions of today determine our destiny of tomorrow. The following is a powerful postulate from religious leader Spencer W. Kimball:

**We Must Play the Song We Came On Earth To Play**

**Let Us Not Die With Our Music Still In Us.**

**The key question:** What is the song you are supposed to play in this life?

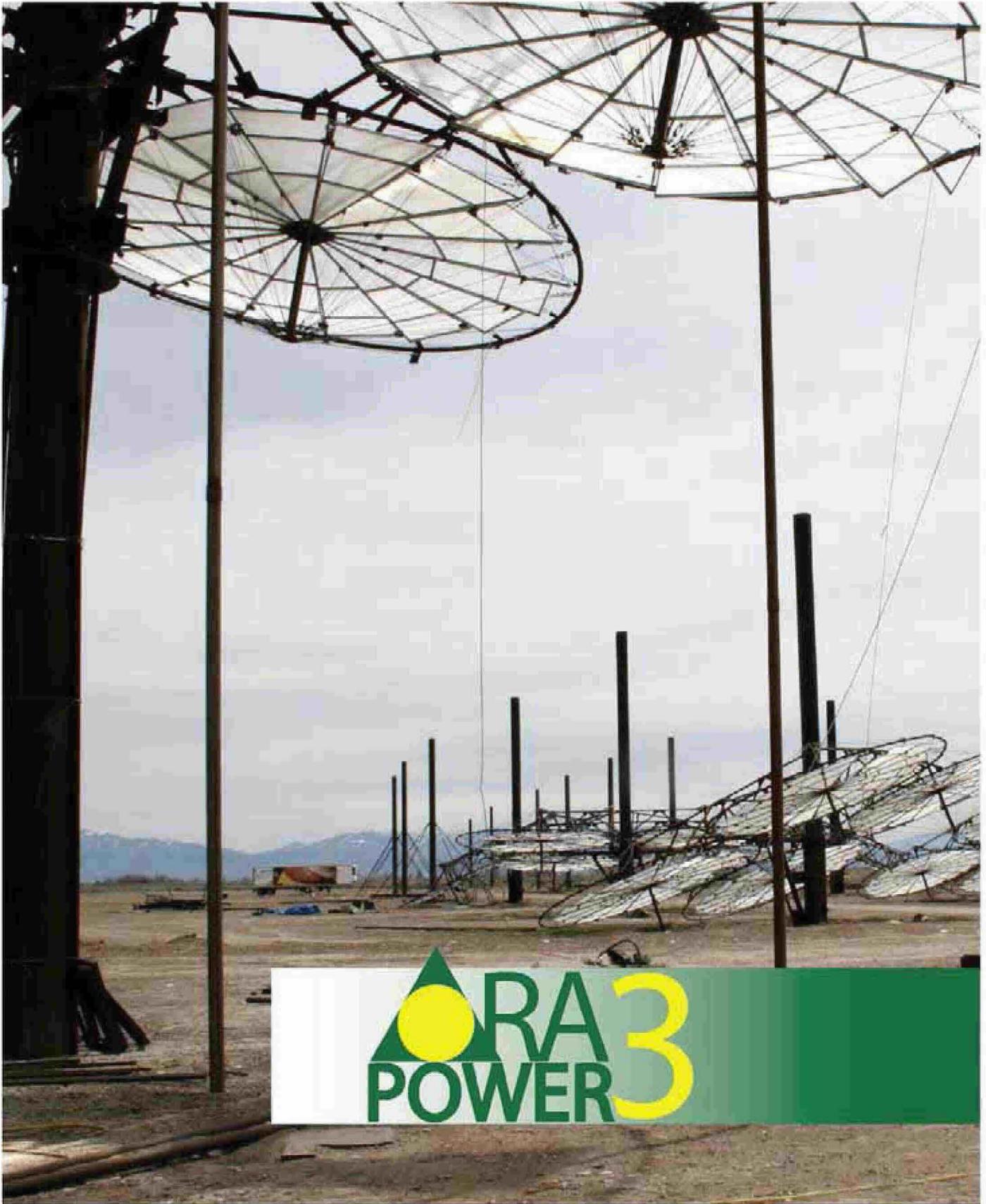
**Power Axiom #5:** We should help each other in mind, body and spirit. Be of service to others. It is each person's job to help others play the song they were meant to play.











2012 NATIONAL CONVENTION

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