

NELSON, SNUFFER, DAHLE & POULSEN, P.C.

DENVER C. SNUFFER, JR.
J. DAVID NELSON
ROBERT D. DAHLE
MARK L. POULSEN^o

ATTORNEYS AT LAW

10885 SOUTH STATE STREET
SANDY, UT 84070
TELEPHONE (801) 576-1400
TELEFAX (801) 576-1960

DANIEL B. GARRIOTT
STEVEN R. PAUL
TAHNEE L. HAMILTON[^]

OF COUNSEL
BRET W. REICH[‡]

^oALSO ADMITTED IN ILLINOIS

FILE COPY

[‡]ALSO ADMITTED IN TEXAS
[^]ALSO ADMITTED IN CALIFORNIA

August 27, 2013

Via E-mail (tmckinnon@tannerco.com)
Confirmed by Mail

Mr. Todd McKinnon
Mr. Doug Hansen
TANNER, LLC
36 South State Street, Suite 600
Salt Lake City, UT 84111

Re: International Automated Systems, Inc. ("IAS")

Gentlemen:

I appreciate the opportunity I had to meet with you on May 3, 2013. I previously furnished you with a copy of the license agreement between IAS and XSun Energy, LLC, ("XSun") and a copy of the license agreement between IAS and RaPower-3, LLC ("RaPower-3"). Enclosed, as requested, you will find a copy of the license agreement between IAS and Solstice Enterprises, Inc. ("Solstice"). Information regarding a Wyoming corporation, DCL16BLT, Inc ("DCL16BLT"), will also be provided for the reasons indicated below. These three license agreements are highly confidential and none of the content of those documents may be released or disclosed to the public or third persons without the express written consent of IAS. Likewise all of the information presented in this letter is confidential and is not to be disclosed without the express written consent of the concerned entity.

The information furnished in this letter is believed by the undersigned, to the best of my knowledge, to be correct.

Pursuant to your request I am furnishing you the information stated below regarding the ownership, management and control of IAS and certain companies that are doing business with IAS. The information regarding the ownership, management and control of XSun, RaPower-3, and Solstice is not to be released or disclosed without the express written consent of these companies respectively.

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I. **INTERNATIONAL AUTOMATED SYSTEMS, INC.**

A. **Board of Directors.** The board of directors of IAS consist of three directors and the individuals presently serving as members of the board of directors are the following:

Neldon P. Johnson, 4035 South 4000 West, Deseret, Utah 84624

Blain Phillips, 87 Skyhawk Way, Elk Ridge, Utah 84651

Stacy Curtis Snow, 308 South 690 East, Santaquin, UT 84655

B. **Officers.**

President and CEO: Neldon P. Johnson

Chief Financial Officer: LaGrand T. Johnson
1309 N. 550 W. Pleasant Grove, Utah 84062

Vice-President: Randale P. Johnson
1904 W. 960 N. Provo, Utah 84604

Secretary: Randale P. Johnson,

Treasurer: Neldon P. Johnson

Registered Agent: LaGrand T. Johnson

C. **Ownership.** As you know, IAS is a publicly traded company and has a number of shareholders. The share ownership for the shares of IAS is public information.

In regard to the ownership of shares by persons who are officers or directors of IAS, I can indicate the following, according to my best understanding.

Neldon P. Johnson - No shares

Blain Phillips - No shares

Stacy Curtis Snow - 380,000 shares

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LaGrand Johnson - 200,000 shares

Randale Johnson - 150,000 shares

II. XSUN ENERGY, LLC.

A. Managers and Officers.

1. Manager: Neldon P. Johnson
2. Registered Agent: J. David Nelson
10885 South State Street
Sandy, Utah 84070

B. Ownership. The sole member of XSun Energy is Solstice Enterprises, Inc., a Nevis corporation.

III. SOLSTICE ENTERPRISES, INC.

A. Directors. The sole director of Solstice is LaGrand T. Johnson.

B. Officers.

President: LaGrand T. Johnson
Secretary: LaGrand T. Johnson
Treasurer: LaGrand T. Johnson

C. Ownership. Essentially all of the shares of Solstice Enterprises, Inc., (25,000 shares) are owned by DCL16BLT, Inc., a Wyoming Corporation. For operational purposes, one share of Solstice is owned by LaGrand T. Johnson, its sole director and officer.

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IV. RAPOWER-3, LLC.

A. Managers and Officers.

Manager: DCL16BLT, Inc.
4000 West 4035 South
Deseret, Utah 84624

Registered Agent: Neldon P. Johnson

B. Ownership. The sole member of RaPower-3 is DCL16BLT.

V. DCL16BLT, INC.

A. Directors. The sole director of DCL16BLT is Neldon P. Johnson.

B. Officers.

President: Neldon P. Johnson

Secretary: Randale P. Johnson

Treasurer: LaGrand T. Johnson

Registered Agent: CT Corporation System
1712 Pioneer Ave., 120
Cheyenne, WY 82001

C. Ownership.

LaGrand T. Johnson - 25,000 shares

Randale P. Johnson - 25,000 shares

Neldon P. Johnson - 100 shares

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As you will note from reviewing the license agreements between IAS and XSun and RaPower-3 respectively, these two companies are authorized to sell and construct solar and biomass power plants utilizing IAS technology. You also note that these license agreements are non-exclusive. It is anticipated that a number of companies will ultimately be licensed to sell and/or construct solar and biomass power plants utilizing IAS technology. You will further note that these companies are obligated, under the respective license agreements, to pay a royalty equal to 25% of the purchase price paid by the power purchaser. The license agreements require these companies to buy the components of the solar and biomass power plants utilizing IAS technology from manufacturers also licensed by IAS.

Similarly, the license agreement between Solstice and IAS licenses Solstice to manufacture the components of the solar and biomass power plants utilizing IAS technology. Solstice is also obligated to pay a royalty equal to 25% of the wholesale price paid to Solstice by the sale and construction licensee who sells the power plant to the purchaser, whether that be XSun, RaPower-3 or some other licensee. As indicated above, none of the licenses between IAS and XSun, RaPower-3, or Solstice is exclusive. As I indicated to you previously, it is my understanding that the decision by IAS to license the rights to manufacture, sell and construct the solar and biomass power plants, rather than to manufacture, sell, and construct the plants directly, was to endeavor to protect IAS and its shareholders from products liability and other similar types of exposure, and to isolate IAS from the other business risks associated with manufacturing and constructing the solar and biomass power plants. Obviously IAS has a very favorable royalty arrangement with these companies and it is anticipated that similar royalty arrangements will be made with other licensees.

IAS is and will not be providing any financing for any of the companies, Xsun, RaPower-3, Solstice, or DCL16BLT. These companies are and must be operated independently of IAS in order to maintain the arms length relationship between the companies that will be necessary to achieve the objective of isolating IAS from the types of claims and risks for which protection is sought.

If you conclude that changes in the agreements are necessary in order to enhance the independence of IAS and these other companies, for audit purposes and otherwise, please advise. Obtaining and preserving an independent status and avoiding the need to report financial operations of these contracting companies is very important and that objective must be achieved.

For your reference, I have attached excerpts of information obtained from the official State of Utah and Wyoming business entity information sites. However, I believe all the

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information appearing on those websites has been presented above.

If you need further information, please advise. I look forward to discussing these matters with you in the very near future.

Sincerely,

NELSON, SNUFFER, DAHLE & POULSEN, P.C.

/s/ J. David Nelson

J. David Nelson

Enclosures

Name	Type	City	Status
INTERNATIONAL AUTOMATED SYSTEMS, INCORPORATED	Corporation	American Fork	Active

Position	Name	Address
Registered Agent	LAGRAND JOHNSON	326 N STATE RD 198 American Fork UT 84003
Treasurer	NELDON JOHNSON	1050 E ST RD AMERICAN FORK UT 84003
President	NELDON P. JOHNSON	860 E 540 S AMERICAN FORK UT 84003
Vice President	RANDALE PAUL JOHNSON	512 S 860 E American Fork UT 84003
Secretary	RANDALE PAUL JOHNSON	326 N SR 198 Salem UT 84653
Director	BLAIN PHILLIPS	326 NORTH SR 198 SALEM UT 84653
Director	STACY CURTIS SNOW	512 S 860 E American Fork UT 84003

Name	Type	City	Status
XSUN ENERGY, LLC	Limited Liability Company	Unknown	Active

Position	Name	Address
Manager	NELDON P JOHNSON	4000 W 4035 S Deseret UT 84624
Registered Agent	J DAVID NELSON	10885 S STATE ST Sandy UT 84070

Name	Type	City	Status
RAPOWER-3, LLC	Limited Liability Company	Unknown	Active

Position	Name	Address
Manager	DCL16BLT, INC.	326 N HWY 6 Salem UT 84653
Member	DCL16BLT, INC.	326 N HWY 6 Salem UT 84653
Registered Agent	NELDON P JOHNSON	326 N HWY 6 Salem UT 84653

Name: DCL16BLT, Inc.	Status: Active
Filing No: 2009-000575517	Sub Status: Current
Type: Profit Corporation - Domestic	Standing - Tax: Good
Old Name:	Standing - RA: Good
Fictitious Name:	Standing - Other: Good
Sub Type:	
Formed in: Wyoming	Initial Filing: 10/08/2009
Term of Duration: Perpetual	Inactive Date:
Purpose Code:	
Principal Office: 4000 W 4035 S Deseret, UT 84624 USA	Mailing Address: 4000 W 4035 S Deseret, UT 84624 USA

Registered Agent: C T Corporation System	Agent Address: 1712 Pioneer Ave 120 Cheyenne, WY 82001 USA
Latest AR/Year: 01779362 / 2012	
AR Exempt: N	License Tax Paid: \$50.00
Preferred Shares:	Preferred Par Value:
Common Shares: 100,000	Common Par Value:

President / Director	Neldon	P	Johnson
Secretary	Randale	P	Johnson
Treasurer	Lagrand	T	Johnson

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BRET W. REICH
OF COUNSEL

ALSO ADMITTED IN ILLINOIS

FILE COPY

*ALSO ADMITTED IN TEXAS
^ALSO ADMITTED IN CALIFORNIA

May 2, 2013

Rand Holyoak
HOLYOAK & COMPANY, LLC
1143 West Center Street
Orem, UT 84057

Doug Hansen
Todd McKinnon
TANNER, LLC
36 South State Street, Suite 600
Salt Lake City, UT 84111

Re: International Automated Systems, Inc. ("IAS")

Gentlemen:

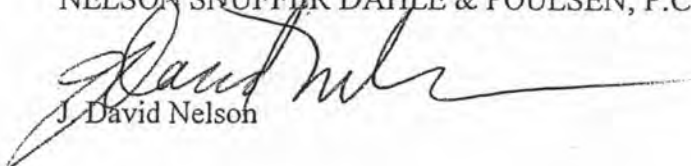
As requested, enclosed are copy of the license agreement between International Automated Systems, Inc., ("IAS") and XSun Energy, LLC, ("XSun") and a copy of the license agreement between IAS and RaPower-3, LLC ("RaPower-3"). These documents are highly confidential and none of the content of these documents may be released or disclosed to the public or third persons without the express written consent of IAS.

Neldon Johnson, President of IAS, is the manager of XSun, but he owns no interest in XSun. Neldon Johnson is the President of DCL16BLT, Inc., which is the owner of RaPower-3. Neldon Johnson owns a very small interest in DCL16BLT (less than 1 percent), which he recently acquired for formality reasons only. The information regarding the management and ownership of XSun and RaPower-3 is not to be released or disclosed without the express written consent of these companies respectively.

I anticipate meeting with you to discuss the foregoing matters. Let me know if you have any questions or need additional information.

Sincerely,

NELSON SNUFFER DAHLE & POULSEN, P.C.


J. David Nelson

encl.

AGREEMENT

THIS AGREEMENT made this 20 day of November, 1996, by and between Neldon P. Johnson and (hereinafter "Transferor") and International Automated Systems, Inc., a Utah corporation, (hereinafter "IAS")

WITNESSETH:

WHEREAS, Transferor owns the items of personal property listed on Exhibit A (hereinafter collectively referred to as the "Assets");

WHEREAS, IAS and Transferor agree that it would be to their mutual benefit for IAS to receive from Transferor the Assets in exchange for 6,000,000 shares of IAS restricted common stock and 1,000,000 shares of Series A Preferred Stock with voting rights of 10 votes per share; and

WHEREAS, previously IAS and Transferor have discussed the acquisition of certain assets from the Transferor and the Board of Directors of IAS adopted certain minutes pertaining to the purchase and acquisition of certain assets from Transferor.

NOW THEREFORE, in consideration of the promises and of the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. (REPRESENTATIONS AND WARRANTIES OF TRANSFEROR) Transferor hereby represents and warrants to IAS that:

a) He, as investor, has complete title and owns as of the date hereof, and as of the Closing Date hereinafter provided will own the Assets free and clear of all liens, charges and encumbrances except those assets previously assigned to IAS.

b) He is not a defendant, nor a plaintiff, against whom

a counterclaim has been asserted, in any litigation, pending or threatened, other than the litigation filed in the United States District Court for the District of Utah captioned Edouard Serfaty et al. v. International Automated Systems, Inc. Civil No. 2:96CV0583C and a Formal Order for a private investigation issued by the Securities and Exchange Commission, File No. D-2043, dated July 25, 1996, and there has not been any material claim made or asserted against him nor are there any proceedings threatened or pending before any federal, state or municipal government, or any department, board, body or agency thereof, involving him, except as disclosed in Exhibit "B".

c) Transferor is not in default under any material agreement to which it is a party nor in the payment of any obligation.

d) This Agreement has been duly executed by Transferor and the execution and performance of this Agreement will not violate, or result in a breach of, or constitute a default in any agreement, instrument, judgment order or decree to which Transferor is a party or to which Transferor is subject nor will such execution and performance constitute a violation of or conflict with any fiduciary to which Transferor is subject.

e) All representations and warranties made by Transferor in connection with the transactions contemplated hereunder shall be truthful and not misleading.

f) Transferor has no liens filed against him by any governmental authority, commission, department, or agency.

g) Transferor warrants that the ideas for the Assets were conceived by him and that he developed the assets with his own funds or he advanced funds to IAS for such Asset development.

h) Transferor warrants to the best of his knowledge that he is in compliance with all relevant statutes, laws, regulations, and administrative rules regarding the Assets.

2. (REPRESENTATIONS AND WARRANTIES OF IAS) IAS represents and warrants that:

a) It is a corporation duly organized and validly existing and in good standing under the laws of the State of Utah; has an authorized capitalization of 50,000,000 shares comprised of 5,000,000 shares of preferred stock, no par value per share and 45,000,000 shares of common stock, no par value per share, of which there are issued and outstanding 9,158,089 shares of common stock, no par value per share as of March 31, 1996, and IAS has the corporate authority, right, and power to enter into this Agreement.

b) IAS represents that it is also a defendant in the litigation and private investigation referenced at paragraph 1 (a) of this Agreement. IAS expressly makes no representations regarding the final outcome, or adjudication, or determination which may result from the litigation. Also, IAS received a subpoena from the Securities and Exchange Commission for the production of certain of its records and that the subpoena was issued pursuant to a formal order of private investigation regarding the Company and its president.

3. (CLOSING) The Closing of this Agreement shall proceed on November 15, 1996, at 512 South 860 East, American Fork, Utah, or at such other place as designated and determined between the parties, as follows:

a) IAS shall undertake and perform all necessary requirements to issue the 6,000,000 shares of common stock and 1,000,000 shares of Series A Preferred Stock and IAS shall deliver instructions to its transfer agent to issue certificates evidencing the aforementioned shares to Transferor and the certificates so issued shall bear a restrictive legend prohibiting the transfer by the holder without first complying with the Securities Act of 1933, as amended, or Rule 144 promulgated thereunder. In addition, IAS shall file with the Utah Division of Corporations all documents required to authorize the issuance of the Series A Preferred Stock which Series when issued shall provide that each share of the 1,000,000 shares of Series A Preferred Stock, no par value per share, and each share shall be entitled to ten votes per share and that the shares of Series A Preferred Stock shall vote with the shares of common stock as to all matters.

b) Transferor shall do the following: (1) present a certification that Transferor has clear title and unencumbered ownership of the Assets, (2) present an executed investment letter in the form mutually agreed upon by the parties, and (3) execute bills of sale or other documents transferring the Assets to IAS.

c) As a continuing obligation and duty to IAS for the purchase of the Assets, Transferor expressly covenants and promises

that he will execute as may be required in the future all documents necessary to effect the transfer of the Assets to IAS.

4. (TAX TREATMENT) IAS expressly makes no warranty to Transferor regarding any possible tax treatment of his sale of the Assets which any governmental entity may accord the transaction. IAS to the extent practicable will do all acts and will cooperate to the extent possible to assist Transferor to receive favorable tax treatment to him.

5. (BANKRUPTCY) If any proceeding under the Bankruptcy Act, as amended, is commenced by or against the Company, or if IAS is adjudged insolvent, or if a receiver is appointed in any proceeding, or if any court or governmental agency restricts, removes, or forbids Transferor from working and/or operating within IAS in conjunction with the heretofore transferred Assets, Transferor shall immediately without further action on his part and without any court order or proceeding, receive back all right, title and interest to the Assets, but only upon the occurrence of any of the aforesaid events.

6. (EFFECTIVE DATE) The parties agree that the sale, transfer of all title and interest and conveyance of the Assets shall be given effect as of June 30, 1996.

7. (CONDITIONS TO CLOSING) The obligations of IAS and

Transferor to complete the transactions provided for herein shall be subject to the performance of all their respective agreements to be performed hereunder on or before the Closing, to the material truth and accuracy of the respective representations and warranties of IAS and Transferor contained herein, and to the further conditions that:

(a) All representations and warranties of IAS and Transferor contained in this Agreement are substantially true and correct on and as of the Closing with the same effect as if made on and as of said date.

(b) As of the Closing there shall have been no material adverse change in the affairs, business, property or financial condition of IAS or Transferor and shall so certify in writing.

(c) All of the agreements and covenants contained in this Agreement that are to be complied with, satisfied and performed by each of the parties hereto on or before the Closing, shall, in all material respects, have been complied with, satisfied and performed.

8. (ADDITIONAL COVENANTS) During the period between the date hereof and the Closing, IAS shall conduct its business and operations in the same manner in which the same have heretofore been conducted. During such period, unless it has received written consent thereto from the other party, neither IAS nor Transferor will:

(a) Incur any obligation, liability or commitment,

absolute or contingent, other than current liabilities incurred in the ordinary and usual course of business.

(b) Declare or pay and dividends on or make any distributions in respect of, or issue, purchase or redeem any of its shares of stock except in accordance with this Agreement.

(c) Subject any of its properties to a mortgage, pledge or lien, except in the usual and ordinary course of business.

(d) Sell or transfer any of its properties, except in the usual and ordinary course of business.

(e) Make any investment of a capital nature, except in the usual and ordinary course of business.

(f) Enter into any long-term contracts or commitments or modify or terminate any existing agreements, except in the usual and ordinary course of business.

(g) Use any of its assets or properties except for proper corporate purposes.

(h) Sell, contract to sell or issue any equity or debt securities.

9. (MERGER CLAUSE) This Agreement supersedes all prior agreements and understandings between the parties and may not be changed or terminated orally, and no attempted change, termination or waiver of any of the provisions hereof shall be binding unless in writing and signed by the parties hereto.

10. (GOVERNING LAW) This Agreement shall be governed by and

construed according to the laws of the State of Utah.

11. (ATTORNEY) This Agreement has been drafted and prepared by the firm of Boyack, Ashton & Jenkins, which firm represents exclusively IAS. Transferor has had the opportunity to seek counsel, advice, and direction from his attorney. The firm representing IAS is not representing in any manner the interests of Transferor.

12. (SUCCESSOR AND ASSIGNS) The Assets, after closing, may be assigned, in whole or in part, to an independent entity or a subsidiary or subsidiaries of IAS. This Agreement may also be assigned by any of the parties hereto to any other party, person or entity without written notification to the other party. This Agreement shall extend to and be binding upon the successors, heirs and assigns of the respective parties hereto.

13. (FORCE MAJEURE) Neither party shall be in default of this Agreement or liable to the other party for any delay or default in performance where occasioned by any cause of any kind to the extent such cause is beyond its control, including but not limited to, armed conflict or economic dislocation, civil disorder of any kind, action of any civil or military authorities (including priorities and allocations), fires, floods and accidents.

14. (HEADINGS) Headings in this Agreement are for the

convenience of the parties only and they shall not be deemed to change or alter the meaning of any section, paragraph, or part of this Agreement.

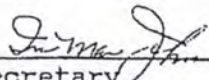
15. (SEVERABILITY) Every restriction or limitation in this Agreement is severable any any other possible future finding by a duly constituted authority that a particular provision herein is invalid, the parties hereto have made this agreement with the clear intention of continuing to perform all provisions hereof which have not been found invalid. The parties agree to consult about modification of any provision of the Agreement that may be found invalid by such duly constituted authority. All other valid clauses are operative and shall be enforced.

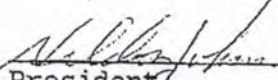
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

Dated this 20 day of Nov, 1996.

ATTEST:

INTERNATIONAL AUTOMATED SYSTEMS, INC.


Secretary


President

ACKNOWLEDGMENT

STATE OF UTAH

Utah
SALT LAKE COUNTY

)
:
) ss.

On this 20 day of Nov, 1996, before me the undersigned officer, personally appeared Neldon P. Johnson and Ina Marie Johnson known personally to me to be the President and Secretary, respectively, of the above-named corporation, and that they, as such officers, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by themselves as such officers.

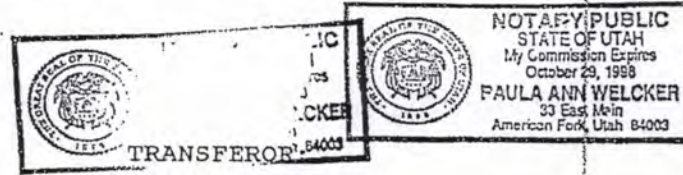
IN WITNESS WHEREOF, I have hereunto set my hand and official seal.

Paula Ann Welcker
NOTARY PUBLIC

My Commission Expires:

10-29-98

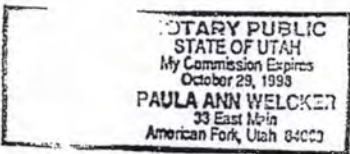
Residing at: American Fork, Ut



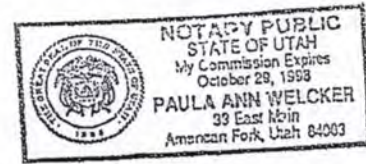
Neldon P. Johnson
Neldon P. Johnson

State of Utah)
County of Utah)
~~Salt Lake~~)

Subscribed and sworn to before me this 20 day of November, 1996.



Paula Ann Welcker
Notary Public



Agreement between International Automated Systems, Inc., and Neldon Johnson

EXHIBIT A

The following is a description of the Assets:

I. Automatic Fingerprint Identification Machine ("AFIM") technologies including present patents, designs, contracts, hardware and software as related to, but not limited to the following:

- 1) Time clocks,
- 2) Controlled access security devices,
- 3) Government agencies and programs' access (i.e. EBT, Social Security, food stamps, welfare, etc.),
- 4) Membership identification,
- 5) Citizenship of naturalization identification,
- 6) Live scanner for law enforcement (i.e., criminal identification, fraudulent activities, etc.),
- 7) Financial transaction security,
- 8) Records security (i.e., medical, financial, personal, etc.)
- 9) Computer, network or internet security,
- 10) Automated car rental,
- 11) Automated ticket sales (i.e., planes, buses, trains, movies, amusement parks, concerts, etc.)
- 12) Automated gas pumps, vending machines, and convenience stores, and
- 13) Any identification and/or verification devices and applications not mentioned above.

II. Digital Wave Modulation ("DWM") technologies including present patents and patents pending, designs, contracts, hardware, and software as related to but not limited to the following:

- 1) High speed pot line modem from outside unit to central phone office,
- 2) Medium speed modem for long distance communication,
- 3) Cable modem,
- 4) Cellular phone communication,
- 5) Magnetic storage mediums (i.e., tape recorders, VCR, hard drives, floppy drives, etc.)
- 6) Stereo communication,
- 7) Television communication,
- 8) Satellite communication,
- 9) All other communication devices, recording mediums and methods of transferring data not mentioned above using DWM technology.

III. Monies and funds advanced to International Automated Systems, Inc., used to develop the above technologies or for other purposes, in the amount of \$468,458. The amount of \$647,458 as of June 30, 1996, which Mr. Johnson advanced to the Company is specifically excluded from this transaction by the parties and shall not be considered a part of the Assets subject to the Agreement.

IAS001947
HIGHLY CONFIDENTIAL

Agreement between International Automated Systems, Inc., and Neldon
Johnson

IAS001948
HIGHLY CONFIDENTIAL

Exhibit B

None.

IAS001949
HIGHLY CONFIDENTIAL

GENERAL BILL OF SALE

KNOWN ALL MEN BY THESE PRESENTS that Neldon Johnson ("Transferor") for valuable consideration hereby exchanges, conveys, transfers, assigns and delivers to International Automated Systems, Inc., a Utah corporation, (the "Company") all right, title and interest in and to the following assets, to wit:

I. Automatic Fingerprint Identification Machine ("AFIM") technologies including present patents, designs, contracts, hardware and software as related to, but not limited to the following:

- 1) Time clocks,
- 2) Controlled access security devices,
- 3) Government agencies and programs' access (i.e. EBT, Social Security, food stamps, welfare, etc.),
- 4) Membership identification,
- 5) Citizenship of naturalization identification,
- 6) Live scanner for law enforcement (i.e., criminal identification, fraudulent activities, etc.),
- 7) Financial transaction security,
- 8) Records security (i.e., medical, financial, personal, etc.)
- 9) Computer, network or internet security,
- 10) Automated car rental,
- 11) Automated ticket sales (i.e., planes, buses, trains, movies, amusement parks, concerts, etc.)
- 12) Automated gas pumps, vending machines, and convenience stores, and
- 13) Any identification and/or verification devices and applications not mentioned above; AND

II. Digital Wave Modulation ("DWM") technologies including present patents and patents pending, designs, contracts, hardware, and software as related to but not limited to the following:

- 1) High speed pot line modem from outside unit to central phone office,
- 2) Medium speed modem for long distance communication,
- 3) Cable modem,
- 4) Cellular phone communication,
- 5) Magnetic storage mediums (i.e., tape recorders, VCR, hard drives, floppy drives, etc.)
- 6) Stereo communication,
- 7) Television communication,
- 8) Satellite communication,

9) All other communication devices, recording mediums and methods of transferring data not mentioned above using DWM technology; AND

III. Monies and funds advanced to International Automated Systems, Inc., used to develop the above technologies or for other purposes, in the amount of \$468,458.

and to have and to hold said assets, property and rights unto the Company, its assigns and successors forever..

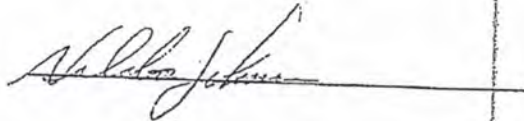
Transferor hereby promises, warrants and represents that he has complete and unencumbered ownership of the foregoing assets set forth above except as previously assigned to the Company.

Transferor is not hereby transferring or conveying any other assets not specifically set forth herein including but not limited to advances to the Company as of June 30, 1996, in the amount of \$647,458, and said assets shall be retained by Transferor.

IN WITNESS WHEREOF, Transferor hereby has caused this document to be signed and executed individually this 20 day of November, 1996.

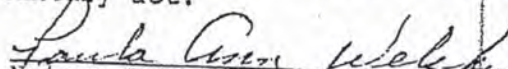
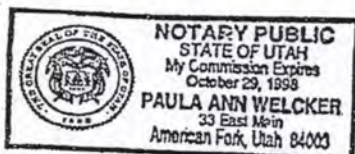
TRANSFEROR:

NELDON JOHNSON



State of Utah)
) ss.
County of Utah)

On this 20 day of November, 1996, before me, the undersigned, a notary public, Neldon Johnson appeared and being sworn, subscribed and acknowledged that he executed the within instrument as his free and voluntary act.


Notary Public

FILE COPY

CONSULTING AND INDEPENDENT CONTRACTOR AGREEMENT

International Automated Systems, Inc. (the "Company") and Identification Technology Partners, Inc. ("IDTP") agree:

1. Term and Option to Renew. This consulting agreement (the "Agreement") shall be effective as of April 1, 2007 and terminate one (1) year later, unless terminated earlier in accordance with Paragraph 4 of this Agreement. The Company shall have the right and option to renew this Agreement at its discretion upon furnishing IDTP with notice not less than ten (10) days prior to the expiration date of this agreement.

2. Duties. During the term of this Agreement, when requested to do so by the officers and other senior managers of the Company, IDTP shall:

- (a) Advise Company management on matters concerning biometrics, advanced card and software technologies, government and commercial markets;
- (b) Be available for personal consultation with the officers, directors and/or employees of the Company at its offices, or at such other mutually agreed upon place during the normal business hours for reasonable periods subject to reasonable advance notice and mutually convenient scheduling; and
- (c) Perform such other lawful management, scientific, technical, or engineering and other similar consulting or advisory services relating to such aspects of the Company's business as the Company may reasonably request consistent with the provisions of this Agreement.

3. Compensation. As compensation for IDTP's services described in Paragraph 2 of this Agreement, the Company will pay IDTP as follows:

- (a) An hourly fee of \$250.00; and
- IDTP shall be reimbursed for all reasonable costs and expenses, including travel expenses and labor costs, incurred in performing services under this Agreement. IDTP will not be reimbursed for any costs or expenses for supplies, equipment, office space or staff.

4. Termination. This Agreement may be terminated immediately upon written notice by a party upon a material breach by the other party, which was not cured within ten (10) days after the breaching party has received notice thereof. During the first thirty (30) days of the Agreement, the Company may terminate this agreement for no reason immediately upon written notice to IDTP and pay IDTP a fee of \$10,000.00. After the first thirty (30) days of the Agreement, either party shall have the right to terminate this Agreement at any time for no reason during the term hereof upon a minimum of ten (10) days written notice to the other. Upon termination of this Agreement, (a) Company shall pay IDTP for services approved and performed up to the date of termination, plus any additional fees due under this Section 4, if any, and (b) IDTP agrees to continue to be bound by the confidentiality, non-compete and ownership of inventions and original works provisions of this Agreement.

5. Representations and Warranties.

- (a) The parties represent and warrant:
- (b) (i) The execution and performance of this Agreement, in the time and manner specified, will not conflict with, result in a breach of, or constitute a default under any existing agreement or other instrument to which it is a party or by which it may be bound or affected;
- (c) (ii) It has full legal authority to enter into this Agreement and to perform the Agreement.
- (d) (b) IDTP represents and warrants:

- (e) (i) The representations and statements made by IDTP in resumes furnished to the Company concerning IDTP's training, background and experience and in any proposal submitted by IDTP to the Company are true and correct and do not omit any material fact;
- (f) (ii) IDTP will perform the services under this Agreement with professional skill and care and in a diligent manner.

6. Confidential Information.

- (a) IDTP shall not divulge to others any of the Company's secret, private, confidential or proprietary information, knowledge, or data, including, but not limited to, the deliverables from the services provided by IDTP under this Agreement, information, knowledge, or data concerning or pertaining to the Company's organization and methods, inventories, market development and research products, personnel training and development techniques, customer names, contracts and other customer data, business methods, techniques, trade secrets, know-how, or knowledge relating to costs, products, equipment, merchandising and marketing methods, business or business expansion plans, ideas, conceptions, inventions, processes, methods, products and improvements made by or on behalf of the Company (collectively, "Confidential Information") without prior written approval of an officer of the Company. Further, IDTP shall not use the Confidential Information for any purpose other than to perform the services under this Agreement. Secret, private, confidential, or proprietary information, knowledge, or data of the Company shall include without limitation, for all purposes of this Agreement, all such information, knowledge, or data of clients of the Company.

- (b) The obligations set forth in Section 6(a) above shall not apply to Confidential Information that :
 - (i) before the time of its disclosure by Company, was already in the lawful possession of IDTP; or
 - (ii) through no wrongful act of IDTP, at the time of its disclosure is, or later becomes, available to the general public; or
 - (iii) is rightfully received by IDTP from a third party without a duty of confidentiality.

The obligations set forth in this Agreement with respect to particular Confidential Information shall survive until such time as that Confidential Information falls under one of the exceptions set forth in this Section 6(b). Upon written request by Company or upon termination of this Agreement, IDTP promptly shall return all of the Confidential Information of Company, including all copies thereof. If such return is impossible as to any portion of the Confidential Information, then IDTP shall certify to Company promptly that all such Confidential Information of Company, including all copies thereof, has been totally and permanently destroyed.

- (c) IDTP shall not be required in the performance of its services to divulge to the Company any secret, private, confidential or proprietary information, knowledge, or data concerning any other person, firm or entity (including, but not limited to, any persons, firm or entity which may be a competitor or potential competitor of the Company) which IDTP may have or be able to obtain.
- (d) IDTP shall not use the Company's name for promotional purposes either directly or indirectly in any advertisement or news release without prior written approval of the Company. IDTP agrees that for three (3) years following the termination of this Agreement, IDTP shall not, without the prior written approval of an officer of the Company, publish or cause to be published any article, journal, treatise or other writing relating in any way to the activities or business of the Company; and further provided that in all matters to be published IDTP complies with the confidentiality obligations in this Section 6. IDTP may, however, list the Company on a resume without such consent.

7. Ownership of Inventions and Original Works.

- (a) All computer programs or methods, formulae, inventions, discoveries, improvements, secrets or processes, original works or authorships, whether or not patentable or copyrightable (collectively

"Inventions"), made or developed by IDTP during the term of this Agreement for the Company shall be the exclusive property of and owned by the Company, or one or more clients of the Company as designated by the Company. Upon termination of this Agreement, IDTP shall immediately surrender to the Company all prototypes, computer programs and related matters, drawings, manuals, letters, brochures, agreements, reports, customer lists, customer data, mailing lists, research and all other material and records of any kind pertaining to the Company's business in IDTP's possession and shall not, without prior written approval of an officer of the Company, retain or disclose any copies thereof.

- (b) This Agreement shall be deemed an irrevocable assignment by IDTP to Company or one or more clients of the company as designated by the Company, of the intellectual property rights to all Inventions made or developed by IDTP during the term of this Agreement for the Company, or within two years thereafter to the extent that such inventions made thereafter are derived in whole or part from secret, private, confidential or proprietary information, knowledge, or data disclosed by the Company or any of its clients. IDTP agrees to assign, and hereby assigns, exclusively to the Company or its designee all the intellectual property rights to the Inventions made or developed by IDTP during the term of this Agreement for the Company. IDTP agrees to execute, verify and deliver such documents and perform such other acts (including appearing as a witness) the Company may reasonably request for use in applying for, obtaining, perfecting, evidencing, sustaining and enforcing such proprietary rights and the assignment thereof. In addition, IDTP agrees to execute, verify and deliver assignments of such proprietary rights to the Company or its designee. IDTP's obligation to assist the Company with respect to proprietary rights in any and all countries shall continue beyond the termination of this Agreement, but the Company shall compensate IDTP, at a rate to be determined and agreed to by both parties (but not in excess of IDTP's standard hourly rate), after termination of this Agreement for the time actually spent by IDTP at the Company's request on such assistance.

8. IDTP's Status. IDTP is an independent contractor and is not an employee, agent, partner, co-venturer or controlling person of the Company. IDTP shall have no power to enter into any agreement on behalf of or otherwise bind the Company. IDTP shall not have, or be deemed to have, any fiduciary obligations or duties to the Company and shall be free to pursue for its own accounts (or for the account of others) such activities, employments, ventures, businesses and other pursuits as IDTP in his or her sole, absolute and unfettered discretion, may elect; provided, however, that such activities do not violate the confidentiality, ownership or non-compete provisions of this Agreement.

9. Injunctive Relief. Temporary and permanent injunctive relief may be granted in any proceeding that may be brought to enforce any provisions of this Agreement, without the necessity of proof of actual damage or the posting of any bond. Such injunctive relief is in addition to any other rights and remedies that the Company may have.

10. Severance. If the scope of any restriction contained herein is too broad to permit enforcement of the restriction to its full extent, then the restriction will be enforced to the maximum extent permitted by law, and the scope of any restriction may be judicially modified accordingly, in any proceeding brought to enforce the restriction.

11. Assignments. IDTP shall not assign or transfer any rights or obligations under this Agreement without the prior written approval of the Company. The Company may assign or transfer this Agreement to a successor.

12. Additional Instruments. Each of the parties shall, from time to time, at the request of the other, execute, acknowledge and deliver to the other party any and all further instruments that may be reasonably required to give full effect and force to the provisions of this Agreement.

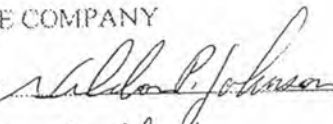
13. Entire Agreement. This Agreement constitutes the entire agreement of the parties. There are no representations or warranties other than those set forth herein.

14. Choice of Law/Jurisdiction. This Agreement shall be governed by and construed in accordance with the laws of the State of Utah, USA. In the event of controversy arising out of the interpretation, construction, performance or breach of this Agreement, the parties agree and consent to the (i) jurisdiction and venue of the State of Utah, Salt Lake County, or (ii) the United States District Court for the District of Utah.

15. Modification and Waiver. A modification or waiver of any of the provisions of this Agreement shall be effective only if made in writing.

The parties acknowledge that the foregoing correctly sets forth the understanding, and indicate consent and agreement thereto by signing in the indicated space below:

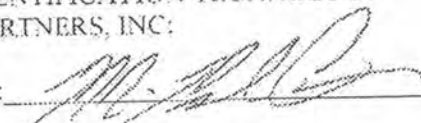
TIE COMPANY

By: 

Title: President

Date: Apr. 17, 2007

IDENTIFICATION TECHNOLOGY
PARTNERS, INC:

By: 

Title: President & Partner

Date: April 4, 2007

EQUIPMENT AND MATERIAL PURCHASE CONTRACT
SRE-1 CONTRACT No. 1

This purchase contract is made by and between **Solar Renewable Energy-1, LLC** (BUYER) with an address of 1400 Premier Court, Las Vegas, NV 89117 and **International Automated Systems Incorporated, Inc. (IAS)**, a Utah Corporation organized and existing pursuant to the laws of the State of Utah and the United States of America, with its offices at 326 North SR 198, Salem, Utah 84653 USA, hereinafter referred as IAS.

RECITALS

WHEREAS, IAS claims patented technology and proprietary technology for the conversion of solar energy into economical "green power" (renewable energy).

WHEREAS, BUYER desires to purchase a solar thermal energy power plant from IAS and desires to contract with IAS to furnish the technology, engineering, equipment and materials and performance to complete the power plant and to place the power plant in commercial operation.

DEFINITIONS

"Plan Date" is the date land has been provided BUYER, confirmed by Agreement, for the power plant location and the date IAS shall provide plans, specifications, other documentation and engineering as required for BUYER to obtain approval for the plant by local, state and federal agencies and to obtain a building permit.

"Permit Date" is the date BUYER obtains the last of the necessary regulatory agency approvals and a building permit and other required permits for the construction of the Project.

10.)

“Project Site” is the property parcel where the sixty megawatt plant shall be located.

“Commercial Operation Date” is the date the equipment is placed in service and the power generated can be sold as required in the Power Purchase Agreement (PPA).

“Rated Capacity” shall be sixty (60) megawatts and shall be measured at the high voltage side of the step-up transformer.

AGREEMENT

NOW, THEREFORE, based upon the mutual promises set forth herein, the foregoing recitals, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged hereby, the Parties hereby covenant and agree as follows;

1. BUYER agrees to purchase and IAS agrees to sell a solar powered electric generation plant utilizing IAS technology with a rated power generation capacity of sixty (60) megawatts, hereinafter referred to as the rated capacity, which power plant shall be located at a site to be agreeably determined, on a parcel of real property, hereinafter referred to as the Project Site. The Project Site is to be provided by BUYER. The power plant equipment & material shall hereinafter be referred to as the “Project”.
2. This Agreement is conditional upon the following: presentation by BUYER of reasonable proof to IAS of BUYER’s ability to make the Down Payment, and the Progress Payments, to IAS according to the terms of Section 4, *Cost and Terms of Payment*; (2) 30 day operation of the first 250 kW of IAS’s solar thermal equipment satisfactory to the BUYER; (3) BUYER’s project site confirmed; (4)

BUYER's Power Purchase Agreement (PPA) is confirmed.

3. IAS agrees to complete the following for the Project in accordance with the schedule stated:

A. IAS shall furnish the necessary technology, equipment & materials to place in service the Project at the Project Site stated above. IAS shall place in service and connect the Project to a high voltage power transmission system at the Project Site according to "Schedule A", if the full amount of the Down Payments in Schedule A are paid by BUYER to IAS within ten (10) days following the 30 day operation of the 250kW satisfactory to the BUYER and within ten (10) days after the "Permit Date". If BUYER fails to pay the amount of the initial Down Payment within ten (10) days as specified in Schedule "A", this Agreement shall be null and void.

If BUYER fails to obtain the necessary regulatory agency approval, building permit, and other required permits for the Project by December 31, ²⁰⁰⁷2006, to establish the "Permit Date", IAS may elect to declare this Agreement null and void., and shall return the initial down payment to the BUYER.

B. IAS shall, by the date the Project Site is confirmed (Plan Date), provide plans, specifications and other documentation and engineering as required for BUYER to obtain approval for the Project by local, state and federal

agencies and to obtain a building permit. IAS agrees to assist BUYER in a timely and professional manner in obtaining regulatory agency approval and in obtaining required building and other permits.

C. IAS will provide in a timely and professional manner all required documentation for federal, state and local review of the Project for environmental and ecological requirements and for land use approval.

4. Cost and Terms of Payment. The total cost which BUYER shall pay to IAS for the Project, including all technology, engineering, equipment & materials required to furnish and construct the Project and to place the Project in service, including connecting to the Nevada Power electric power transmission system at the Project Site, shall be calculated at six hundred seventy-five thousandths U. S. dollars (\$0.675) per watt of rated generating capacity for the power plant, provided material costs remain substantially the same. In the event they do not, the parties agree to make adjustments accordingly, not to exceed five (5) percent. The total Project cost for the sixty megawatt plant which is the subject of this Agreement is forty million five hundred thousand U. S. dollars (\$40,500,000). The total Project cost shall be paid in accordance with Schedule "A".
5. Disclosure of Information. In order to assist in the performance of the services set forth herein, BUYER has received information previously from IAS, or has requested IAS provide both Information and Confidential Information as defined herein, to certain products, technology and processes of IAS.
6. Definition of Confidential Information. Confidential Information means any and

all information, data, customer names, technology, research, inventions, intellectual property, trade secrets, know how, formulations, compositions, works of authorship, samples, processes, methods, marketing, financial information and the like which IAS discloses to BUYER or BUYER discloses to IAS and which is not clearly in the public domain or previously known to either party.

7. Definition of Information. Information means any and all information disclosed by IAS to BUYER or information disclosed by BUYER to IAS, except for information, which can be shown by clear and convincing evidence to be previously in the public domain at the time of disclosure thereof by either Party. Information shall cease to be Confidential Information if it can be shown by clear and convincing evidence to be previously known from an independent source, or it subsequently enters the public domain through no fault of either party.
8. Protections: Confidentiality, Non-Use and Non-Disclosure. During and after discussions, including the duration of any relationship and thereafter, the Parties will hold in trust and keep secret all Confidential Information. The Parties will maintain safeguards to protect such Confidential information and prevent its disclosure to others except as allowed herein in a manner similar to that with which the Party protects its own confidential information.

The Parties likewise agree not to use the Confidential information for itself or any third party nor will it use or disclose, directly or indirectly, any Confidential Information without the prior written approval of the other Party. In the event any Party has given its prior written approval to the other Party to disclose such

Confidential Information to third persons or entities, the disclosing Party shall require all such third persons or entities to which disclosure is made to agree in writing to the provisions of this Agreement and shall provide the other party copies of such agreements. The Parties shall not use, directly or indirectly, Confidential Information except for the purposes described herein.

9. Technology Improvements. Any and all improvements, refinements, advances, additions or modifications to the technology, equipment or processes of IAS which are related in any way to its Solar Thermal Power Plant or any components or elements thereof, which are conceived, developed, designed or reduced to practice by IAS or BUYER, or any of BUYER'S employees, officers, directors, agents, contractors or representatives, during the term of this agreement, or within one year thereafter, shall be the sole property of IAS. BUYER agrees to execute any and all documents and to cooperate with IAS in all other regards and to require its employees, officers, directors, agents contractors and representatives to execute any and all documents and to cooperate with IAS in all other regards as is required or reasonably requested by IAS to effectuate this provision of this Agreement. BUYER hereby expressly acknowledges that without BUYER agreeing to this provision and furnishing this consideration, IAS would not enter into this Agreement.
10. Warranties. IAS warrants upon installation and including two years from the "Commercial Operation Date" of the last one (1) MW of the sixty (60) MW plant,

hereinafter referred to as the "Warranty Period", the solar thermal energy power plant and each of the components thereof, from defects in materials and workmanship. Within twenty-four (24) hours of notification from BUYER, IAS shall initiate reasonable efforts to ascertain repair or replacement requirements, to order replacements parts and equipment needed for repair, and to deploy qualified maintenance personnel to repair or replace same. The cost of warranty parts, replacement equipment and labor shall be borne by IAS.

IAS shall provide an inventory of spare parts at the Project Site.

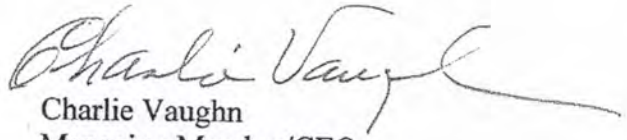
11. Documents, Etc. IAS retains ownership of any documents, samples, copies and/or other materials made available by IAS to BUYER. BUYER agrees not to reproduce, in whole or in part, any such documents, samples, copies or other materials, except as may be necessary for BUYER to conduct its business. IAS agrees that the purchaser(s) of electric power from BUYER is (are) the client(s) of BUYER and as such, any further or future business with said client(s) or its subsidiaries, shall be conducted by and through BUYER.
12. Survivability. The covenants of confidentiality set forth herein shall survive and continue and be maintained from the Effective Date hereof until five (5) years after termination of this Agreement.
13. Severability. In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, except in those instances where removal or elimination of such invalid, illegal, or unenforceable provision or provisions would result in a failure

of consideration under this Agreement, such invalidity, illegality or unenforceability shall not effect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained.

14. Governing Law. This Contract shall be construed and governed according to the laws of the State of Nevada.
15. This SRE-1 Contract No. 1, supercedes The Equipment and Material Purchase and Installation Contract, dated December 20, 2005, between Solar Renewable Energy-1, LLC and International Automated Systems Incorporated.

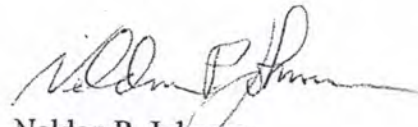
SOLAR RENEWABLE ENERGY-1, LLC

Dated: December 20, 2005


Charlie Vaughn
Managing Member/CEO

INTERNATIONAL AUTOMATED SYSTEMS, INC.

Dated:


Neldon P. Johnson
President

SCHEDULE "A"
Payment & Commercial Operation Schedule
SRE-1 Contract No. 1

IAS shall furnish the necessary technology, equipment & materials to furnish and place in service the Project at the Project Site according to the following Schedule for the Commercial Operation Date.

<u>Commercial Operation Date</u>	<u>Megawatts Completed</u>	<u>Payments \$ 000</u>
Following 30 day operation of 250 kW satisfactory to the BUYER, and Permit Date completed, a down payment is paid of:		675
1 st week	1	675 *
2 nd week	2	1,350*
3 rd week	3	2,025*
4 th week thru 20 th week	3/wk	2,025 each week*
21 st week	3	1,350*
Total	60	40,500

This Schedule of Payments, less retention, shall be made within five (5) business days of each one (1) megawatt unit being placed in Commercial Operation; (six hundred seventy-five thousand dollars) (\$675,000) is paid for each megawatt. Since every one MW will have a turbine and switching system, the operating units can sell power to purchaser as agreed in the PPA.

* As per above schedule, Progress Payments, less retention, shall be made after each increment of energy is demonstrated to be commercially available. Retention shall be 5% of the Progress Payments and shall be paid to IAS by BUYER ninety (90) days after original payment date if the increment of energy continues to be available. If not available, IAS shall correct, and the ninety (90) time period starts again.

INSTALLATION CONTRACT
SRE-1 Contract No. 2

This contract is made by and between **Solar Renewable Energy-1, LLC** (BUYER) with an address of 1400 Premier Court, Las Vegas, NV 89117 and **International Automated Systems Incorporated, Inc.** (IAS), a Utah Corporation organized and existing pursuant to the laws of the State of Utah and the United States of America, with its offices at 326 North SR 198, Salem, Utah 84653 USA, hereinafter referred as IAS.

RECITALS

WHEREAS, IAS claims patented technology and proprietary technology for the conversion of solar energy into economical “green power” (renewable energy).

WHEREAS, BUYER has purchased a solar thermal energy power plant from IAS (SRE-1 Contract No. 1) and desires to contract with IAS to furnish the technology, requisite labor and performance to complete the power plant and to place the Project in commercial operation.

DEFINITIONS

“Plan Date” is the date land has been provided BUYER, confirmed by Agreement, for the power plant location and the date IAS shall provide plans, specifications, other documentation and engineering as required for BUYER to obtain approval for the plant by local, state and federal agencies and to obtain a building permit.

“Permit Date” is the date BUYER obtains the last of the necessary regulatory agency approvals and a building permit and other required permits for IAS to construct the power plant.

“Project Site” is the property parcel where the sixty megawatt plant shall be located.

"Commercial Operation Date" is the date the equipment is placed in service and the power generated can be sold as required in the Power Purchase Agreement (PPA).

"Rated Capacity" shall be sixty (60) megawatts and shall be measured at the high voltage side of the step-up transformer.

AGREEMENT

NOW, THEREFORE, based upon the mutual promises set forth herein, the foregoing recitals, and other good and valuable consideration, the receipt and sufficiency of which are acknowledged hereby, the Parties hereby covenant and agree as follows;

1. BUYER agrees to purchase and IAS agrees to sell a solar powered electric generation plant (SRE-1 Contract No. 1) utilizing IAS technology with a rated power generation capacity of sixty (60) megawatts, hereinafter referred to as the rated capacity, which power plant shall be located at a site to be agreeably determined, on a parcel of real property, hereinafter referred to as the Project Site. The Project Site is to be provided by BUYER. The power plant shall be SRE-1 Contracts No. 1 & 2 and shall hereinafter be referred to as the "Project".
2. This Agreement is conditional upon the following: presentation by BUYER of reasonable proof to IAS of BUYER's ability to make the Down Payment, and the Progress Payments, to IAS according to the terms of Section 4, *Cost and Terms of Payment*; (2) 30 day operation of the first 250 kW of IAS's solar thermal equipment satisfactory to the BUYER; (3) BUYER's project site confirmed; (4) BUYER's power purchase agreement (PPA) is confirmed.

Confidential Information to third persons or entities, the disclosing Party shall require all such third persons or entities to which disclosure is made to agree in writing to the provisions of this Agreement and shall provide the other party copies of such agreements. The Parties shall not use, directly or indirectly, Confidential Information except for the purposes described herein.

9. Technology Improvements. Any and all improvements, refinements, advances, additions or modifications to the technology, equipment or processes of IAS which are related in any way to its Solar Thermal Power Plant or any components or elements thereof, which are conceived, developed, designed or reduced to practice by IAS or BUYER, or any of BUYER'S employees, officers, directors, agents, contractors or representatives, during the term of this agreement, or within one year thereafter, shall be the sole property of IAS. BUYER agrees to execute any and all documents and to cooperate with IAS in all other regards and to require its employees, officers, directors, agents contractors and representatives to execute any and all documents and to cooperate with IAS in all other regards as is required or reasonably requested by IAS to effectuate this provision of this Agreement. BUYER hereby expressly acknowledges that without BUYER agreeing to this provision and furnishing this consideration, IAS would not enter into this Agreement.

10. Warranties. IAS warrants upon installation and including two years from the "Commercial Operation Date" of the last one (1) MW of the sixty (60) MW plant,

hereinafter referred to as the "Warranty Period", the solar thermal energy power plant and each of the components thereof, from defects in materials and workmanship. Within twenty-four (24) hours of notification from BUYER, IAS shall initiate reasonable efforts to ascertain repair or replacement requirements, to order replacements parts and equipment needed for repair, and to deploy qualified maintenance personnel to repair or replace same. The cost of warranty parts, replacement equipment and labor shall be borne by IAS.

IAS shall provide an inventory of spare parts at the Project Site.

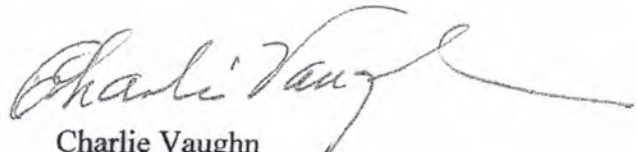
11. Documents, Etc. IAS retains ownership of any documents, samples, copies and/or other materials made available by IAS to BUYER. BUYER agrees not to reproduce, in whole or in part, any such documents, samples, copies or other materials, except as may be necessary for BUYER to conduct its business. IAS agrees that the purchaser(s) of electric power from BUYER is (are) the client(s) of BUYER and as such, any further or future business with said client(s) or its subsidiaries, shall be conducted by and through BUYER.
12. Survivability. The covenants of confidentiality set forth herein shall survive and continue and be maintained from the Effective Date hereof until five (5) years after termination of this Agreement.
13. Severability. In the event that any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, except in those instances where removal or elimination of such invalid, illegal, or unenforceable provision or provisions would result in a failure

of consideration under this Agreement, such invalidity, illegality or unenforceability shall not effect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provisions had never been contained.

14. Governing Law. This Contract shall be construed and governed according to the laws of the State of Nevada.
15. This SRE-1 Contract No. 2, supercedes The Equipment and Material Purchase and Installation Contract, dated December 20, 2005, between Solar Renewable Energy-1, LLC and International Automated Systems Incorporated.

SOLAR RENEWABLE ENERGY-1, LLC

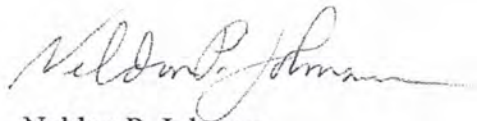
Dated: December 20, 2005



Charlie Vaughn
Managing Member/CEO

INTERNATIONAL AUTOMATED SYSTEMS, INC.

Dated:



Neldon P. Johnson
President

SCHEDULE "A"
Payment & Commercial Operation Schedule
SRE-1 Contract No. 2

IAS shall furnish the necessary technology and labor to build, install and place in service the Project at the Project Site according to the following Schedule for the Commercial Operation Date.

<u>Commercial Operation Date</u>	<u>Megawatts Completed</u>	<u>Payments \$ 000</u>
Following 30 day operation of 250 kW satisfactory to the BUYER, and Permit Date completed, a down payment is paid of:		825
1 st week	1	825 *
2 nd week	2	1,650*
3 rd week	3	2,475*
4 th week thru 20 th week	3/wk	2,475 each week*
21 st week	3	1,650*
Total	60	49,500

This Schedule of Payments, less retention, shall be made within five (5) business days of each one (1) megawatt unit being placed in Commercial Operation; (eight hundred twenty-five thousand dollars) (\$825,000) is paid for each megawatt. Since every one MW will have a turbine and switching system, the operating units can sell power to purchaser as agreed in the PPA.

* As per above schedule, Progress Payments, less retention, shall be made after each increment of energy is demonstrated to be commercially available. Retention shall be 5% of the Progress Payments and shall be paid to IAS by BUYER ninety (90) days after original payment date if the increment of energy continues to be available. If not available, IAS shall correct, and the ninety (90) time period starts again.

EQUIPMENT AND MATERIAL PURCHASE CONTRACT
SRE-1 CONTRACT No. 3

This purchase contract is made by and between **Solar Renewable Energy-1, LLC** (BUYER) with an address of 1400 Premier Court, Las Vegas, NV 89117 and **International Automated Systems Incorporated, Inc. (IAS)**, a Utah Corporation organized and existing pursuant to the laws of the State of Utah and the United States of America, with its offices at 326 North SR 198, Salem, Utah 84653 USA, hereinafter referred as IAS:

RECITALS

WHEREAS, IAS claims patented technology and proprietary technology for the conversion of solar energy into economical “green power” (renewable energy).

WHEREAS, BUYER desires to purchase a solar thermal energy power plant from IAS and desires to contract with IAS to furnish the technology, engineering, equipment and materials and performance to complete the power plant and to place the power plant in commercial operation.

DEFINITIONS

“Plan Date” is the date land has been provided BUYER, confirmed by Agreement, for the power plant location and the date IAS shall provide plans, specifications, other documentation and engineering as required for BUYER to obtain approval for the plant by local, state and federal agencies and to obtain a building permit.

” Permit Date” is the date BUYER obtains the last of the necessary regulatory agency approvals and a building permit and other required permits for the construction of the Project.

07

JMS [unclear]

ASSIGNMENT AGREEMENT

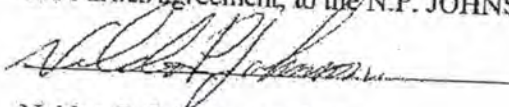
THIS Agreement dated January 4, 2005 between Neldon P. Johnson, LaGrand T. Johnson, Randale P. Johnson, and Glenda Johnson (hereinafter these four individuals will be the "Parties")

This Agreement references the Agreement between Neldon Johnson and International Automated Systems, Inc. dated May 14, 2004 and updated on October 13, 2004 (hereinafter "IAS Agreement") and the Agreement between the Parties dated December 8, 2004 (hereinafter "Parties Agreement").

WHEREAS, Neldon Johnson, as per the Parties Agreement, transferred the 10% of IAS's total gross sales in royalties he had contracted to receive as per the IAS Agreement to the Parties; and

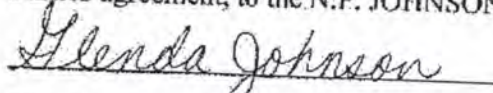
NOW THEREFORE, the Parties desire to assign and transfer their percentages of the total gross sales in royalties, as per the Parties Agreement, to the N.P. JOHNSON FAMILY LIMITED PARTNERSHIP, a Utah limited partnership, with all right, title and interest and do hereby by signatures below.

I, Neldon P. Johnson, agree to assign and transfer my 2% of the total gross sales royalty, as per the Parties agreement, to the N.P. JOHNSON FAMILY LIMITED PARTNERSHIP.



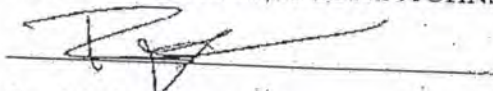
Neldon P. Johnson, Assignor

I, Glenda Johnson, agree to assign and transfer my 2% of the total gross sales royalty, as per the Parties agreement, to the N.P. JOHNSON FAMILY LIMITED PARTNERSHIP.



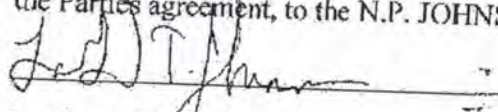
Glenda Johnson, Assignor

I, Randale P. Johnson, agree to assign and transfer my 3% of the total gross sales royalty, as per the Parties agreement, to the N.P. JOHNSON FAMILY LIMITED PARTNERSHIP.



Randale P. Johnson, Assignor

I, LaGrand T. Johnson, agree to assign and transfer my 3% of the total gross sales royalty, as per the Parties agreement, to the N.P. JOHNSON FAMILY LIMITED PARTNERSHIP.



LaGrand T. Johnson, Assignor

APPARENT STATUS OF BUSINESS ASSOCIATE COMPANIES
OF
INTERNATIONAL AUTOMATED SYSTEMS

1. N. P. Johnson Family Limited Partnership. This is a Utah limited partnership. All of the assets of this limited partnership have been transferred to the Nevis companies, Black Night Enterprises, Inc., and Starlite Holdings, Inc., in exchange for the ownership interests in each of these companies being issued to the partners of the partnership.

Action Needed: If not already completed, the general partner, LaGrand Johnson, needs to execute assignments to the respective Nevis company for the patents that have been transferred, and those assignments need to be recorded with the USPTO. If not already completed, the general partner needs to execute a deed for the Texas Property to the Nevis companies. If not already completed, IAS stock warrants and options transfers need to be executed and recorded. After all transactions are confirmed completed, a decision needs to be made about whether to dissolve this partnership.

2. Black Night Enterprises, Inc. This is a Nevis corporation. The current ownership of this company is as follows:

<u>Shareholder</u>	<u>Number of Shares</u>
a. DCL 16A, Inc., a Utah corporation	2,000
b. Neldon P. Johnson*	2,000
c. LaGrand T. Johnson	1,500
d. Randale P. Johnson	1,500
e. The LaGrand T. Johnson Family Trust	1,500
f. The Randale P. Johnson Family Trust	1,500
TOTAL NUMBER OF SHARES	10,000

Action Needed: If not already completed, the share transfer from Roger Hamblin to Neldon Johnson needs to be fully executed. Share certificates need to be issued. Patent assignments and Texas property deed need to be executed and recorded. IAS stock warrants and options transfers need to be executed and recorded. A shareholders meeting and a Board of Directors Meeting should be held. LaGrand Johnson is the current president.

3. Starlite Holdings, Inc. This is a Nevis corporation. The current ownership of this company is as follows:

<u>Shareholder</u>	<u>Number of Shares</u>
a. DCL 16A, Inc., a Utah corporation	2,000
b. Neldon P. Johnson*	2,000
c. LaGrand T. Johnson	1,500
d. Randle P. Johnson	1,500
e. The LaGrand T. Johnson Family Trust	1,500
f. The Randle P. Johnson Family Trust	<u>1,500</u>
TOTAL NUMBER OF SHARES	10,000

Action Needed: If not already completed, the share transfer from Roger Hamblin to Neldon Johnson needs to be fully executed. Share certificates need to be issued. Patent assignments and Texas property deed need to be executed and recorded. If not already completed, IAS stock warrants and options transfers need to be executed and recorded. A shareholders meeting and a Board of Directors Meeting should be held. LaGrand Johnson is the current president.

4. DCL-16A, Inc. This is a Utah corporation. The ownership of this company is as follows:

<u>Shareholder</u>	<u>Shares</u>
a. Neldon P. Johnson*	one-third (shares?)
b. LaGrand T. Johnson	one-third
c. Randle P. Johnson	one-third

Action Needed: If not already completed, the share transfer from Roger Hamblin to Neldon Johnson needs to be fully executed. If not already completed, share certificates need to be issued. A shareholders meeting and a Board of Directors Meeting should be held. LaGrand Johnson is the current president.

5. DCL16BLT, INC. This is a Wyoming corporation. The ownership of this company is as follows:

<u>Shareholder</u>	<u>Shares</u>
a. LaGrand T. Johnson	25,000
b. Randle P. Johnson	25,000
c. Neldon P. Johnson	<u>100</u>

TOTAL NUMBER OF SHARES 50,100

The shareholders of this company have a shareholder agreement and a voting trust agreement that provide for Neldon P. Johnson to be the sole director and the President so long as he is willing and able to serve.

Action Needed: Share certificates need to be issued.

6. Solstice Enterprises, Inc. This is a Nevis Corporation. LaGrand Johnson is the sole shareholder, sole director, and President.

Action Needed: Decisions need to be made about the future ownership, operation and use of this company.

7. RaPower-3, LLC. This is a Utah limited liability company. The sole member and manager of this company is DCL16BLT, Inc.

8. XSun Energy, LLC. This is a Utah limited liability company. The sole member is Black Night Enterprises, Inc. The manager is Neldon P. Johnson.

9. Cobblestone Centre, LLC. This is a Nevada limited liability company. It is believed that the owners and members of this company are Neldon P. Johnson, LaGrand T. Johnson, and Randale P. Johnson, who each own one-third of the membership. RLN Management Company, LC, a Utah limited liability company, is the manager.

10. RLN Management Company, LC, is a Utah limited liability company. The owners and members of this company are believed to be Neldon P. Johnson, LaGrand T. Johnson, and Randale P. Johnson, who each own one-third of the membership. Stacy Snow is the manager. Stacy Snow may have a small membership interest.

11. Solco I-X, LLC. These ten companies are Utah limited liability companies. The owners and members of each of these companies are Randale P. Johnson, LaGrand T. Johnson, and Glenda Johnson, who each own one-third of the membership. These companies are member managed.

SUPPLEMENTAL TERMS AND CONDITIONS

These Supplemental Terms and Conditions (the "Terms and Conditions") dated as of April 2006 between Lucite International, Inc. ("Seller") and International Automated Systems, Inc. ("Buyer") shall be attached to and form a part of Sales Order Acknowledgment No. 117759 dated May 13, 2005 (the "Sales Order" and together with the Terms and Conditions, the "Agreement").

1. Pricing. The unit price for Seller's product to be provided hereunder (the "Product") shall be as set forth on the Sales Order. In addition to the unit price specified therein, the amount of any present or future tax applicable to the sale, manufacture, delivery, use and/or other handling of the Product shall be paid by Buyer.

2. Shipping. The Scheduled Ship Date referenced in Seller's Sales Order is changed to [_____, 2006]. The Schedule Ship Date is Seller's best estimate, and will not operate to bind Seller to ship or make deliveries on the date stated herein.

3. Tool for Extrusion Line.

a. Delivery and Use of Tool. Buyer will deliver an extrusion line tool (the "Tool") developed by Buyer for production of the Product to Seller's facility in Olive Branch, Mississippi (the "Seller's Facility") at the cost and expense of Buyer. Buyer will provide the Tool to Seller at no charge to Seller.

b. Location of Tool; Alterations; Use of Tool. Seller shall keep the Tool at the Seller's Facility and shall not remove the Tool from such location without Buyer's prior written consent. Seller agrees not to make additions or alterations to the Tool without the prior written consent of Buyer and agrees to operate the Tool in connection with the purpose of producing the Product.

c. Repair and Maintenance. Seller shall be entitled but not required (and is hereby authorized by Buyer with respect to any individual occurrence that does not exceed [US \$5,000] for labor, materials, parts and other reasonable expenses) to maintain the Tool in good repair, condition and working order at Buyer's expense and to bill Buyer for the cost of such repairs, which amount shall be immediately paid to Seller by Buyer. Seller shall not be liable for any obligation or liability derived from Buyer's failure to authorize Seller to repair and maintain the Tool on a timely basis.

d. Set-up Fee. It is Seller's intent to keep the Tool installed on an extrusion line at Seller's Facility at such times as necessary to manufacture Product. In the event, whether at the request of Buyer or otherwise, Seller is required to remove the Tool from the extrusion line and subsequently reinstall the Tool, Seller shall bill Buyer a set-up fee of US [\$3,000] for each occurrence of such removal and reinstallation of the Tool, which fee shall be immediately paid to Seller by Buyer.

e. Responsibility for Loss. Seller agrees that the Tool will be operated by trained and authorized employees or agents of Seller. If due to the negligence or willful misconduct of Seller, the Tool is destroyed, damaged, lost or stolen, Seller shall, at the option of Buyer, either replace or repair the Tool at Seller's sole expense. In the event the Tool is destroyed, damaged, lost or stolen by any reason other than the negligence or willful misconduct of Seller, replacement or repair of the Tool shall be at Buyer's sole expense.

f. Insurance. Buyer shall obtain and maintain, at its own expense, during times when the Tool is in the Seller's possession or control, (i) insurance against loss or damage to the Tool, including loss by fire, theft, collision and such other risks of loss as are customarily insured against on property such as the Tool and (ii) comprehensive general liability insurance with a minimum limit of at least One Million Dollars (\$1,000,000) per occurrence for bodily injury and property damage. Upon the execution of these Terms and Conditions, Buyer shall furnish to Seller certificates evidencing the required insurance coverage.

g. Ownership; Operation. Seller acknowledges that the Tool shall remain the property of Buyer while it is in Seller's possession or control and that these Terms and Conditions do not transfer any rights in the Tool to Seller, other than the rights expressly granted herein. Seller shall, at its sole expense, obtain any permits necessary for the operation of the Tool. Seller shall at all times operate the Tool in compliance with all applicable laws, rules, ordinances and regulations.

h. Return of Tool. Upon completion of manufacture of the Product, Seller shall surrender possession of the Tool to Buyer at the Seller's Facility and Buyer shall remove the Tool from Seller's Facility. Buyer shall be entitled to store the Tool at Seller's Facility for such period of time as Buyer may reasonably require to decommission the Tool and transport it from such location, but in no event, for longer than thirty (30) days, and during such period, Buyer shall be responsible for all costs, including, without limitation, storage, dismantling and removal costs incurred by Seller, in connection with the Tool. Buyer shall, at its own cost and expense, be responsible to repair any damage caused to the Seller's Facility as a result of the removal of the Tool. The return of the Tool shall be at the cost and expense of Buyer.

4. Force Majeure. All agreements of Seller pursuant hereto are subject to, and Seller shall not be liable for damages based upon cover or consequential damages for, any failure of or delays in performance (including delivery) caused by strikes or other labor disputes (whether against Seller, its suppliers or carriers and whether due to fault of Seller), accidents (whether or not caused or contributed to by Seller's negligence), compliance with any law or other legal requirement, shortages of transportation or energy or material or supplies, weather conditions or other acts of God, breakdown of Seller's equipment, delay of carriers, or any other similar cause, whether or not beyond Seller's control. In the event that there is a delay in delivery due to such cause or causes, Seller shall have the option to cancel without any liability to Buyer or to make delivery within a reasonable time after the termination of the cause or causes of the delay.

5. Title to Product; Risk of Loss; Transportation. Title and risk of loss or damage to the Product shall pass from Seller to Buyer when the Product is delivered to the carrier. Seller shall not be responsible for any loss, damage or delay after such delivery to

carrier, regardless of whether freight is collect, prepaid, or on any other terms. If freight is prepaid by Seller in whole or in part, Seller shall have the right to select the means of transportation. Where the prices set forth herein are delivered prices, any subsequent changes in transportation charges used in calculating such delivered prices shall be for the account of Buyer, who shall promptly pay the amount thereof to Seller.

6. Overage/Underage for Specialty Items. The Product is made specially for Buyer and is not customarily carried in stock by Seller and a ten percent (10%) overage or underage of the amount specified shall constitute full compliance with this Agreement, and the quantity of Product so delivered shall be paid for at the unit price specified in the Sales Order.

7. Suspension or Termination of Manufacture of Specialty Items. If this Agreement is suspended or terminated for any reason, Buyer will take delivery of and make payment for such quantity of Product as has been completed and such quantity of Product as is in process on the date notice of suspension or termination is received by Seller; provided, that if Buyer for any reason cannot accept delivery of such Product, it will make payment therefore as though delivery had been made and Seller will store such Product for Buyer's account and at Buyer's expense.

8. Representations and Warranties. Seller represents and warrants that the materials used in manufacturing the Product provided hereunder conform (subject to variations acceptable within the industry) to Seller's standard specifications for extrusion grade PMMA. **THIS WARRANTY IS IN LIEU OF AND SUPERCEDES, EXCLUDES AND EXTINGUISHES ANY OTHER WARRANTY, REPRESENTATION, GUARANTEE, OR OBLIGATION WHATSOEVER IN RELATION TO THE PRODUCT OR TOOL, AND SELLER EXPRESSLY DISCLAIMS ANY OTHER WARRANTIES, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR OF FITNESS FOR A PARTICULAR PURPOSE.** Seller makes no representation as to the design, durability, craftsmanship, condition or usefulness of the Tool or its fitness for any particular purpose. Any suggestions made by Seller concerning modifications to the Tool or the manufacturing process or uses or applications of the Product provided hereunder reflect Seller's opinion only, and Seller makes no warranty of results to be obtained.

9. Assumption of Risk. Buyer assumes all risk and liability resulting from use of the Product whether used singly or in combination with other products.

10. Indemnities.

a. Buyer's Indemnification in Connection with Use of Tool. Buyer shall indemnify and hold Seller harmless from and against any costs, liabilities, expenses (including, without limitation, reasonable attorneys' fees) and obligations resulting from or in connection with the use, storage, maintenance or other handling of the Tool by Seller, including without limitation, any and all claims relating to personal injury or property damage to Seller, its employees and any other person or entity; provided, however, Buyer's indemnity obligation under this Section shall not apply to any costs, liabilities, expenses or obligations directly resulting from or arising solely in connection with the negligence or willful misconduct of Seller.

b. Buyer's Intellectual Property Indemnification. Buyer shall defend, at its expense, any claim alleging that the Product, the Tool or the design of the Product or Tool infringes any patent, copyright, trade secret, or other intellectual property right relating to the Tool or Product. Seller agrees to promptly give Buyer all needed information, assistance and authority to enable Buyer to so defend. Buyer shall indemnify and hold Seller harmless from and against all costs, liabilities, expenses (including, without limitation, reasonable attorneys' fees) and obligations resulting from or in connection with such claim. Buyer's obligation under this Section shall not apply to infringement directly arising from or relating to any manufacturing equipment (other than the Tool), process or technology furnished by Seller under this Agreement.

c. Seller's Indemnity. Seller shall indemnify and hold Buyer harmless from and against all costs, liabilities, expenses (including, without limitation, reasonable attorneys' fees) and obligations directly resulting from or arising solely in connection with any negligence or willful misconduct of Seller.

d. Seller's Intellectual Property Indemnification. Seller shall indemnify and hold Buyer harmless from and against all costs, liabilities, expenses (including, without limitation, reasonable attorneys' fees) and obligations resulting from or in connection with any claim alleging that any manufacturing equipment (other than the Tool), process or technology furnished by Seller under this Agreement infringes any patent, copyright, trade secret or other intellectual property right.

11. Limitation of Liability. No claim by Buyer of any kind, whether or not based on negligence, shall be greater in amount than the purchase price of the Product in respect of which damages are claimed and failure to give notice of claim within **[thirty (30) days]** from date of delivery, or the date fixed for delivery (in the case of nondelivery), shall constitute a waiver by Buyer of all claims in respect of such Product. **SELLER SHALL NOT BE LIABLE TO BUYER, EITHER DIRECTLY OR BY WAY OF INDEMNIFICATION, FOR CONSEQUENTIAL, INCIDENTAL, SPECIAL OR DIRECT DAMAGES, WHETHER THE CLAIM FOR ANY SUCH DAMAGES IS BASED ON WARRANTY, TORT, CONTRACT, OR OTHERWISE.**

12. Return of Products. No nonconforming Product shall be returned to Seller without the prior written consent of Seller. The warranty, indemnities and other obligations of Seller set forth herein are extended only to Buyer and shall not extend to any subsequent purchasers or to any final consumers or users other than Buyer.

13. Governing Law. This Agreement shall be governed by and interpreted in accordance with the laws of the State of Delaware without regard to conflict of law rules.

14. Entire Agreement. These Terms and Conditions along with the Sales Order, contain all of the terms and conditions with respect to the manufacture, sale and purchase of the Product sold hereunder. These Terms and Conditions supercede any previous terms and conditions and no modification thereof shall be binding on either party unless in writing and signed by both parties.

15. Waiver. Waiver by either party of any default by the other party hereunder shall not be deemed a waiver by such party of any default by the other which may thereafter occur.

16. Counterparts. These Terms and Conditions may be executed in two or more counterparts, each of equal dignity, which, when joined, shall constitute one document.

Acknowledged and Agreed:

LUCITE INTERNATIONAL, INC.

**INTERNATIONAL AUTOMATED
SYSTEMS, INC.**

By: _____

By: Nelson P. Johnson

Name: _____

Name: Nelson P. Johnson

Title: _____

Title: President + CEO

Dated: _____

Dated: April 17, 2006

IAS - verified

**AGREEMENT BETWEEN NELDON JOHNSON AND INTERNATIONAL
AUTOMATED SYSTEMS, INC.**

THIS AGREEMENT made this 14th day of May, 2004, by and between Neldon P. Johnson and (hereinafter "Transferor") and International Automated Systems, Inc., a Utah corporation, (hereinafter "IAS")

WITNESSETH:

WHEREAS, Transferor owns the items of personal property listed on Exhibit A (hereinafter collectively referred to as the "Assets");

WHEREAS, IAS and Transferor agree that it would be to their mutual benefit for IAS to receive from Transferor the Assets in exchange for 10,000,000 shares of Series A Preferred Stock with voting rights of 10 votes per share and the right and option to purchase 100,000,000 shares of IAS restricted common stock under the provisions set forth in Exhibit C (the "Warrant Agreement") and 10% (ten percent) of IAS's total gross sales in royalties; and

WHEREAS, previously IAS and Transferor have discussed the acquisition of certain assets from the Transferor and the Board of Directors of IAS adopted certain minutes pertaining to the purchase and acquisition of certain assets from Transferor.

NOW THEREFORE, in consideration of the promises and of the mutual covenants herein contained, the parties hereto hereby agree as follows:

1. (REPRESENTATIONS AND WARRANTIES OF TRANSFEROR)

Transferor hereby represents and warrants to IAS that:

- a) He, as investor, has complete title and owns as of the date hereof, and as of the Closing Date hereinafter provided will own the Assets free and clear of all liens, charges and encumbrances except those assets previously assigned to IAS.
 - b) Transferor is not in default under any material agreement to which it is a party nor in the payment of any obligation.
 - c) This Agreement has been duly executed by Transferor and the execution and performance of this Agreement will not violate, or result in a breach of, or constitute a default in any agreement, instrument, judgment order or decree to which Transferor is a party or to which Transferor is subject nor will such execution and performance constitute a violation of or conflict with any fiduciary to which Transferor is subject.
 - d) All representations and warranties made by Transferor in connection with the transactions contemplated hereunder shall be truthful and not misleading.
 - e) Transferor has no liens filed against him by any governmental authority, commission, department, or agency.
- VP* *Zg*

- f) Transferor warrants that the ideas for the Assets were conceived by him and that he developed the assets with his own funds or he advanced funds to IAS for such Asset development.
- g) Transferor warrants to the best of his knowledge that he is in compliance with all relevant statutes, laws, regulations, and administrative rules regarding the Assets.

2. (REPRESENTATIONS AND WARRANTIES OF IAS)

IAS represents and warrants that:

It is a corporation duly organized and validly existing and in good standing under the laws of the State of Utah; and IAS has the corporate authority, right, and power to enter into this Agreement.

3. (CLOSING) The Closing of this Agreement shall proceed on May 14, 2004, at 326 North SR 198, Salem, Utah, or at such other place as designated and determined between the parties, as follows:

- a) IAS shall undertake and perform all necessary requirements to issue the 10,000,000 shares of Series A Preferred Stock and IAS shall deliver instructions to its transfer agent to issue certificates evidencing the aforementioned shares to Transferor. In addition, IAS shall file with the Utah Division of Corporations all documents required to authorize the issuance of the Series A Preferred Stock which Series when issued shall provide that each share of the 10,000,000 shares of Series A Preferred Stock, no par value per share, and each share shall be entitled to ten votes per share and that the shares of Series A Preferred Stock shall vote with the shares of common stock as to all matters. IAS will also execute the Warrant Agreement which shall be Exhibit C of this Agreement.
- b) Transferor shall do the following: (1) present a certification that Transferor has clear title and unencumbered ownership of the Assets, (2) present an executed investment letter in the form mutually agreed upon by the parties, and (3) execute bills of sale or other documents transferring the Assets to IAS.
- c) As a continuing obligation and duty to IAS for the purchase of the Assets, Transferor expressly covenants and promises that he will execute as may be required in the future all documents necessary to effect the transfer of the Assets to IAS.

4. (TAX TREATMENT)

IAS expressly makes no warranty to Transferor regarding any possible tax treatment of his sale of the Assets which any governmental entity may accord the transaction. IAS to the extent practicable will do all acts and will cooperate to the extent possible to assist Transferor to receive favorable tax treatment to him.

5. (BANKRUPTCY)

If any proceeding under the Bankruptcy Act, as amended, is commenced by or against

the Company, or if IAS is adjudged insolvent, or if a receiver is appointed in any proceeding, or if any court or governmental agency restricts, removes, or forbids Transferor from working and/or operating within IAS in conjunction with the heretofore transferred Assets, Transferor shall immediately without further action on his part and without any court order or proceeding, receive back all right, title and interest to the Assets, but only upon the occurrence of any of the aforesaid events.

6. (EFFECTIVE DATE)

The parties agree that the sale, transfer of all title and interest and conveyance of the Assets shall be given effect as of May 14, 2004.

7. (CONDITIONS TO CLOSING) The obligations of IAS and Transferor to complete the transactions provided for herein shall be subject to the performance of all their respective agreements to be performed hereunder on or before the Closing, to the material truth and accuracy of the respective representations and warranties of IAS and Transferor contained herein, and to the further conditions that:

- (a) All representations and warranties of IAS and Transferor contained in this Agreement are substantially true and correct on and as of the Closing with the same effect as if made on and as of said date.
- (b) As of the Closing there shall have been no material adverse change in the affairs, business, property or financial condition of IAS or Transferor and shall so certify in writing.
- (c) All of the agreements and covenants contained in this Agreement that are to be complied with, satisfied and performed by each of the parties hereto on or before the Closing, shall, in all material respects, have been complied with, satisfied and performed.

8. (ADDITIONAL COVENANTS)

During the period between the date hereof and the Closing, IAS shall conduct its business and operations in the same manner in which the same have heretofore been conducted. During such period, unless it has received written consent thereto from the other party, neither IAS nor Transferor will:

- (a) Incur any obligation, liability or commitment, absolute or contingent, other than current liabilities incurred in the ordinary and usual course of business.
- (b) Declare or pay dividends on or make any distributions in respect of, or issue, purchase or redeem any of its shares of stock except in accordance with this Agreement.
- (c) Subject any of its properties to a mortgage, pledge or lien, except in the usual and ordinary course of business.
- (d) Sell or transfer any of its properties, except in the usual and ordinary course of business.
- (e) Make any investment of a capital nature, except in the usual and ordinary course of business.
- (f) Enter into any long-term contracts or commitments or modify or terminate any existing agreements, except in the usual and ordinary course of business.
- (g) Use any of its assets or properties except for proper corporate purposes.



(h) Sell, contract to sell or issue any equity or debt securities.

9. (MERGER CLAUSE)

This Agreement supersedes all prior agreements and understandings between the parties and may not be changed or terminated orally, and no attempted change, termination or waiver of any of the provisions hereof shall be binding unless in writing and signed by the parties hereto.

10. (GOVERNING LAW)

This Agreement shall be governed by and construed according to the laws of the State of Utah.

11. (SUCCESSOR AND ASSIGNS)

The Assets, after closing, may be assigned, in whole or in part, to an independent entity or a subsidiary or subsidiaries of IAS. This Agreement may also be assigned by any of the parties hereto to any other party, person or entity without written notification to the other party. This Agreement shall extend to and be binding upon the successors, heirs and assigns of the respective parties hereto.

12. (FORCE MAJEURE)

Neither party shall be in default of this Agreement or liable to the other party for any delay or default in performance where occasioned by any cause of any kind to the extent such cause is beyond its control, including but not limited to, armed conflict or economic dislocation, civil disorder of any kind, action of any civil or military authorities (including priorities and allocations), fires, floods and accidents.

13. (HEADINGS)

Headings in this Agreement are for the convenience of the parties only and they shall not be deemed to change or alter the meaning of any section, paragraph, or part of this Agreement.

14. (SEVERABILITY)

Every restriction or limitation in this Agreement is severable any any other possible future finding by a duly constituted authority that a particular provision herein is invalid, the parties hereto have made this agreement with the clear intention of continuing to perform all provisions hereof which have not been found invalid. The parties agree to consult about modification of any provision of the Agreement that may be found invalid by such duly constituted authority. All other valid clauses are operative and shall be enforced.

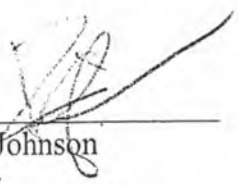
IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day and year first above written.

Dated this 14th day of May, 2004.

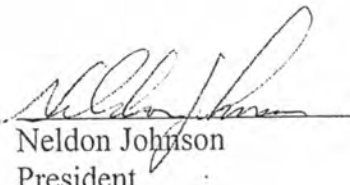
INTERNATIONAL AUTOMATED SYSTEMS, INC.

Handwritten signature and initials in the bottom right corner of the page.

ATTEST:



Randale Johnson
Secretary

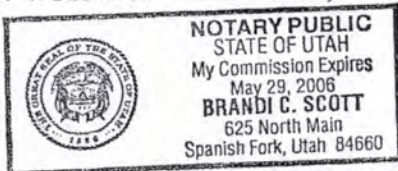


Neldon Johnson
President

ACKNOWLEDGMENT
STATE OF UTAH)
 : ss.
UTAH COUNTY)

On this 14th day of May 2004, before me the undersigned officer, personally appeared Neldon P. Johnson and Randale Johnson, the President and Secretary, respectively, of the above-named corporation, and that they, as such officers, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by themselves as such officers.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



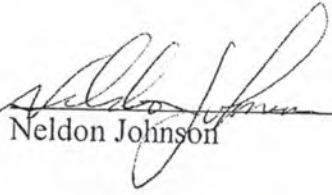
NOTARY PUBLIC *Brandi C. Scott*

My Commission Expires: *5/29/06* Residing at: *Spanish Fork*

TRANSFEROR:

Dated this 14th Day of May, 2004

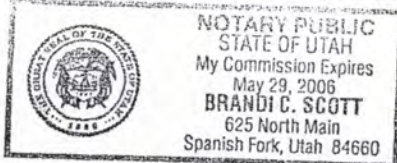
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Neldon Johnson

ACKNOWLEDGMENT
STATE OF UTAH)
 : ss.
UTAH COUNTY)

On this 14th day of May 2004, before me the undersigned officer, personally appeared Neldon P. Johnson and Randale Johnson, the President and Secretary, respectively, of the above-named corporation, and that they, as such officers, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by themselves as such officers.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



NOTARY PUBLIC

Brandi C. Scott

My Commission Expires:

5/29/06

Residing at:

Spanish Fork

CVH

and prospects. The Purchaser also understands and acknowledges the restrictive legend provision contained in the Warrant Agreement.

3. Restrictions on Shares. The shares of Common Stock acquired pursuant to Section 1 hereof are subject to and the Purchaser agrees to be bound by the provisions of the Warrant Agreement, incorporated herein by this reference.

4. Miscellaneous. This Agreement shall be governed by and construed and enforced in accordance with the laws of the state of Utah. This Agreement and the Warrant Agreement, together constitute the entire agreement and supersede all prior understandings and agreements, written or oral, of the parties hereto with respect to the subject matter hereof. This Agreement may be amended by mutual agreement of the parties. Such amendment must be in writing and signed by the Company. The Company may, however, unilaterally waive any provision hereof in writing to the extent such waiver does not adversely affect the interests of the Purchaser hereunder, but no such waiver shall operate as or be construed to be a subsequent waiver of the same provision or a waiver of any other provision hereof.

Handwritten signature and initials in the bottom right corner of the page.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first written above.

INTERNATIONAL AUTOMATED SYSTEMS, INC.

By: _____
Name: _____
Title: _____

[PURCHASER]

By: _____
Name: _____
Title: _____

[Handwritten initials]

**AGREEMENT BETWEEN INTERNATIONAL AUTOMATED SYSTEMS, INC.
AND NELDON JOHNSON**

EXHIBIT A

The following is a description of the Assets:

I. Bladeless Propulsion Turbine technologies including present patents, designs, contracts, hardware and software as related to, but not limited to the following:

- 1) Large-scale electric power generation for public utility,
- 2) Small-scale on-site electric and thermal power generation for businesses,
- 3) Miniature-scale on-site electric and thermal power generation for homes,
- 4) Medium-scale electric and thermal power generation for co-generation cycling on existing power plants
- 5) Motor transportation

II. Solar Thermal technologies including present patents pending, designs, contracts, hardware, and software as related to but not limited to the following:

- 1) Large-scale, on-site, renewable energy electric power generation for public utility,
- 2) Small-scale, on-site, renewable energy electric and thermal power generation for businesses,
- 3) Miniature-scale, on-site, renewable energy electric and thermal power generation for homes,
- 4) Economical renewable energy production for processing chemicals including alternatives to fossil fuels such as methanol and hydrogen.

III. Chemical Thermal technologies including present patents pending, designs, contracts, hardware, and software as related to but not limited to the following:

- 1) Large-scale, on-site, renewable energy electric power generation for public utility,
- 2) Small-scale, on-site, renewable energy electric and thermal power generation for businesses,
- 3) Miniature-scale, on-site, renewable energy electric and thermal power generation for homes,
- 4) Economical renewable energy production for processing chemicals including alternatives to fossil fuels such as methanol and hydrogen.

IV. Electronic Shelf Tag Display technologies including present patents and patents pending, designs, contracts, hardware, and software as related to but not limited to the following:

- 1) Electronic Shelf Tag Display for retail stores for the purpose of replacing printed shelf tags that facilitate automated inventory control, automatic price changes, automatic item placement for stocking shelves, and automatic display for specials.

GENERAL BILL OF SALE

EXHIBIT B

KNOWN ALL MEN BY THESE PRESENTS that Neldon Johnson ("Transferor") for valuable consideration hereby exchanges, conveys, transfers, assigns and delivers to International Automated Systems, Inc., a Utah corporation, (the "Company") all right, title and interest in and to the following assets, to wit:

I. Bladeless Propulsion Turbine technologies including present patents, designs, contracts, hardware and software as related to, but not limited to the following:

- 1) Large-scale electric power generation for public utility,
- 2) Small-scale on-site electric and thermal power generation for businesses,
- 3) Miniature-scale on-site electric and thermal power generation for homes,
- 4) Medium-scale electric and thermal power generation for co-generation cycling on existing power plants
- 5) Motor transportation

II. Solar Thermal technologies including present patents pending, designs, contracts, hardware, and software as related to but not limited to the following:

- 1) Large-scale, on-site, renewable energy electric power generation for public utility,
- 2) Small-scale, on-site, renewable energy electric and thermal power generation for businesses,
- 3) Miniature-scale, on-site, renewable energy electric and thermal power generation for homes,
- 4) Economical renewable energy production for processing chemicals including alternatives to fossil fuels such as methanol and hydrogen.

III. Chemical Thermal technologies including present patents pending, designs, contracts, hardware, and software as related to but not limited to the following:

- 1) Large-scale, on-site, renewable energy electric power generation for public utility,
- 2) Small-scale, on-site, renewable energy electric and thermal power generation for businesses,
- 3) Miniature-scale, on-site, renewable energy electric and thermal power generation for homes,
- 4) Economical renewable energy production for processing chemicals including alternatives to fossil fuels such as methanol and hydrogen.

IV. Electronic Shelf Tag Display technologies including present patents and patents pending, designs, contracts, hardware, and software as related to but not limited to the following:

1) Electronic Shelf Tag Display for retail stores for the purpose of replacing printed shelf tags that facilitate automated inventory control, automatic price changes, automatic item placement for stocking shelves, and automatic display for specials.

and to have and to hold said assets, property and rights unto the Company, its assigns and successors forever.

Transferor hereby promises, warrants and represents that he has complete and unencumbered ownership of the foregoing assets set forth above except as previously assigned to the Company.

Transferor is not hereby transferring or conveying any other assets not specifically set forth herein.

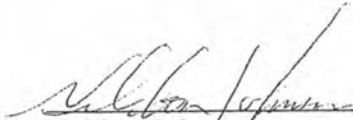
6/1/16



IN WITNESS WHEREOF, Transferor hereby has caused this document to be signed and executed individually this 14TH day of May, 2004.

TRANSFEROR:

NELDON JOHNSON


Neldon Johnson

ACKNOWLEDGMENT

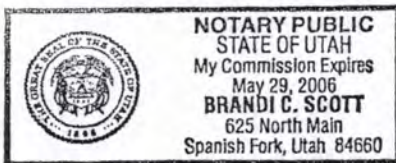
STATE OF UTAH)

: ss.

UTAH COUNTY)

On this 14th day of May 2004, before me the undersigned officer, personally appeared Neldon P. Johnson and Randale Johnson, the President and Secretary, respectively, of the above-named corporation, and that they, as such officers, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by themselves as such officers.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



NOTARY PUBLIC

Brandi C. Scott

My Commission Expires: *5/29/06*

Residing at: *Spanish Fork*

C/S

NOTIFICATION OF
INTERNATIONAL AUTOMATED SYSTEMS, INC.

I.

Name of Corporation

The name of the corporation filing this notice under Section 16-10a-602 of the Utah Code is International Automated Systems, Inc., a Utah corporation.

II.

Issuance of Series 1 Class A Preferred Stock.

The Board of Directors in accordance with the Articles of Incorporation for this Corporation and pursuant to the Utah Revised Business Corporation Act have adopted resolution authorizing the issue of Series 1 Class A Preferred Stock.

The resolution authorizing the officers to issue Series 1 Class A Preferred Stock states as follows:

RESOLVED, that the officers of this Corporation are hereby authorized to issue as ten million shares of Series 1 Class A Preferred Stock, no par value per share, for valuable consideration received, receipt of which is hereby acknowledged, and such shares shall be fully paid and nonassessable and shall be issued after notification is filed with the Division of Corporations, State of Utah, and the shares of Preferred Stock shall have the rights and privileges as designated by the Board of Directors.

FURTHER RESOLVED that Series 1 Class A Preferred Stock upon issue shall have voting powers in the amount of ten votes for each share, in person or by proxy, and shall vote with the common stock on all matters; shall not be subject to redemption; shall not have any preferential rights upon dissolution or distribution; shall not have any rights of or to dividends except as declared by the Board of Directors; and shall not be convertible into common stock of the Corporation.

III.

Adoption

The resolution authorizing the issue of Series 1 Class A Preferred Stock, without par value per share, was adopted by the directors at a meeting of the directors held on 14th of May, 2004. No shareholder action was required to issue the shares of Series A Preferred Stock. Further, this notification does not alter or revoke the preferences, limitations, or relative rights granted to or imposed upon any wholly unissued class of or series of shares of any wholly unissued class.

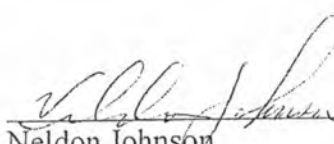


Dated this 14th day of May, 2004.

INTERNATIONAL AUTOMATED SYSTEMS, INC.

ATTEST:


Randale Johnson
Secretary


Neldon Johnson
President

ACKNOWLEDGMENT

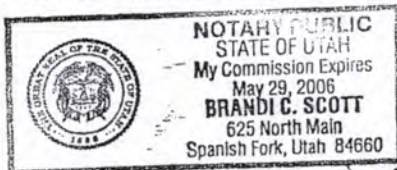
STATE OF UTAH)

: ss.

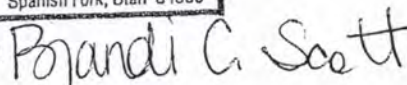
UTAH COUNTY)

On this 14th day of May 2004, before me the undersigned officer, personally appeared Neldon P. Johnson and Randale Johnson, the President and Secretary, respectively, of the above-named corporation, and that they, as such officers, being authorized so to do, executed the foregoing instrument for the purposes therein contained, by signing the name of the corporation by themselves as such officers.

IN WITNESS WHEREOF, I have hereunto set my hand and official seal.



NOTARY PUBLIC



My Commission Expires: 5/29/06

Residing at: Spanish Fork

EXHIBIT C

WARRANT AGREEMENT

THIS WARRANT AGREEMENT (this "Agreement"), dated as of the 13th day of October, 2004, is made and entered into by and between INTERNATIONAL AUTOMATED SYSTEMS, INC., a Utah corporation (the "Company"), and Neldon Johnson, an individual/corporation (together with its permitted assigns, the "Warrantholder").

RECITALS

WHEREAS, the Company and the Warrantholder are parties to that certain Strategic Relationship Agreement, dated as of the date hereof (the "Strategic Relationship Agreement"), pursuant to which, among other things, the Warrantholder will provide Strategic Advice (as defined in the Strategic Relationship Agreement) to the Company; and

WHEREAS, in order to provide consideration of the Warrantholder's obligations made under the Strategic Relationship Agreement, the Company hereby grants to the Warrantholder, effective as of the date hereof (the "Grant Date"), a warrant to purchase 100,000,000 (one-hundred million) shares of the Company's Common Stock, no par value per share (the "Common Stock"), subject to and upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual promises and covenants made herein and the mutual benefits to be derived here from and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties agree as follows:

1. Grant of Warrant. This Agreement evidences the Company's grant to the Warrantholder of the right and option to purchase (the "Warrant"), subject to and on the terms and conditions set forth herein, 100,000,000 (one-hundred million) shares of the Company's Common Stock, subject to adjustment in accordance herewith (the "Shares"), at a price equal to \$0.40 per Share, exercisable from time to time as provided in Section 2 hereof.

2. Exercisability of Warrant.

(a) This Warrant shall vest in full upon its issuance. The Warrant is exercisable, in whole or in part, at any time from the Grant Date as follows: (i) 5,000,000 Shares shall become exercisable on January 1, 2005; (ii) 5,000,000 Shares shall become exercisable on January 1, 2006; (iii) 5,000,000 Shares shall become exercisable on January 1, 2007; (iv) 10,000,000 Shares shall become exercisable on January 1, 2008; (v) 10,000,000 Shares shall become exercisable on January 1, 2009; (vi) 65,000,000 Shares shall become exercisable on January 1, 2010;

(b) If, at any time of exercise, the Warrantholder does not purchase all of the Shares to which the Warrantholder is entitled under this Agreement, the Warrantholder has the right thereafter to purchase any such Shares not so purchased and such right shall continue without an expiration date until October 13, 2034. The Warrant shall only be exercisable in respect of whole Shares, and, in lieu of fractional interests, the Company shall pay the Warrantholder

a sum in cash equal to such fraction multiplied by the then-effective Exercise Price. Certificates for Shares so purchased, together with any other securities or property to which the Warrantholder is entitled upon such exercise, shall be delivered to the Warrantholder by the Company at the Company's expense promptly after this Warrant has been so exercised. Each such certificate shall be registered in whatsoever name and in such denominations of Common Stock as may be requested by the Warrantholder.

3. Method of Exercise of Warrant.

(a) The Warrant shall be exercisable by the delivery to the Secretary of the Company of a written notice accompanied by (i) delivery of an executed Exercise Agreement in the form attached hereto as Exhibit D and (ii) payment of the full purchase price of the Shares to be purchased upon such exercise. Payment shall be made in cash in the form of a certified or cashier's check payable to the order of the Company or by wire transfer of immediately available funds to an account designated by the Company.

4. Shares Fully Paid; Reservation of Shares; Inconsistent Agreements. The Company covenants and agrees that all Shares which may be issued upon the exercise of the rights represented by this Warrant will, upon issuance, be duly authorized, validly issued, fully paid and non-assessable and free of all taxes, liens and charges with respect to the issue thereof. The Company further covenants and agrees that, at all times during which this Warrant may be exercised, the Company will have authorized and reserved, for the purpose of issue upon exercise hereof, a sufficient number of shares of authorized but unissued Common Stock, or other securities and property, when and as required to provide for the exercise of the rights represented by this Warrant. Subject to Section 8 hereof, the Company will take reasonable steps to assure that such Shares may be issued as provided herein without violation of any applicable law or regulation, or of any requirements of any securities exchange upon which securities of the Company may be listed; provided, however, that the Company shall not be required to effect a registration under federal or state securities laws with respect to such exercise. The Company will not on or after the date of this Warrant enter into any agreement with respect to its securities which is inconsistent with the rights granted the Warrantholder or otherwise conflicts with the provisions hereof. The rights granted to the Warrantholder hereunder do not in any way conflict with and are not inconsistent with the rights granted to holders of the Company's securities under any other agreements, except rights that have been waived.

5. Adjustment and Termination upon Certain Events. The Exercise Price and the number of Shares purchasable upon exercise of this Warrant shall be subject to adjustment from time to time upon the occurrence of certain events described in this Section 6. Upon each adjustment of the Exercise Price, the Warrantholder shall thereafter be entitled to purchase, at the Exercise Price resulting from such adjustment, the number of Shares obtained by multiplying the Exercise Price in effect immediately prior to such adjustment by the number of Shares purchasable pursuant hereto immediately prior to such adjustment, and dividing the product thereof by the Exercise Price resulting from the adjustment.

(a) If the Company shall at any time subdivide its Common Stock, by stock split or otherwise, or combine its Common Stock, or issue additional shares of its Common Stock as a dividend with respect to any shares of its Common Stock, the number of Shares issuable on

the exercise of this Warrant shall be forthwith proportionately increased in the case of a subdivision or stock dividend, or proportionately decreased in the case of a combination. Appropriate adjustments shall also be made to the Exercise Price as provided herein, but the aggregate purchase price payable for the total number of Shares purchasable under this Warrant (as adjusted) shall remain the same. Any adjustment under this Section 6(a) shall become effective at the close of business on the date of the subdivision or combination becomes effective or as of the record date of such dividend, or in the event that no record date is fixed, upon making of such dividend.

(b) In case of (i) any reclassification, capital reorganization, or change or conversion in the Common Stock of the Company (other than as a result of a subdivision, combination, or stock dividend provided for in Section 6(a) above) or (ii) any dividend or distribution of Common Stock (other than as a result of a subdivision, combination or stock dividend provided for in Section 6(a) above), or other securities which are at any time directly or indirectly convertible into or exchangeable for any other securities of the Company or another issuer, cash, evidence of indebtedness of the Company or another issuer or any rights or options to subscribe for, purchase or otherwise acquire any of the foregoing by way of dividend or other distribution, then, as a condition of such reclassification, reorganization, or change, lawful provision shall be made, and duly executed documents evidencing the same from the Company or its successor shall be delivered to the Warrantholder, so that the Warrantholder shall have the right at any time to purchase, at a total price equal to that payable upon the exercise of this Warrant, the kind and amount of shares of stock and other securities and property receivable in connection with such reclassification, reorganization or change by a holder of the same number of shares of Common Stock as were purchasable by the Warrantholder immediately prior to such reclassification, reorganization or change. In any such case appropriate provisions shall be made with respect to the rights and interest of the Warrantholder so that the provisions hereof shall thereafter be applicable with respect to any Shares or other securities and property deliverable upon exercise hereof, and appropriate adjustments shall be made to the Exercise Price as provided herein; provided further the aggregate purchase price shall remain the same.

(c) Promptly after any adjustment to the number or class of Shares subject to this Warrant and the Exercise Price, the Company shall give written notice thereof to the Warrantholder, setting forth in reasonable detail and certifying the calculation of such adjustment. In case of any of the events described in Section 6(c) above, the Company shall give reasonable prior written notice thereof to the Warrantholder, which shall be at least 15 days prior to each such event, setting forth in reasonable detail a description of any such event including, among other things, the date on which the event is scheduled to occur; provided, however, if a record date is set by the Company with respect to any such event, the Company will provide the Warrantholder reasonable prior written notice of such record date, which shall be at least 15 days prior to such record date. Any and all notices shall be delivered in accordance with Section 10 below.

6. Compliance; Application of Securities Laws. This Agreement and the offer, issuance and delivery of the Warrant and the Shares are subject to compliance with all applicable federal and

state laws, rules and regulations (including but not limited to state and federal securities laws and federal margin requirements) and to such approvals by any listing, regulatory or governmental authority as may, in the opinion of counsel for the Company, be necessary or advisable in connection therewith. In furtherance of the foregoing, the Warrantholder covenants and agrees that it will not exercise the Warrant during the Registration Period (as defined below). For purposes hereof, "Registration Period" means the period of time between (i) the date of the initial filing of the registration statement of the Company's securities for which notice was given to the Warrantholder pursuant to Section 2 of the Registration Rights Agreement and (ii) the earlier to occur of (x) the termination of such registration prior to the effective time of such registration and (y) 180 days after the effective time of such registration.

7. **Investment Representations.** By execution of this Agreement, the Warrantholder makes the representations set forth below to the Company and acknowledges that the Company's reliance on federal and state securities law exemptions from registration and qualification is predicated, in part, on such representations (all such representations being made as of the date hereof):

(a) **No Intent to Sell.** The Warrantholder represents that it is acquiring the Warrant and the Shares solely for its own account, for investment purposes only, and not with a view to or an intent to sell, or to offer for resale in connection with any unregistered distribution of all or any portion of the Warrant or the Shares within the meaning of the Securities Act, or applicable state securities laws.

(b) **Accredited Investor.** The Warrantholder represents that it is an "accredited investor" as defined in Regulation D promulgated under the Securities Act.

(c) **No Reliance on Company.** In evaluating the merits and risks of an investment in the Warrant and the Shares, the Warrantholder represents that it has and will rely upon the advice of its own legal counsel, tax advisors, and/or investment advisors. Accordingly, the Warrantholder hereby represents and warrants that it has reviewed the legal, accounting, tax and other economic aspects of the Warrantholder's investment with the Warrantholder's own advisors and is not relying on the Company for any legal, tax, accounting or other advice involved in the Warrantholder's investment in the Company.

(d) **Relationship to and Knowledge About Company.** The Warrantholder represents that it is knowledgeable about the Company and has a business relationship with the Company. As a result of such relationship, it is familiar with, among other characteristics, the Company's business and financial circumstances. The Warrantholder has received all information it considers necessary or appropriate for deciding whether to purchase the Warrant and the Shares hereunder, including without limitation, a copy of the Company's Form 10, as amended, filed with the Securities and Exchange Commission. The Warrantholder represents that it has formed its own conclusions regarding the condition of the Company in response to the parties' express intention and agreement that the sale hereunder will be without representation and warranty of any kind (express or implied) regarding the Company, the Warrant and the Shares. The Purchaser will rely solely on its own business judgment and investigations with respect to the Company, the Warrant and the Shares.

(e) Restrictions on Warrant and Shares. The Warrantholder represents that it understands that the Warrant and the Shares are and will be characterized as "restricted securities" under the federal securities laws since the Warrant and the Shares are being acquired from the Company in a transaction not involving a public offering and that under such laws and applicable regulations such securities may be resold without registration under the Securities Act only in certain limited circumstances. The Warrantholder represents that it will not to make any disposition of all or any portion of the Warrant or the Shares, except in compliance with all applicable federal and state securities laws and unless and until: (a) there is then in effect a registration statement under the Securities Act covering such proposed disposition and such disposition is made in accordance with such registration statement; or (b) such disposition is made in accordance with Rule 144 under the Securities Act; or (c) the Warrantholder notifies the Company of the proposed disposition and furnishes the Company with a statement of the circumstances surrounding the proposed disposition, and, if requested by the Company, the Warrantholder furnishes the Company with an opinion of counsel acceptable to the Company's counsel, that such disposition will not require registration under the Securities Act and will be in compliance with all applicable state securities laws. The Warrantholder represents that it is familiar with Rule 144 under the Securities Act and understands the resale limitations imposed thereby and by the Securities Act and applicable state securities laws. Except as provided in the Registration Rights Agreement, the Company has no obligation to register the Warrant or Shares or file any registration statement under either federal or state securities laws,

(f) No General Solicitation. The Warrantholder represents that it was not presented with or solicited by any promotional meeting or material relating to the Warrant or the Shares.

(g) Share Certificate Legend. The Warrantholder represents that it understands and acknowledges that any certificate evidencing the Shares (or evidencing any other securities issued with respect thereto pursuant to any stock split, stock dividend or other form of reorganization or recapitalization) when issued shall bear, in addition to any other legends which may be required by applicable state securities laws, the following legend:

"OWNERSHIP OF THE SHARES EVIDENCED BY THIS CERTIFICATE AND ANY INTEREST THEREIN ARE SUBJECT TO RESTRICTIONS ON TRANSFER UNDER APPLICABLE LAW AND UNDER AN AGREEMENT WITH THE COMPANY, INCLUDING RESTRICTIONS ON SALE, ASSIGNMENT, TRANSFER, PLEDGE OR OTHER DISPOSITION, A COPY OF WHICH IS AVAILABLE FOR REVIEW AT THE OFFICE OF THE SECRETARY OF THE COMPANY."

"THE SECURITIES REPRESENTED HEREBY HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES ACT OF 1933, AS AMENDED ("ACT"), NOR HAVE THEY BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE. NO TRANSFER OF SUCH SECURITIES WILL BE PERMITTED UNLESS A REGISTRATION STATEMENT UNDER THE ACT IS IN EFFECT AS TO SUCH TRANSFER, THE TRANSFER IS MADE IN ACCORDANCE WITH RULE 144 UNDER THE ACT, OR IN THE OPINION OF COUNSEL TO THE CORPORATION, REGISTRATION UNDER THE ACT IS UNNECESSARY IN ORDER FOR SUCH

TRANSFER TO COMPLY WITH THE ACT AND WITH APPLICABLE STATE SECURITIES LAWS."

8. Notices. All notices, demands and other communications provided for or permitted under this Agreement shall be made in writing and will either be (i) personally delivered, (ii) sent by postage prepaid certified mail, return receipt requested, (iii) delivered by courier service, (iv) transmitted by facsimile with confirmation of receipt by telephone, or (v) transmitted by e-mail with confirmation of receipt by telephone, and will be deemed to have been given when received, to:

If to the Company, to:

International Automated Systems, Inc.
PO Box 608
American Fork, Utah 84003
Attention: Chief Executive Officer with a copy to internal counsel
Facsimile: 801-
e-mail: lagrand@iaus.com

with a copy to:

International Automated Systems, Inc.
326 North SR 198
Salem, Utah 84653
Attention: Chief Executive Officer with a copy to internal counsel
Facsimile: 801-
e-mail: lagrand@iaus.com

If to the Warrantholder, to:

or to such other person or at such other address as either party shall hereafter designate.

9. Further Assurances. Each of the parties hereto shall use its reasonable and diligent best efforts to execute such further documents and other papers and perform such further acts as may be reasonably required or desirable to carry out the provisions hereof and the transactions contemplated herein.

10. Modifications, Amendments and Waivers. This Agreement may not be amended, modified or altered except by a written instrument executed by both parties hereto in the same manner in which this Agreement has been executed.

11. Entire Agreement. This Agreement is intended to embody the final, complete and exclusive agreement among the parties with respect to the Warrant and the purchase of the Shares represented

thereby, is intended to supersede all prior agreements, understandings and representations written or oral, with respect thereto, and may not be contradicted by evidence of any such prior or contemporaneous agreement, understanding or representation, whether written or oral.

12. Governing Law and Venue. This Agreement is to be governed by and construed in accordance with the laws of the State of Utah applicable to contracts made and to be performed wholly within such state, and without regard to the conflicts of laws principles thereof.

13. Binding Effect; Assignment. This Agreement and the rights, covenants, conditions and obligations of the respective parties hereto and any instrument or agreement executed pursuant hereto shall be binding upon the parties and their respective successors, assigns and legal representatives. Except as provided in Section 4 hereof, this Agreement may not be assigned by the Warrantholder without the prior written consent of the Company.

14. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. This Agreement may be executed by facsimile signatures.

15. Section Headings. The section headings of this Agreement are for convenience of reference only and shall not be deemed to alter or affect any provision hereof.

16. Representation by Counsel. Any rule of law or any legal decision that would require interpretation of any claimed ambiguities in this Agreement against the party that drafted it has no application and is expressly waived.

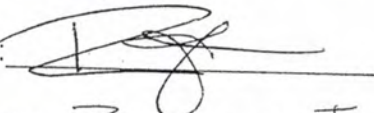
17. Survival. The representations, warranties and agreements shall survive acceptance of this Agreement by the Company, exercise of the Warrant and payment of the Exercise Price for the Shares by the Warrantholder and the issuance of the Shares to the Warrantholder.

18. Severability. Every provision of this Agreement is intended to be severable. If any term or provision hereof is illegal or invalid for any reason whatsoever, then such illegality or invalidity shall not affect the validity of the remainder of the Agreement.

19. Issue Tax. The issuance of certificates for the Shares upon the exercise of any portion of this Warrant shall be made without charge to the Warrantholder for any issue tax (other than any applicable income taxes) in respect thereof; provided, that the Company shall not be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of any certificate in the name other than that of the Warrantholder exercising this Warrant.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the date first written above.

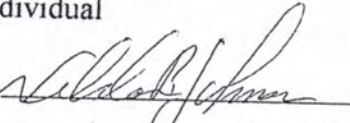
International Automated Systems, INC.,
a Utah corporation

By: 

Name: RANDAL JOHNSON

Title: SECRETARY

Neldon P. Johnson
a Individual

By: 

Name: Neldon P. Johnson

Title: CEO, Chairman Board

S-1

EXHIBIT D

INTERNATIONAL AUTOMATED SYSTEMS, INC.

EXERCISE AGREEMENT

THIS EXERCISE AGREEMENT (this "Agreement") dated as of the ____ day of _____, 200__, by and between INTERNATIONAL AUTOMATED SYSTEMS, INC., a Utah corporation (the "Company"), and Neldon Johnson (the "Purchaser").

RECITALS

WHEREAS, the Company has granted to the Purchaser a Warrant (the "Warrant") to purchase a designated amount of authorized but unissued shares of common stock of the Company and in connection therewith, the Company and the Purchaser entered into that certain Warrant Agreement dated as of _____, 200__ (the "Warrant Agreement") of which this Agreement is a part and incorporated therein;

WHEREAS, the Purchaser desires to exercise the Warrant and purchase from the Company and the Company wishes to issue and sell to the Purchaser _____ shares of its common stock, par value \$0.001 per share (the "Common Stock"), at a price equal to \$ _____ per share, in accordance with and subject to the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the above premises and the representations, warranties, covenants and agreements contained in this Agreement, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties hereto agree as follows:

1. **Purchase and Sale of Common Stock.** The Company shall deliver to the Purchaser a stock certificate representing the shares of Common Stock against delivery to the Company by the Purchaser of the purchase price in the sum of \$ _____ (which represents the product of the \$ _____ price per share and the number of shares listed above, the "Purchase Price"), except if the Purchaser is exercising the Warrant pursuant to Section 3(b) of the Warrant Agreement, in which case the Purchaser shall so indicate by marking the space provided below. _____ Exercise Pursuant to Section 3(b) of the Warrant Agreement
2. **Investment Representations.** The Purchaser acknowledges that the shares of Common Stock are not being registered under the Securities Act of 1933, as amended (the "Securities Act"). The Purchaser hereby affirms as made as of the date hereof the representations, covenants and agreements made in Section 9 of the Warrant Agreement and such representations, covenants and agreements are incorporated herein by this reference. The Purchaser has no need for liquidity in this investment, has the ability to bear the economic risk of this investment, and can afford a complete loss of the Purchase Price. The Purchaser has received the Company's consolidated financial information which includes information material to the Company's financial condition, operations

MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF
INTERNATIONAL AUTOMATED SYSTEMS, INC.

Held on May 13 , 2004

1. [TIME AND PLACE OF MEETING AND DIRECTORS ATTENDING]
A meeting of the Board of Directors of International Automated Systems, Inc. (the "Company") was held on May 13, 2004. Those Directors present either in person or by telephone were Neldon Johnson, LaGrand Johnson, Christopher Taylor, Curtis Snow and Bruce Barratt.
2. [QUORUM AND CHIRMAN AND SECRETARY OF THE MEETING]
Neldon Johnson acted as chairman of the meeting and Randale Johnson acted as secretary of the meeting. The Chairman noted that a quorum of the directors was present and that the directors could transact business.
3. [MAJORITY SHAREHOLDERS]
A majority shareholder vote was present at the meeting.
4. [EXCHANGE AGEEMENT]
The directors discussed the affairs of the Company. In particular the directors again reviewed and discussed in detail the Agreement whereby Neldon Johnson would exchange with the Company the technology relating to the Propulsion Turbine, Solar Thermal, Chemical Thermal, Electronic Shelf Tag, and OrderXCEL for a royalty of 10% (ten percent) of the total gross sales of IAS and 10,000,000 shares of Series 1 Class A Preferred Stock and each share of the Preferred Stock shall have ten votes per share and shall vote with the common stock as to all matters, and Warrants for the right to purchase 100,000,000 shares of restricted common stock, no par value per share, at a purchase price of \$0.40 per share. The warrants will allow Neldon Johnson to purchase only 5,000,000 shares per year, starting January 1, 2005, for the years 2005 through 2007 and 10,000,000 shares per year for the years 2008 through 2009. Warrants for Neldon Johnson to purchase the other 65,000,000 shares will become exercisable January 1, 2010. The exchange was reviewed in detail. The value and potential value of the technology were discussed. Also, a report regarding current status of the technology was provided. It was discussed that the transaction was not arms length. The directors again reviewed the terms and conditions of the Agreement between the Company and Mr. Johnson including the number of votes that Mr. Johnson could exercise and the percentage amount of the voting control. The specific changes in the Agreement were duly noted and discussed. Upon motion duly made and seconded the following resolution was adopted:

RESOLVED THAT the directors hereby determine that the Agreement between the Company and Mr. Neldon Johnson regarding the exchange of shares of preferred stock and warrants is in the best interests of the Company and its shareholders.

FURTHER RESOLVED THAT the officers of the Company shall be authorized and empowered to execute and sign all necessary documents to close, consummate, effect, and complete the transaction with Mr. Johnson.

5. [AUTHORIZE SERIES 1 CLASS A PREFERRED STOCK]

The directors authorizing the officers to issue Series 1 Class A Preferred Stock so that the terms of the Agreement could be effected. The directors discussed the procedures for issuing the Series 1 Class A Preferred Stock. Upon motion duly made and seconded, the following resolutions were adopted:

RESOLVED, THAT the officers of this Corporation are hereby authorized to issue as 10,000,000 (ten million) shares of Series 1 Class A Preferred Stock, no par value per share, for valuable consideration received, receipt of which is hereby acknowledged, and such shares shall be fully paid and nonassessable and shall be issued after notification is filed with the Division of Corporations, State of Utah, and the shares of Preferred Stock shall have the rights and privileges as designated by the Board of Directors.

FURTHER RESOLVED THAT Series 1 Class A Preferred Stock upon issue shall have voting powers in the amount of 10 (ten) votes for each share, in person or by proxy, and shall vote with the common stock on all matters; shall not be subject to redemption; shall not have any preferential rights upon dissolution or distribution; shall not have any rights of or to dividends except as declared by the Board of Directors; and shall not be convertible into common stock of the Corporation.

FURTHER RESOLVED THAT the officers are hereby authorized to execute the notification to be filed with the Utah Division of Corporations and to execute and sign any other documents required, necessary or needed to facilitate the issuance of the shares of Series Class A Preferred Stock.

6. [ISSUE STOCK]

The directors discussed notification being filed with and approved by the Utah Division of Corporation, the 10,000,000 shares of Series 1 Class A Preferred Stock pursuant to the resolutions and instructions of the Board of Directors of the Company and the terms of the Agreement. Upon motion duly made and seconded the following resolutions were adopted:

RESOLVED THAT the transfer agent be instructed to issue certificates evidencing a total of 10,000,000 shares of Class 1 Series A Preferred Stock, no par value per share to Neldon Johnson.

FURTHER RESOLVED THAT the transfer agent shall place on each certificate evidencing the shares of Series 1 Class A Preferred Stock the pertinent right and privileges.

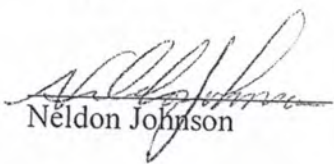
7. [ADJOURNMENT]

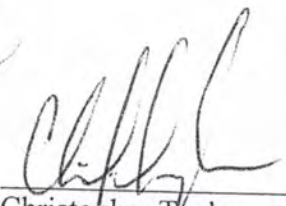
There being no other matters to come before the directors the meeting was adjourned.

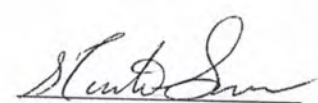
Dated: 13TH MAY, 2004.

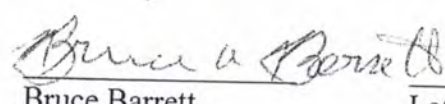

Secretary

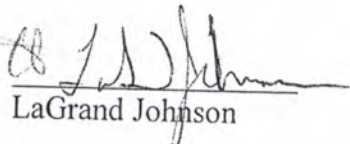
Directors:


Neldon Johnson


Christopher Taylor


Curtis Snow


Bruce Barrett


LaGrand Johnson

**CONSENT TO ACTION WITHOUT A MEETING OF
THE BOARD OF DIRECTORS OF DCL16BLT, INC.**

In accordance with the Provisions of the Wyoming Business Corporation Act, Neldon P. Johnson, the Director of DCL16BLT, Inc. (the "Company"), hereby consents to the following action:

RESOLVED, that the Company hereby accepts the offer of LaGrand T. Johnson to purchase Twenty Five Thousand (25,000) shares of the common voting stock of the Company at the price of Ten Cents (\$0.10) per share, the Company acknowledging that the services of LaGrand T. Johnson on behalf of the Company to date have been taken into account in arriving at the foregoing purchase price. The foregoing purchase price shall be paid on or before January 1, 2012. These shares shall be issued by the Company on or before July 20, 2011 in consideration for LaGrand T. Johnson's prior services and his promise to pay the foregoing sum on or before the date stated.

RESOLVED, that the Company hereby accepts the offer of Randale P. Johnson to purchase Twenty Five Thousand (25,000) shares of the common voting stock of the Company at the price of Ten Cents (\$0.10) per share, the Company acknowledging that the services of Randale P. Johnson on behalf of the Company to date have been taken into account in arriving at the foregoing purchase price. The foregoing purchase price shall be paid on or before January 1, 2012. These shares shall be issued by the Company on or before July 20, 2011 in consideration for Randale P. Johnson's prior services and his promise to pay the foregoing sum on or before the date stated.

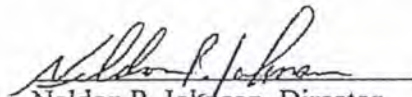
RESOLVED, that the Company hereby accepts the offer of Neldon P. Johnson to purchase One Hundred (100) shares of the common voting stock of the Company at the price of Ten Cents (\$0.10) per share, the Company acknowledging that the services of Neldon P. Johnson on behalf of the Company to date have been taken into account in arriving at the foregoing purchase price. The foregoing purchase price shall be paid on or before January 1, 2012. These shares shall be issued by the Company on or before July 20, 2011 in consideration for Neldon P. Johnson's prior services and his promise to pay the foregoing sum on or before the date stated.

RESOLVED, that the following officers of the Company are appointed:

Neldon P. Johnson, President
Randale P. Johnson, Secretary
LaGrand T. Johnson, Treasurer

IN WITNESS WHEREOF, the undersigned has executed this Written Consent as of the date hereof.

DATED this 14 day of July, 2011.


Neldon P. Johnson, Director

SHAREHOLDER AGREEMENT FOR DCL16BLT, INC.

This Shareholder Agreement, hereinafter after referred to as the "Agreement", is entered into effective the 14 day of July, 2011, hereinafter referred to as the "Effective Date", by and between Randale P. Johnson, an individual whose address is 326 North SR198, Salem, Utah 84660; LaGrand T. Johnson, an individual whose address is 326 North SR198, Salem, Utah 84660; and Neldon P. Johnson, an individual whose address is 326 North SR198, Salem, Utah 84660; Randale P. Johnson, LaGrand T. Johnson and Neldon P. Johnson being referred to hereafter collectively as the "Shareholders"; and DCL16BLT, Inc., a Wyoming corporation, hereinafter referred to as the "Company", the Shareholders and the Company being hereinafter referred to collectively as the "Parties".

BACKGROUND

1. The Company was incorporated under Title 17, Chapter 16, Wyoming Business Corporation Act, on or about the 8th day of October, 2009.
2. As of the Effective Date, Randale P. Johnson, LaGrand T. Johnson and Neldon P. Johnson, Shareholders, constitute all of the Shareholders of the Company, Randale P. Johnson and LaGrand T. Johnson each holding twenty five thousand (25,000) shares of authorized and issued shares of the common stock of the Company, and Neldon P. Johnson holding one hundred (100) shares of the common stock of the Company.
3. Neldon P. Johnson is the sole director of the Company as of the Effective Date.
4. The Shareholders now desire to enter into an agreement, with the acknowledgment and consent of the Company, pursuant to Wyoming statutes §§ 17-16-732 providing for the management, operation and control of the Company in the manner and in

accordance with the terms agreed by the Shareholders as set forth in this Agreement.

AGREEMENT

Now, therefore, in consideration of the mutual promises, covenants, agreements and other consideration set forth herein, the Parties hereby agree as follows:

1. **Present Shareholders - Parties.** The Parties hereby acknowledge and agree that Randale P. Johnson and LaGrand T. Johnson each presently hold twenty five thousand (25,000) shares of common stock of the Company and that Neldon P. Johnson presently holds one hundred (100) shares of common stock of the Company, and that Randale P. Johnson, LaGrand T. Johnson, and Neldon P. Johnson constitute all of the persons who are shareholders of the Company as of the Effective Date of this Agreement.

2. **General Scope of the Agreement.** The Shareholders agree that notwithstanding any provisions of the Articles of Incorporation or Bylaws of the Company which may be deemed to be inconsistent therewith one or more term or provision of this Agreement, the Shareholders hereby agree that the management, operation, and control of the Company shall be as agreed by the Shareholders, and acknowledged by the Company, as set forth in this Agreement.

3. **Term of the Agreement.** The Term of this Agreement shall be twenty (20) years from the Effective Date unless this Agreement is sooner terminated due to one of the following events:

A. If the Term of this Agreement is deemed to have a statutory limit of ten (10) years pursuant to Wyoming statute § 17-16-732(b)(iii) or other applicable statute, then this Agreement shall be terminated ten (10) years from the Effective Date . While the Shareholders understand the foregoing statutory provision to allow for a term in

excess of ten (10) years, if that statutory provision or other applicable law is deemed to establish a ten (10) year limit on the Term of this Agreement, then the Term of this Agreement shall be reduced to a period of ten (10) years from the Effective Date.

B. This Agreement shall be immediately terminated upon the resignation, death, or judicial declaration of mental incapacity of Neldon P. Johnson, or Neldon P. Johnson is otherwise unable to continue to serve as the sole director of the Company as provided by this Agreement.

C. This Agreement shall be immediately terminated upon the transfer, whether voluntary or involuntary, of any of the shares of Neldon P. Johnson in the Company, or any interest or voting rights therein, to any other person or entity.

4. **Sole Director of the Company.** The Shareholders agree that, for the Term of this Agreement, Neldon P. Johnson, the sole director of the Company as of the date of this Agreement, shall continue to serve as the sole director of the Company through and including the Term of this Agreement, notwithstanding any provisions of the Articles of Incorporation or the Bylaws of the Company to the contrary.

5. **Officers of the Company.** The Shareholders agree that, for the entire Term of this Agreement, Neldon P. Johnson shall also serve as the President of the Company and have all of the authority, powers and responsibilities of the office of President as set forth in the Bylaws of the Company or applicable statutes. All other officers shall be appointed or elected as provided by the Bylaws.

6. **Voting Trust Agreement.** The Shareholders and the Company acknowledge that Randale P. Johnson and LaGrand T. Johnson have expressed an intent to enter into a Voting

Trust Agreement subsequent to entering into this Agreement, whereby all of the shares of Randale P. Johnson and LaGrand T. Johnson in the Company as identified above, will be conveyed to a trust, to be controlled by the trustee named in the Voting Trust Agreement in accordance with the terms and provisions of the Voting Trust Agreement, which Voting Trust Agreement shall be subject to the terms and provisions of this Agreement.

7. **Governing Law.** This Agreement shall be construed in accordance with the laws of the State of Wyoming.

8. **Entire Agreement.** This is the entire Agreement between the Parties and this Agreement shall not be amended except by a written amendment signed by each of the Parties.

9. **Further Assurances.** The Parties agree to execute whatever documents and to take whatever action may be required from time to time to effectuate the terms and provisions of this Agreement.

10. **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon the successors, administrators, executors and assigns of the Parties hereto.

11. **Attorney's Fees.** In the event of the breach of this Agreement by any of the Parties, the injured party shall be entitled to recover its costs and attorney fees incurred in enforcing this Agreement and in pursuing appropriate remedies at law or equity.

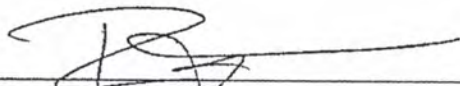
12. **No Presumption Against Drafting Party.** This Agreement has been drafted by all Parties and is not to be construed in favor of or against any Party, regardless of which Party drafted or participated in the drafting of its terms.

13. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the

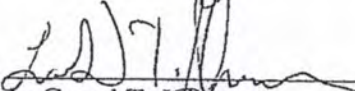
same instrument.

14. Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

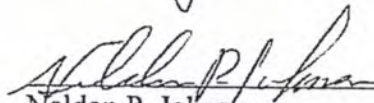
SHAREHOLDERS



Randale P. Johnson



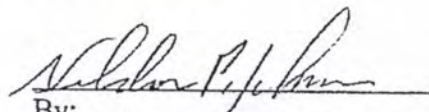
LaGrand T. Johnson



Neldon P. Johnson

The foregoing Agreement is acknowledged and consented to by DCL16BLT, Inc.

DCL16BLT, Inc.



By:
Its: *Director & Pres.*

VOTING TRUST AGREEMENT

This Voting Trust Agreement is hereby make and entered into this 14 day of July, 2011, hereinafter referred to as the "Agreement", by and between Randale P. Johnson, an individual whose address is 326 North SR198, Salem, Utah 84660, and LaGrand T. Johnson, an individual whose address is 326 North SR198, Salem, Utah 84660, Randale P. Johnson and LaGrand T. Johnson being referred to hereafter collectively as the "Shareholders"; DCL16BLT, Inc., a Wyoming corporation, hereinafter referred to as the "Company", and Neldon P. Johnson, an individual residing at 4000 W 4035 S Deseret UT 84624, hereinafter referred to as the "Trustee", the Shareholders, the Company, and the Trustee being hereinafter referred to collectively as the "Parties".

BACKGROUND

1. Randale P. Johnson and LaGrand T. Johnson, are each the owners and holders of twenty five thousand (25,000) shares of the common stock of the Company as of the date of this Agreement.

2. Although Shareholders have played an essential role in the creation and development of the Company to date, Shareholders do not intend to take an active part in the Company's management hereafter, and Shareholders desire that their interest in the Company be protected, which the Shareholders intend to accomplish by entering into this Agreement.

3. The Parties have previously entered into a Shareholders Agreement.

4. The Parties now desire to enter into this Agreement.

AGREEMENT

In consideration of the mutual promises, covenants and agreements set forth in this Agreement, the parties hereto agree as follows:

1. **Present Share Ownership.** Shareholders acknowledge and agree that as of the date of this Agreement the shares of stock of the Company held by them are as follows:

Randle P. Johnson - twenty five thousand (25,000) shares; and

LaGrand T. Johnson - twenty five thousand (25,000) shares.
2. **Transfer of Stock to Trustees.** Shareholders shall assign and deliver their stock certificates to the Trustee who shall cause the stock represented by the certificates to be transferred to him as voting trustee on the books of the Company.
3. **Term of Trust.** The voting trust created by this Agreement shall continue for ten (10) years from the date of this Agreement.
4. **Trustee's Powers.** During the term of this Agreement, Trustee shall have the exclusive right to vote the stock transferred pursuant to this Agreement, or to give written consents in lieu of voting the stock for any purpose, in person or by proxy, at any and all meetings of Shareholders of the Company or any proceedings at which the vote or written consent of Shareholders may be required or authorized by law.
5. **Trust Certificate.** Trustee will issue and deliver to each of the Shareholders (or Shareholder nominee) certificates for the number of shares transferred by him to the Trustee, in form substantially as follows:

TRUST CERTIFICATE

NO. [cert. number]: [number of shares] SHARES

The undersigned, voting Trustee of the stock of DCL16BLT, Inc., the "Company" under an Agreement made [date], having received certain shares of the stock of the Company, pursuant to the Agreement, which Agreement the holder of this Certificate by accepting it, ratifies and adopts, certified that [name] will be entitled to receive the certificate for [number] fully paid shares of the Company on the expiration of the Voting Trust Agreement and, in the meantime, shall be entitled to receive payments equal to any dividends that may be collected by Trustee upon a like number of shares held by him under the terms of the trust agreement.

This Certificate is transferable only on the books of Trustee, by the registered holder in person or by his authorized attorney. By accepting this Certificate, the holder consents that Trustee may treat the registered holder as the true owner for all purposes, except the delivery of stock certificates, which delivery shall not be made without the surrender of this Certificate.

IN WITNESS WHEREOF, Trustee has caused this Certificate to be executed in his name and has affixed his hand and seal, this [date].

6. Expiration of Term. At the expiration of the term of the trust, Trustee will, upon surrender of the trust certificates, deliver to the holders of the certificates, shares of stock of the Company equivalent in an amount to the shares represented by the trust certificates surrendered.

7. Limitation of Trustee's Liability. Trustee will use his best judgment in voting the stock held by him, but assumes no responsibility for the consequence of any vote cast, or consent given by him in good faith, and in the absence of gross negligence.

8. **Death, Resignation, Incapacity of Trustee.** Upon the death, resignation, or inability to act of Trustee, this Agreement and the Trust created thereby shall terminate. The Trustee shall not be required to give bond or other security for the faithful performance of his duties. The Trustee may resign by submitting his resignation in writing to the secretary of the Company and the Shareholders at the addresses stated above. The resignation shall become effective upon the date of receipt by the Company.

9. **Shareholders' Agreement.** The Parties to this Agreement acknowledge the existence of a Shareholders' Agreement which has been previously executed by the Parties, and the Parties hereby acknowledge and agree that this Agreement and the shares of stock of the Company which are subject to this Agreement are subject to the terms and provisions of the previously executed Shareholders' Agreement.

10. **Governing Law.** This Agreement shall be construed in accordance with the laws of the State of Wyoming.

11. **Entire Agreement.** This is the entire Agreement between the Parties and this Agreement shall not be amended except by a written amendment signed by each of the Parties.

12. **Further Assurances.** The Parties agree to execute whatever documents and to take whatever action may be required from time to time to effectuate the terms and provisions of this Agreement.

13. **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon the successors, administrators, executors and assigns of the Parties hereto.

14. **Attorney's Fees.** In the event of the breach of this Agreement by any of the Parties, the injured party shall be entitled to recover its costs and attorney fees incurred in

enforcing this Agreement and in pursuing appropriate remedies at law or equity.

15. **No Presumption Against Drafting Party.** This Agreement has been drafted by all Parties and is not to be construed in favor of or against any Party, regardless of which Party drafted or participated in the drafting of its terms.

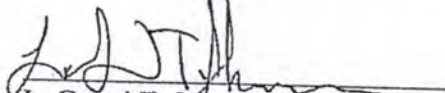
16. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

17. **Severability.** Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

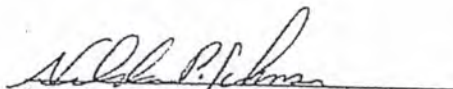
Executed the Effective Date stated above.

SHAREHOLDERS


Randale P. Johnson


LaGrand T. Johnson

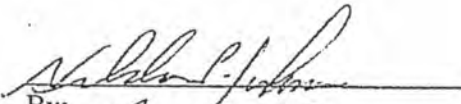
TRUSTEE


Neldon P. Johnson

ACKNOWLEDGMENT AND CONSENT

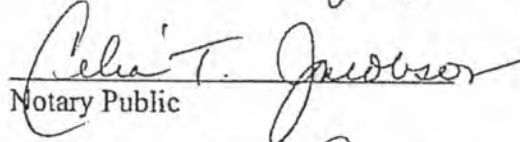
The Company, DCL16BLT, Inc., hereby acknowledges receipt of a copy of the foregoing Voting and Trust Agreement and hereby acknowledges its consent to the foregoing Voting and Trust Agreement, to the extent that such consent is required.

DCL16BLT, Inc.


By: Nelson + Pres.
Its:

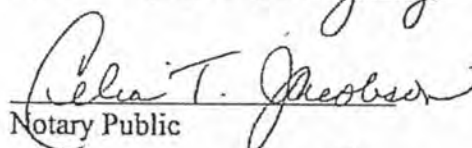


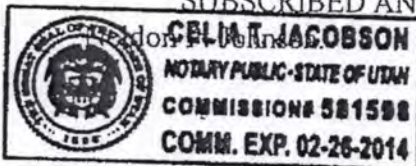
SUBSCRIBED AND SWORN to before me this 14 day of July, 2011, by


Notary Public

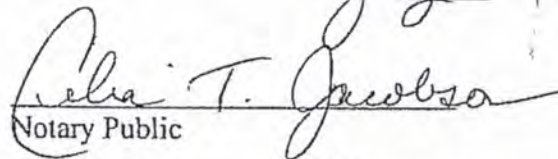


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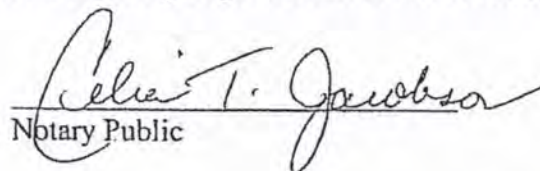

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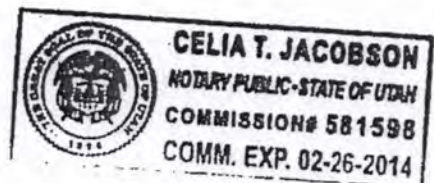


SUBSCRIBED AND SWORN to before me this 14 day of July, 2011, by


Notary Public

SUBSCRIBED AND SWORN to before me this 14 day of July, 2011, by Neldon P. Johnson, who stated that he was the Sole Director and President of the DCL16BLT, Inc., and stated that he was authorized to execute the foregoing on behalf of DCL16BLT, Inc.


Notary Public



SHAREHOLDER AGREEMENT FOR BLACK NIGHT ENTERPRISES, INC.

This Shareholder Agreement, hereinafter after referred to as the AAgreement@, is entered into effective the 1 day of Feb, 2014, hereinafter referred to as the AEffective Date@, by and between Randale P. Johnson, an individual residing in Utah County, State of Utah; The Randale P. Johnson Family Trust, a Utah trust; LaGrand T. Johnson, an individual residing in Utah County, State of Utah; The LaGrand T. Johnson Family Trust, a Utah trust; Neldon P. Johnson, an individual residing in Millard County, State of Utah; DCL-16A, Inc., a Utah corporation with principal offices located in Utah County, State of Utah; Randale P. Johnson, The Randale P. Johnson Family Trust, LaGrand T. Johnson, The LaGrand T. Johnson Family Trust, Neldon P. Johnson, and DCL-16A, Inc., being referred to hereafter collectively as the AShareholders@; and Black Night Enterprises, Inc., a Nevis corporation, the address of which is #6 Solomon's Arcade, Main Street, Charleston, Nevis, hereinafter referred to as the ACompany@, the Shareholders and the Company being hereinafter referred to collectively as the AParties@.

BACKGROUND

1. The Company was incorporated under the Nevis Business Corporation Ordinance 1984 on or about the 5th day of March, 2012.

2. As of the Effective Date, the following Shareholders constitute all of the Shareholders of the Company:

	<u>Shareholder</u>	<u>Number of Shares</u>
a.	DCL-16A, Inc., a Utah corporation	2,000
b.	Neldon P. Johnson	2,000
c.	LaGrand T. Johnson	1,500
d.	Randale P. Johnson	1,500
e.	The LaGrand T. Johnson Family Trust	1,500
f.	The Randale P. Johnson Family Trust	<u>1,500</u>

TOTAL NUMBER OF SHARES 10,000

3. LaGrand T. Johnson was the sole director of the Company immediately prior to the execution of this Agreement by the Parties.

4. The Shareholders now desire to enter into an agreement, with the acknowledgment and consent of the Company, pursuant to the Nevis Business Corporation Ordinance 1984 as amended, providing for the management, operation and control of the Company in the manner and in accordance with the terms agreed by the Shareholders as set forth in this Agreement.

AGREEMENT

Now, therefore, in consideration of the mutual promises, covenants, agreements and other consideration set forth herein, the Parties hereby agree as follows:

1. **Present Shareholders - Parties.** The Parties hereby acknowledge and agree that the outstanding ten thousand (10,000) shares of stock of the Company are owned by the Parties as stated above, and that the Parties constitute all of the persons and entities who are shareholders of the Company as of the Effective Date of this Agreement.
2. **General Scope of the Agreement.** The Shareholders agree that notwithstanding any provisions of the Articles of Incorporation or Bylaws of the Company which may be deemed to be inconsistent therewith one or more term or provision of this Agreement, pursuant to although Part VI, §72 of the Nevis Business Corporation Ordinance 1984 as amended, the Shareholders hereby agree that the management, operation, and control of the Company shall be as agreed by the Shareholders, and acknowledged by the Company, as set forth in this Agreement.
3. **Term of the Agreement.** The Term of this Agreement shall be twenty (20) years from the Effective Date unless this Agreement is sooner terminated due to one of the following events:
 - A. If the Term of this Agreement is deemed to have a limit to a term of less than twenty (20) years pursuant to the Nevis Business Corporation Ordinance 1984 as

amended, then the term of this Agreement shall be deemed reduced to the applicable time limit from the Effective Date as provided by Nevis law.

B. This Agreement shall be immediately terminated upon the resignation, death, or judicial declaration of mental incapacity of Neldon P. Johnson, or Neldon P. Johnson is otherwise unable to continue to serve as the sole director of the Company as provided by this Agreement.

C. This Agreement shall be immediately terminated upon the transfer, whether voluntary or involuntary, of any of the shares of Neldon P. Johnson in the Company, or any interest or voting rights therein, to any other person or entity.

4. **Sole Director of the Company.** The Shareholders acknowledge that LaGrand T. Johnson was the sole Director of the Company immediately prior to the execution of this Agreement. LaGrand T. Johnson does hereby resign his position as a Director, namely the sole Director, of the Company. The Shareholders agree that, for the Term of this Agreement, Neldon P. Johnson is hereby appointed the sole Director of the Company as of the Effective Date of this Agreement, and shall continue to serve as the sole Director of the Company through and including the Term of this Agreement, notwithstanding any provisions of the Articles of Incorporation or the Bylaws of the Company to the contrary. The Shareholders acknowledge and agree that although Part VI, §46 of the Nevis Business Corporation Ordinance 1984 as amended requires no less than three directors for a corporation having three or more shareholders, since all of the shares not owned by Neldon P. Johnson are being transferred to Neldon P. Johnson as the voting trustee for all of those shares, pursuant to Part VI, §71 of the Nevis Business Corporation Ordinance 1984 as amended, the Company is, therefore, required to have only one Director.

5. **Officers of the Company.** The Shareholders acknowledge that LaGrand T. Johnson was the sole Officer, namely the President, Secretary and Treasurer, of the Company immediately prior to the execution of this Agreement. LaGrand T. Johnson does hereby resign his position as President, Secretary and Treasurer of the Company. The Shareholders agree that, for the entire Term of this Agreement, Neldon P. Johnson shall serve as the President, Secretary and Treasurer of the Company and shall have all of the authority, powers and responsibilities of the offices of President, Secretary and Treasurer, as set forth in the Bylaws of the Company or applicable Nevis law. All other officers shall be appointed or elected as provided by the Bylaws.

6. **Voting Trust Agreement.** The Shareholders and the Company acknowledge that the Shareholders have expressed an intent to enter into a Voting Trust Agreement subsequent to entering into this Agreement, whereby all of the shares of the Shareholders Randale P. Johnson, The Randale P. Johnson Family Trust, LaGrand T. Johnson, The LaGrand T. Johnson Family Trust, and DCL-16A, Inc., in the Company as identified above, will be conveyed to a trust, to be controlled by the trustee named in the Voting Trust Agreement, namely Neldon P. Johnson, in accordance with the terms and provisions of the Voting Trust Agreement, which Voting Trust Agreement shall be subject to the terms and provisions of this Agreement.

7. **Governing Law.** This Agreement shall be construed in accordance with the laws of Nevis.

8. **Entire Agreement.** This is the entire Agreement between the Parties and this Agreement shall not be amended except by a written amendment signed by each of the Parties.

9. **Further Assurances.** The Parties agree to execute whatever documents and to take whatever action may be required from time to time to effectuate the terms and provisions of

this Agreement.

10. **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon the successors, administrators, executors and assigns of the Parties hereto.

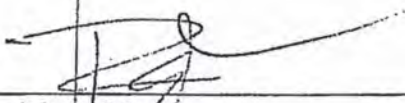
11. **Attorney=s Fees.** In the event of the breach of this Agreement by any of the Parties, the injured party shall be entitled to recover its costs and attorney fees incurred in enforcing this Agreement and in pursuing appropriate remedies at law or equity.

12. **No Presumption Against Drafting Party.** This Agreement has been drafted by all Parties and is not to be construed in favor of or against any Party, regardless of which Party drafted or participated in the drafting of its terms.

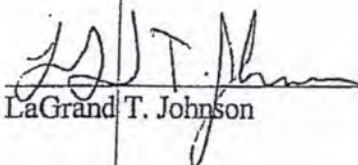
13. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

14. **Severability.** Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

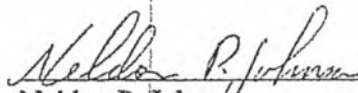
SHAREHOLDERS

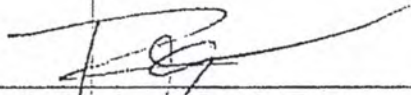


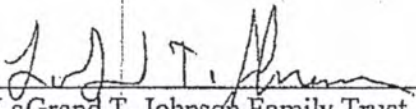
Randale P. Johnson

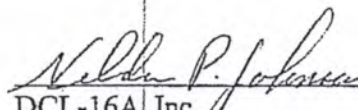


LaGrand T. Johnson


Neldon P. Johnson

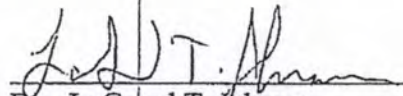

Randle P. Johnson Family Trust,
By _____, Trustee

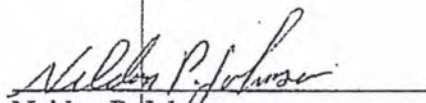

LaGrand T. Johnson Family Trust,
By _____, Trustee


DCL-16A, Inc.
By _____
Its _____

The foregoing Agreement is acknowledged and consented to by Black Night Enterprises,
Inc.

Black Night Enterprises, Inc.


By: LaGrand T. Johnson
Its: President and Sole Director


Neldon P. Johnson
Its: President Elect and Sole Director Elect

VOTING TRUST AGREEMENT FOR BLACK NIGHT ENTERPRISES, INC.

This Voting Trust Agreement, hereinafter referred to as the AAgreement@, is hereby made and entered into, pursuant to Part VI, §71 of the Nevis Business Corporation Ordinance 1984 as amended, this 1 day of Feb, 2014, hereinafter referred to as the AEffective Date@, by and between Randale P. Johnson, an individual residing in Utah County, State of Utah; The Randale P. Johnson Family Trust, a Utah trust; LaGrand T. Johnson, an individual residing in Utah County, State of Utah; The LaGrand T. Johnson Family Trust, a Utah trust; Neldon P. Johnson, an individual residing in Millard County, State of Utah; DCL-16A, Inc., a Utah corporation with principal offices located in Utah County, State of Utah; Randale P. Johnson, The Randale P. Johnson Family Trust, LaGrand T. Johnson, The LaGrand T. Johnson Family Trust, Neldon P. Johnson, and DCL-16A, Inc., being referred to hereafter collectively as the AShareholders@; and Black Night Enterprises, Inc., a Nevis corporation, the address of which is #6 Solomon's Arcade, Main Street, Charleston, Nevis, hereinafter referred to as the ACompany@; and Neldon P. Johnson, an individual residing at 4000 W 4035 S Deseret UT 84624, hereinafter referred to as the ATrustee@; the Shareholders, the Company, and the Trustee being hereinafter referred to collectively as the AParties@

BACKGROUND

1. The Company was incorporated under the Nevis Business Corporation Ordinance 1984 on or about the 5th day of March, 2012.
2. As of the Effective Date, the following Shareholders constitute all of the Shareholders of the Company:

Shareholder

Number of Shares

a.

DCL-16A, Inc., a Utah corporation

Nelson P. Johnson

2,000

2,000

1,500

1,500

<u>Shareholder</u>	<u>Number of Shares</u>
a. DCL-16A, Inc., a Utah corporation	2,000
b. Neldon P. Johnson	2,000
c. LaGrand T. Johnson	1,500
d. Randale P. Johnson	1,500
e. The LaGrand T. Johnson Family Trust	1,500
f. The Randale P. Johnson Family Trust	1,500

TOTAL NUMBER OF SHARES 10,000

3. Although Shareholders have played an essential role in the creation and development of the Company to date, Shareholders do not intend to take an active part in the Company's management hereafter, and Shareholders desire that their interest in the Company be protected, which the Shareholders intend to accomplish by entering into this Agreement.

4. The Parties have previously entered into a Shareholders Agreement.

5. The Parties now desire to enter into this Agreement.

AGREEMENT

In consideration of the mutual promises, covenants and agreements set forth in this Agreement, the parties hereto agree as follows:

1. **Present Share Ownership.** Shareholders acknowledge and agree that as of the Effective Date of this Agreement the shares of stock of the Company held by them are as follows:

<u>Shareholder</u>	<u>Number of Shares</u>
a. DCL-16A, Inc., a Utah corporation	2,000
b. Neldon P. Johnson	2,000
c. LaGrand T. Johnson	1,500
d. Randale P. Johnson	1,500
e. The LaGrand T. Johnson Family Trust	1,500
f. The Randale P. Johnson Family Trust	1,500

TOTAL NUMBER OF SHARES

10,000

2. **Transfer of Stock to Trustees.** Shareholders shall assign and deliver their stock certificates to the Trustee who shall cause the stock represented by the certificates to be transferred to him as voting trustee on the books of the Company.
3. **Term of Trust.** The voting trust created by this Agreement shall continue for ten (10) years from the date of this Agreement.
4. **Trustee=s Powers.** During the term of this Agreement, Trustee shall have the exclusive right to vote the stock transferred pursuant to this Agreement, or to give written consents in lieu of voting the stock for any purpose, in person or by proxy, at any and all meetings of Shareholders of the Company or any proceedings at which the vote or written consent of Shareholders may be required or authorized by law.
5. **Trust Certificate.** Trustee will issue and deliver to each of the Shareholders (or Shareholder nominee) certificates for the number of shares transferred by him to the Trustee, in form substantially as follows:

TRUST CERTIFICATE

NO. [cert. number]: [number of shares] SHARES

The undersigned, voting Trustee of the stock of Black Night Enterprises, Inc., the ACompany@under an Agreement made [date], having received certain shares of the stock of the Company, pursuant to the Agreement, which Agreement the holder of this Certificate by accepting it, ratifies and adopts, certified that [name] will be entitled to receive the certificate for [number]

fully paid shares of the Company on the expiration of the Voting Trust Agreement and, in the meantime, shall be entitled to receive payments equal to any dividends that may be collected by Trustee upon a like number of shares held by him under the terms of the trust agreement.

This Certificate is transferable only on the books of Trustee, by the registered holder in person or by his authorized attorney. By accepting this Certificate, the holder consents that Trustee may treat the registered holder as the true owner for all purposes, except the delivery of stock certificates, which delivery shall not be made without the surrender of this Certificate.

IN WITNESS WHEREOF, Trustee has caused this Certificate to be executed in his name and has affixed his hand and seal, this [date].

6. **Expiration of Term.** At the expiration of the term of the trust, Trustee will, upon surrender of the trust certificates, deliver to the holders of the certificates, shares of stock of the Company equivalent in an amount to the shares represented by the trust certificates surrendered.

7. **Limitation of Trustee's Liability.** Trustee will use his best judgment in voting the stock held by him, but assumes no responsibility for the consequence of any vote cast, or consent given by him in good faith, and in the absence of gross negligence.

8. **Death, Resignation, Incapacity of Trustee.** Upon the death, resignation, or inability to act of Trustee, this Agreement and the Trust created thereby shall terminate. The Trustee shall not be required to give bond or other security for the faithful performance of his duties. The Trustee may resign by submitting his resignation in writing to the secretary of the Company and the Shareholders at the addresses stated above. The resignation shall become effective upon the date of receipt by the Company.

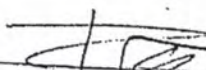
9. **Shareholders= Agreement.** The Parties to this Agreement acknowledge the existence of a Shareholders= Agreement which has been previously executed by the Parties, and the Parties hereby acknowledge and agree that this Agreement and the shares of stock of the Company which are subject to this Agreement are subject to the terms and provisions of the previously executed Shareholders= Agreement.
10. **Governing Law.** This Agreement shall be construed in accordance with the laws of Nevis.
11. **Entire Agreement.** This is the entire Agreement between the Parties and this Agreement shall not be amended except by a written amendment signed by each of the Parties.
12. **Further Assurances.** The Parties agree to execute whatever documents and to take whatever action may be required from time to time to effectuate the terms and provisions of this Agreement.
13. **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon the successors, administrators, executors and assigns of the Parties hereto.
14. **Attorney=s Fees.** In the event of the breach of this Agreement by any of the Parties, the injured party shall be entitled to recover its costs and attorney fees incurred in enforcing this Agreement and in pursuing appropriate remedies at law or equity.
15. **No Presumption Against Drafting Party.** This Agreement has been drafted by all Parties and is not to be construed in favor of or against any Party, regardless of which Party drafted or participated in the drafting of its terms.
16. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the

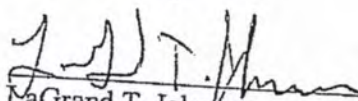
same instrument.

17. **Severability**. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

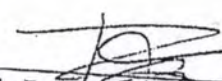
Executed the Effective Date stated above.

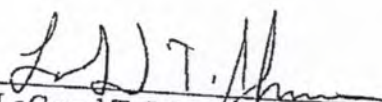
SHAREHOLDERS

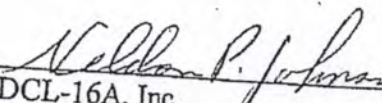

Randale P. Johnson


LaGrand T. Johnson

Neldon P. Johnson


Randle P. Johnson Family Trust,
By _____, Trustee


LaGrand T. Johnson Family Trust,
By _____, Trustee


DCL-16A, Inc.
By _____
Its _____

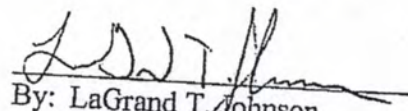
TRUSTEE

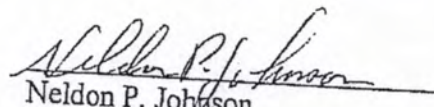
Neldon P. Johnson

ACKNOWLEDGMENT AND CONSENT

The Company, Black Night Enterprises, Inc., hereby acknowledges receipt of a copy of the foregoing Voting and Trust Agreement and hereby acknowledges its consent to the foregoing Voting and Trust Agreement, to the extent that such consent is required.

Black Night Enterprises, Inc.


By: LaGrand T. Johnson
Its: President and Sole Director


Neldon P. Johnson
Its: President Elect and Sole Director Elect

SHAREHOLDER AGREEMENT FOR STARLITE HOLDINGS INTERNATIONAL, INC.

This Shareholder Agreement, hereinafter after referred to as the AAgreement@, is entered into effective the 1 day of Feb, 2014, hereinafter referred to as the AEffective Date@, by and between Randale P. Johnson, an individual residing in Utah County, State of Utah; The Randale P. Johnson Family Trust, a Utah trust; LaGrand T. Johnson, an individual residing in Utah County, State of Utah; The LaGrand T. Johnson Family Trust, a Utah trust; Neldon P. Johnson, an individual residing in Millard County, State of Utah; DCL-16A, Inc., a Utah corporation with principal offices located in Utah County, State of Utah; Randale P. Johnson, The Randale P. Johnson Family Trust, LaGrand T. Johnson, The LaGrand T. Johnson Family Trust, Neldon P. Johnson, and DCL-16A, Inc., being referred to hereafter collectively as the AShareholders@; and Starlite Holdings International, Inc., a Nevis corporation, the address of which is #6 Solomon's Arcade, Main Street, Charleston, Nevis, hereinafter referred to as the ACompany@, the Shareholders and the Company being hereinafter referred to collectively as the AParties@.

BACKGROUND

1. The Company was incorporated under the Nevis Business Corporation Ordinance 1984 on or about the 5th day of March, 2012.

2. As of the Effective Date, the following Shareholders constitute all of the Shareholders of the Company:

<u>Shareholder</u>	<u>Number of Shares</u>
a. DCL-16A, Inc., a Utah corporation	2,000
b. Neldon P. Johnson	2,000
c. LaGrand T. Johnson	1,500
d. Randale P. Johnson	1,500
e. The LaGrand T. Johnson Family Trust	1,500
f. The Randale P. Johnson Family Trust	<u>1,500</u>

TOTAL NUMBER OF SHARES	10,000
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3. LaGrand T. Johnson was the sole director of the Company immediately prior to the execution of this Agreement by the Parties.

4. The Shareholders now desire to enter into an agreement, with the acknowledgment and consent of the Company, pursuant to the Nevis Business Corporation Ordinance 1984 as amended, providing for the management, operation and control of the Company in the manner and in accordance with the terms agreed by the Shareholders as set forth in this Agreement.

AGREEMENT

Now, therefore, in consideration of the mutual promises, covenants, agreements and other consideration set forth herein, the Parties hereby agree as follows:

1. **Present Shareholders - Parties.** The Parties hereby acknowledge and agree that the outstanding ten thousand (10,000) shares of stock of the Company are owned by the Parties as stated above, and that the Parties constitute all of the persons and entities who are shareholders of the Company as of the Effective Date of this Agreement.
2. **General Scope of the Agreement.** The Shareholders agree that notwithstanding any provisions of the Articles of Incorporation or Bylaws of the Company which may be deemed to be inconsistent therewith one or more term or provision of this Agreement, pursuant to although Part VI, §72 of the Nevis Business Corporation Ordinance 1984 as amended, the Shareholders hereby agree that the management, operation, and control of the Company shall be as agreed by the Shareholders, and acknowledged by the Company, as set forth in this Agreement.
3. **Term of the Agreement.** The Term of this Agreement shall be twenty (20) years from the Effective Date unless this Agreement is sooner terminated due to one of the following events:
 - A. If the Term of this Agreement is deemed to have a limit to a term of less than twenty (20) years pursuant to the Nevis Business Corporation Ordinance 1984 as

amended, then the term of this Agreement shall be deemed reduced to the applicable time limit from the Effective Date as provided by Nevis law.

B. This Agreement shall be immediately terminated upon the resignation, death, or judicial declaration of mental incapacity of Neldon P. Johnson, or Neldon P. Johnson is otherwise unable to continue to serve as the sole director of the Company as provided by this Agreement.

C. This Agreement shall be immediately terminated upon the transfer, whether voluntary or involuntary, of any of the shares of Neldon P. Johnson in the Company, or any interest or voting rights therein, to any other person or entity.

4. **Sole Director of the Company.** The Shareholders acknowledge that LaGrand T. Johnson was the sole Director of the Company immediately prior to the execution of this Agreement. LaGrand T. Johnson does hereby resign his position as a Director, namely the sole Director, of the Company. The Shareholders agree that, for the Term of this Agreement, Neldon P. Johnson is hereby appointed the sole Director of the Company as of the Effective Date of this Agreement, and shall continue to serve as the sole Director of the Company through and including the Term of this Agreement, notwithstanding any provisions of the Articles of Incorporation or the Bylaws of the Company to the contrary. The Shareholders acknowledge and agree that although Part VI, §46 of the Nevis Business Corporation Ordinance 1984 as amended requires no less than three directors for a corporation having three or more shareholders, since all of the shares not owned by Neldon P. Johnson are being transferred to Neldon P. Johnson as the voting trustee for all of those shares, pursuant to Part VI, §71 of the Nevis Business Corporation Ordinance 1984 as amended, the Company is, therefore, required to have only one Director.

5. **Officers of the Company.** The Shareholders acknowledge that LaGrand T. Johnson was the sole Officer, namely the President, Secretary and Treasurer, of the Company immediately prior to the execution of this Agreement. LaGrand T. Johnson does hereby resign his position as President, Secretary and Treasurer of the Company. The Shareholders agree that, for the entire Term of this Agreement, Neldon P. Johnson shall serve as the President, Secretary and Treasurer of the Company and shall have all of the authority, powers and responsibilities of the offices of President, Secretary and Treasurer, as set forth in the Bylaws of the Company or applicable Nevis law. All other officers shall be appointed or elected as provided by the Bylaws.

6. **Voting Trust Agreement.** The Shareholders and the Company acknowledge that the Shareholders have expressed an intent to enter into a Voting Trust Agreement subsequent to entering into this Agreement, whereby all of the shares of the Shareholders Randale P. Johnson, The Randale P. Johnson Family Trust, LaGrand T. Johnson, The LaGrand T. Johnson Family Trust, and DCL-16A, Inc., in the Company as identified above, will be conveyed to a trust, to be controlled by the trustee named in the Voting Trust Agreement, namely Neldon P. Johnson, in accordance with the terms and provisions of the Voting Trust Agreement, which Voting Trust Agreement shall be subject to the terms and provisions of this Agreement.

7. **Governing Law.** This Agreement shall be construed in accordance with the laws of Nevis.

8. **Entire Agreement.** This is the entire Agreement between the Parties and this Agreement shall not be amended except by a written amendment signed by each of the Parties.

9. **Further Assurances.** The Parties agree to execute whatever documents and to take whatever action may be required from time to time to effectuate the terms and provisions of

this Agreement.

10. **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon the successors, administrators, executors and assigns of the Parties hereto.

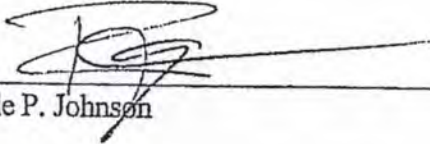
11. **Attorney=s Fees.** In the event of the breach of this Agreement by any of the Parties, the injured party shall be entitled to recover its costs and attorney fees incurred in enforcing this Agreement and in pursuing appropriate remedies at law or equity.

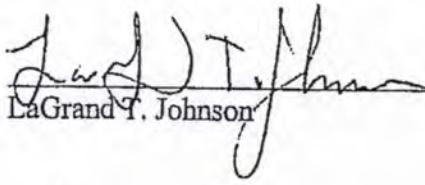
12. **No Presumption Against Drafting Party.** This Agreement has been drafted by all Parties and is not to be construed in favor of or against any Party, regardless of which Party drafted or participated in the drafting of its terms.

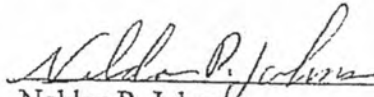
13. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

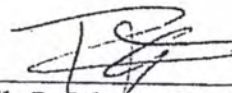
14. **Severability.** Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

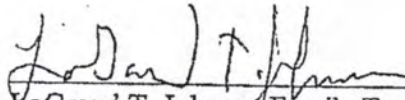
SHAREHOLDERS

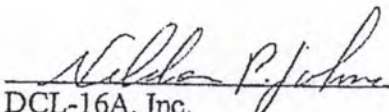

Randale P. Johnson


LaGrand T. Johnson


Neldon P. Johnson

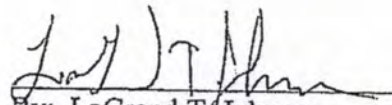

Randle P. Johnson Family Trust,
By _____, Trustee

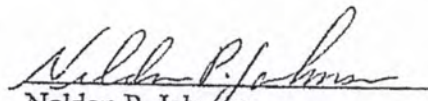

LaGrand T. Johnson Family Trust,
By _____, Trustee


DCL-16A, Inc.
By _____
Its _____

The foregoing Agreement is acknowledged and consented to by Starlite Holdings International, Inc.

Starlite Holdings International, Inc.


By: LaGrand T. Johnson
Its: President and Sole Director


Neldon P. Johnson
Its: President Elect and Sole Director Elect

**VOTING TRUST AGREEMENT
FOR STARLITE HOLDINGS INTERNATIONAL, INC.**

This Voting Trust Agreement, hereinafter referred to as the AAgreement@, is hereby made and entered into, pursuant to Part VI, §71 of the Nevis Business Corporation Ordinance 1984 as amended, this 1 day of Feb, 2014, hereinafter referred to as the AEffective Date@, by and between Randale P. Johnson, an individual residing in Utah County, State of Utah; The Randale P. Johnson Family Trust, a Utah trust; LaGrand T. Johnson, an individual residing in Utah County, State of Utah; The LaGrand T. Johnson Family Trust, a Utah trust; Neldon P. Johnson, an individual residing in Millard County, State of Utah; DCL-16A, Inc., a Utah corporation with principal offices located in Utah County, State of Utah; Randale P. Johnson, The Randale P. Johnson Family Trust, LaGrand T. Johnson, The LaGrand T. Johnson Family Trust, Neldon P. Johnson, and DCL-16A, Inc., being referred to hereafter collectively as the AShareholders@; and Starlite Holdings International, Inc., a Nevis corporation, the address of which is #6 Solomon's Arcade, Main Street, Charleston, Nevis, hereinafter referred to as the ACompany@; and Neldon P. Johnson, an individual residing at 4000 W 4035 S Deseret UT 84624, hereinafter referred to as the ATrustee@; the Shareholders, the Company, and the Trustee being hereinafter referred to collectively as the AParties@

BACKGROUND

1. The Company was incorporated under the Nevis Business Corporation Ordinance 1984 on or about the 5th day of March, 2012.
2. As of the Effective Date, the following Shareholders constitute all of the Shareholders of the Company:

	<u>Shareholder</u>	<u>Number of Shares</u>
a.	DCL-16A, Inc., a Utah corporation	2,000
b.	Neldon P. Johnson	2,000
c.	LaGrand T. Johnson	1,500
d.	Randale P. Johnson	1,500
e.	The LaGrand T. Johnson Family Trust	1,500
f.	The Randale P. Johnson Family Trust	<u>1,500</u>

TOTAL NUMBER OF SHARES 10,000

3. Although Shareholders have played an essential role in the creation and development of the Company to date, Shareholders do not intend to take an active part in the Company's management hereafter, and Shareholders desire that their interest in the Company be protected, which the Shareholders intend to accomplish by entering into this Agreement.

4. The Parties have previously entered into a Shareholders Agreement.

5. The Parties now desire to enter into this Agreement.

AGREEMENT

In consideration of the mutual promises, covenants and agreements set forth in this Agreement, the parties hereto agree as follows:

1. **Present Share Ownership.** Shareholders acknowledge and agree that as of the Effective

Date of this Agreement the shares of stock of the Company held by them are as follows:

	<u>Shareholder</u>	<u>Number of Shares</u>
a.	DCL-16A, Inc., a Utah corporation	2,000
b.	Neldon P. Johnson	2,000
c.	LaGrand T. Johnson	1,500
d.	Randale P. Johnson	1,500
e.	The LaGrand T. Johnson Family Trust	1,500
f.	The Randale P. Johnson Family Trust	<u>1,500</u>

TOTAL NUMBER OF SHARES 10,000

2. **Transfer of Stock to Trustees.** Shareholders shall assign and deliver their stock certificates to the Trustee who shall cause the stock represented by the certificates to be transferred to him as voting trustee on the books of the Company.
3. **Term of Trust.** The voting trust created by this Agreement shall continue for ten (10) years from the date of this Agreement.
4. **Trustee's Powers.** During the term of this Agreement, Trustee shall have the exclusive right to vote the stock transferred pursuant to this Agreement, or to give written consents in lieu of voting the stock for any purpose, in person or by proxy, at any and all meetings of Shareholders of the Company or any proceedings at which the vote or written consent of Shareholders may be required or authorized by law.
5. **Trust Certificate.** Trustee will issue and deliver to each of the Shareholders (or Shareholder nominee) certificates for the number of shares transferred by him to the Trustee, in form substantially as follows:

TRUST CERTIFICATE

NO. [cert. number]: [number of shares] SHARES

The undersigned, voting Trustee of the stock of Starlite Holdings International, Inc., the ACompany@under an Agreement made [date], having received certain shares of the stock of the Company, pursuant to the Agreement, which Agreement the holder of this Certificate by accepting it, ratifies and adopts, certified that [name] will be entitled to receive the certificate for [number] fully paid shares of the Company on the expiration of the Voting Trust Agreement and, in the

meantime, shall be entitled to receive payments equal to any dividends that may be collected by Trustee upon a like number of shares held by him under the terms of the trust agreement.

This Certificate is transferable only on the books of Trustee, by the registered holder in person or by his authorized attorney. By accepting this Certificate, the holder consents that Trustee may treat the registered holder as the true owner for all purposes, except the delivery of stock certificates, which delivery shall not be made without the surrender of this Certificate.

IN WITNESS WHEREOF, Trustee has caused this Certificate to be executed in his name and has affixed his hand and seal, this [date].

6. **Expiration of Term.** At the expiration of the term of the trust, Trustee will, upon surrender of the trust certificates, deliver to the holders of the certificates, shares of stock of the Company equivalent in an amount to the shares represented by the trust certificates surrendered.

7. **Limitation of Trustee's Liability.** Trustee will use his best judgment in voting the stock held by him, but assumes no responsibility for the consequence of any vote cast, or consent given by him in good faith, and in the absence of gross negligence.

8. **Death, Resignation, Incapacity of Trustee.** Upon the death, resignation, or inability to act of Trustee, this Agreement and the Trust created thereby shall terminate. The Trustee shall not be required to give bond or other security for the faithful performance of his duties. The Trustee may resign by submitting his resignation in writing to the secretary of the Company and the Shareholders at the addresses stated above. The resignation shall become effective upon the date of receipt by the Company.

9. **Shareholders' Agreement.** The Parties to this Agreement acknowledge the

existence of a Shareholders= Agreement which has been previously executed by the Parties, and the Parties hereby acknowledge and agree that this Agreement and the shares of stock of the Company which are subject to this Agreement are subject to the terms and provisions of the previously executed Shareholders= Agreement.

10. **Governing Law.** This Agreement shall be construed in accordance with the laws of Nevis.

11. **Entire Agreement.** This is the entire Agreement between the Parties and this Agreement shall not be amended except by a written amendment signed by each of the Parties.

12. **Further Assurances.** The Parties agree to execute whatever documents and to take whatever action may be required from time to time to effectuate the terms and provisions of this Agreement.

13. **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon the successors, administrators, executors and assigns of the Parties hereto.

14. **Attorney=s Fees.** In the event of the breach of this Agreement by any of the Parties, the injured party shall be entitled to recover its costs and attorney fees incurred in enforcing this Agreement and in pursuing appropriate remedies at law or equity.

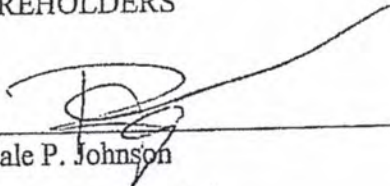
15. **No Presumption Against Drafting Party.** This Agreement has been drafted by all Parties and is not to be construed in favor of or against any Party, regardless of which Party drafted or participated in the drafting of its terms.

16. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

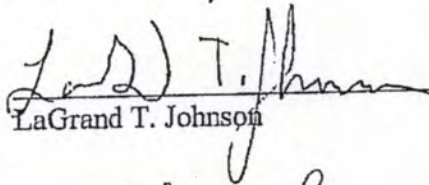
17. Severability. Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

Executed the Effective Date stated above.

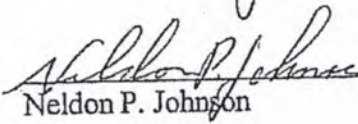
SHAREHOLDERS



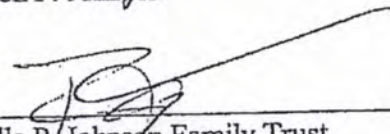
Randale P. Johnson



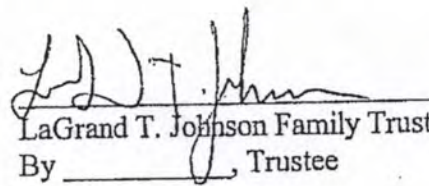
LaGrand T. Johnson



Neldon P. Johnson



Randle P. Johnson Family Trust,
By _____, Trustee



LaGrand T. Johnson Family Trust,
By _____, Trustee

DCL-16A, Inc.

By _____

Its _____

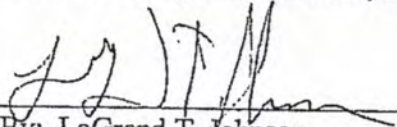
TRUSTEE

Neldon P. Johnson

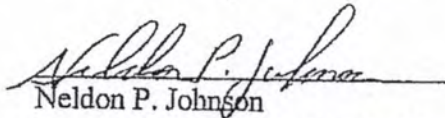
ACKNOWLEDGMENT AND CONSENT

The Company, Starlite Holdings International, Inc., hereby acknowledges receipt of a copy of the foregoing Voting and Trust Agreement and hereby acknowledges its consent to the foregoing Voting and Trust Agreement, to the extent that such consent is required.

Starlite Holdings International, Inc.



By: LaGrand T. Johnson
Its: President and Sole Director



Neldon P. Johnson
Its: President Elect and Sole Director Elect

SHAREHOLDER AGREEMENT FOR SOLSTICE ENTERPRISES INC.

This Shareholder Agreement, hereinafter after referred to as the AAgreement@, is entered into effective the 1 day of Feb, 2014, hereinafter referred to as the AEffective Date@, by and between Randale P. Johnson, an individual residing in Utah County, State of Utah; LaGrand T. Johnson, an individual residing in Utah County, State of Utah; Neldon P. Johnson, an individual residing in Millard County, State of Utah; Randale P. Johnson, LaGrand T. Johnson and Neldon P. Johnson being referred to hereafter collectively as the AShareholders@; and Solstice Enterprises Inc., a Nevis corporation, the address of which is #6 Solomon's Arcade, Main Street, Charleston, Nevis, hereinafter referred to as the ACompany@, the Shareholders and the Company being hereinafter referred to collectively as the AParties@.

BACKGROUND

1. The Company was incorporated under the Nevis Business Corporation Ordinance 1984 on or about the 8th day of March, 2011.
2. As of the Effective Date, the following Shareholders constitute all of the Shareholders of the Company:

<u>Shareholder</u>	<u>Number of Shares</u>
a. Randale P. Johnson	
b. LaGrand T. Johnson	5,000
d. Neldon P. Johnson	5,000
	<u>5,000</u>
TOTAL NUMBER OF SHARES	15,000

3. LaGrand T. Johnson was the sole director of the Company immediately prior to the execution of this Agreement by the Parties.
4. The Shareholders now desire to enter into an agreement, with the acknowledgment and consent of the Company, pursuant to the Nevis Business Corporation Ordinance 1984 as amended, providing for the management, operation and control of the Company in the manner and in accordance with the terms agreed by the Shareholders as set forth in this Agreement.

AGREEMENT

Now, therefore, in consideration of the mutual promises, covenants, agreements and other consideration set forth herein, the Parties hereby agree as follows:

1. **Present Shareholders - Parties.** The Parties hereby acknowledge and agree that the outstanding fifteen thousand (15,000) shares of stock of the Company are owned by the Parties as stated above, and that the Parties constitute all of the persons and entities who are shareholders of the Company as of the Effective Date of this Agreement.

2. **General Scope of the Agreement.** The Shareholders agree that notwithstanding any provisions of the Articles of Incorporation or Bylaws of the Company which may be deemed to be inconsistent therewith one or more term or provision of this Agreement, pursuant to although Part VI, §72 of the Nevis Business Corporation Ordinance 1984 as amended, the Shareholders hereby agree that the management, operation, and control of the Company shall be as agreed by the Shareholders, and acknowledged by the Company, as set forth in this Agreement.

3. **Term of the Agreement.** The Term of this Agreement shall be twenty (20) years from the Effective Date unless this Agreement is sooner terminated due to one of the following events:

A. If the Term of this Agreement is deemed to have a limit to a term of less than twenty (20) years pursuant to the Nevis Business Corporation Ordinance 1984 as amended, then the term of this Agreement shall be deemed reduced to the applicable time limit from the Effective Date as provided by Nevis law.

B. This Agreement shall be immediately terminated upon the resignation, death, or judicial declaration of mental incapacity of Neldon P. Johnson, or Neldon P.

Johnson is otherwise unable to continue to serve as the sole director of the Company as provided by this Agreement.

C. This Agreement shall be immediately terminated upon the transfer, whether voluntary or involuntary, of any of the shares of Neldon P. Johnson in the Company, or any interest or voting rights therein, to any other person or entity.

4. **Sole Director of the Company.** The Shareholders acknowledge that LaGrand T. Johnson was the sole Director of the Company immediately prior to the execution of this Agreement. LaGrand T. Johnson does hereby resign his position as a Director, namely the sole Director, of the Company. The Shareholders agree that, for the Term of this Agreement, Neldon P. Johnson is hereby appointed the sole Director of the Company as of the Effective Date of this Agreement, and shall continue to serve as the sole Director of the Company through and including the Term of this Agreement, notwithstanding any provisions of the Articles of Incorporation or the Bylaws of the Company to the contrary. The Shareholders acknowledge and agree that although Part VI, §46 of the Nevis Business Corporation Ordinance 1984 as amended requires no less than three directors for a corporation having three or more shareholders, since all of the shares not owned by Neldon P. Johnson are being transferred to Neldon P. Johnson as the voting trustee for all of those shares, pursuant to Part VI, §71 of the Nevis Business Corporation Ordinance 1984 as amended, the Company is, therefore, required to have only one Director.

5. **Officers of the Company.** The Shareholders acknowledge that LaGrand T. Johnson was the sole Officer, namely the President, Secretary and Treasurer, of the Company immediately prior to the execution of this Agreement. LaGrand T. Johnson does hereby resign his position as President, Secretary and Treasurer of the Company. The Shareholders agree that, for

the entire Term of this Agreement, Neldon P. Johnson shall serve as the President, Secretary and Treasurer of the Company and shall have all of the authority, powers and responsibilities of the offices of President, Secretary and Treasurer, as set forth in the Bylaws of the Company or applicable Nevis law. All other officers shall be appointed or elected as provided by the Bylaws.

6. **Voting Trust Agreement.** The Shareholders and the Company acknowledge that the Shareholders have expressed an intent to enter into a Voting Trust Agreement subsequent to entering into this Agreement, whereby all of the shares of the Shareholders Randale P. Johnson and LaGrand T. Johnson, in the Company as identified above, will be conveyed to a trust, to be controlled by the trustee named in the Voting Trust Agreement, namely Neldon P. Johnson, in accordance with the terms and provisions of the Voting Trust Agreement, which Voting Trust Agreement shall be subject to the terms and provisions of this Agreement.

7. **Governing Law.** This Agreement shall be construed in accordance with the laws of Nevis.

8. **Entire Agreement.** This is the entire Agreement between the Parties and this Agreement shall not be amended except by a written amendment signed by each of the Parties.

9. **Further Assurances.** The Parties agree to execute whatever documents and to take whatever action may be required from time to time to effectuate the terms and provisions of this Agreement.

10. **Successors and Assigns.** This Agreement shall inure to the benefit of and be binding upon the successors, administrators, executors and assigns of the Parties hereto.

11. **Attorney=s Fees.** In the event of the breach of this Agreement by any of the Parties, the injured party shall be entitled to recover its costs and attorney fees incurred in enforcing

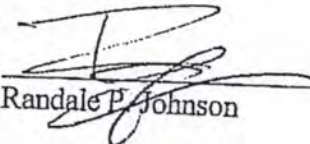
this Agreement and in pursuing appropriate remedies at law or equity.

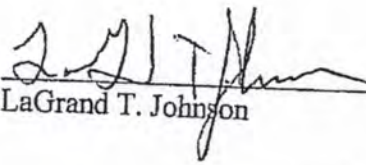
12. **No Presumption Against Drafting Party.** This Agreement has been drafted by all Parties and is not to be construed in favor of or against any Party, regardless of which Party drafted or participated in the drafting of its terms.

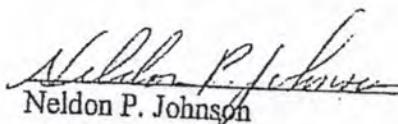
13. **Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original but all of which together will constitute one and the same instrument.

14. **Severability.** Any term or provision of this Agreement that is invalid or unenforceable in any situation in any jurisdiction shall not affect the validity or enforceability of the remaining terms and provisions hereof or the validity or enforceability of the offending term or provision in any other situation or in any other jurisdiction.

SHAREHOLDERS

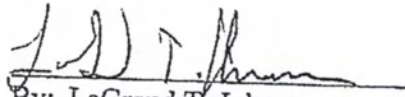

Randale P. Johnson


LaGrand T. Johnson

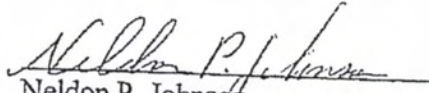

Neldon P. Johnson

The foregoing Agreement is acknowledged and consented to by Solstice Enterprises Inc.

Solstice Enterprises Inc.

A handwritten signature in black ink, appearing to read "LaGrand T. Johnson", written over a horizontal line.

By: LaGrand T. Johnson
Its: President and Sole Director

A handwritten signature in black ink, appearing to read "Neldon P. Johnson", written over a horizontal line.

Neldon P. Johnson
Its: President Elect and Sole Director Elect

VOTING TRUST AGREEMENT FOR SOLSTICE ENTERPRISES INC.

This Voting Trust Agreement, hereinafter referred to as the AAgreement@, is hereby made and entered into, pursuant to Part VI, §71 of the Nevis Business Corporation Ordinance 1984 as amended, this 1 day of Feb, 2014, hereinafter referred to as the AEffective Date@, by and between Randale P. Johnson, an individual residing in Utah County, State of Utah; LaGrand T. Johnson, an individual residing in Utah County, State of Utah; Neldon P. Johnson, an individual residing in Millard County, State of Utah; Randale P. Johnson; LaGrand T. Johnson, and Neldon P. Johnson being referred to hereafter collectively as the AShareholders@; and Solstice Enterprises Inc., a Nevis corporation, the address of which is #6 Solomon's Arcade, Main Street, Charleston, Nevis, hereinafter referred to as the ACompany@; and Neldon P. Johnson, an individual residing at 4000 W 4035 S Deseret UT 84624, hereinafter referred to as the ATrustee@; the Shareholders, the Company, and the Trustee being hereinafter referred to collectively as the AParties@.

BACKGROUND

1. The Company was incorporated under the Nevis Business Corporation Ordinance 1984 on or about the 8th day of March, 2011.
2. As of the Effective Date, the following Shareholders constitute all of the Shareholders of the Company:

<u>Shareholder</u>	<u>Number of Shares</u>
a. Randale P. Johnson	
c. LaGrand T. Johnson	5,000
d. Neldon P. Johnson	5,000
	<u>5,000</u>
TOTAL NUMBER OF SHARES	15,000

3. Although Shareholders have played an essential role in the creation and

in lieu of voting the stock for any purpose, in person or by proxy, at any and all meetings of Shareholders of the Company or any proceedings at which the vote or written consent of Shareholders may be required or authorized by law.

5. **Trust Certificate.** Trustee will issue and deliver to each of the Shareholders (or Shareholder nominee) certificates for the number of shares transferred by him to the Trustee, in form substantially as follows:

TRUST CERTIFICATE

NO. [cert. number]: [number of shares] SHARES

The undersigned, voting Trustee of the stock of Solstice Enterprises Inc., the ACompany@under an Agreement made [date], having received certain shares of the stock of the Company, pursuant to the Agreement, which Agreement the holder of this Certificate by accepting it, ratifies and adopts, certified that [name] will be entitled to receive the certificate for [number] fully paid shares of the Company on the expiration of the Voting Trust Agreement and, in the meantime, shall be entitled to receive payments equal to any dividends that may be collected by Trustee upon a like number of shares held by him under the terms of the trust agreement.

This Certificate is transferable only on the books of Trustee, by the registered holder in person or by his authorized attorney. By accepting this Certificate, the holder consents that Trustee may treat the registered holder as the true owner for all purposes, except the delivery of stock certificates, which delivery shall not be made without the surrender of this Certificate.

IN WITNESS WHEREOF, Trustee has caused this Certificate to be executed in his name and has affixed his hand and seal, this [date].

LICENSE AGREEMENT

This LICENSE AGREEMENT ("Agreement") is entered into between International Automated Systems, Inc., a Utah corporation ("IAS"), with its principal place of business at 326 N. SR 198, Salem, UT 84660, and Cobblestone Centre, L.C., a Nevada limited liability company ("COBBLESTONE"), the Utah address of which is 4035 South 4000 West, Deseret, Utah 84624, effective the 1st day of August, 2011.

WHEREAS:

- A. IAS has developed certain proprietary solar energy collection, biomass energy production, and bladeless turbine technologies (the "IAS Technology" as further defined below) that harness solar energy and biomass energy and has developed a number of products utilizing the IAS Technology (the "IAS Products" as further defined below);
- B. IAS owns or controls certain patents, know-how, trademarks and other intellectual property relating to the IAS Technology and the IAS Products;
- C. COBBLESTONE is engaged in the business of manufacturing and wholesaling renewable energy project and biomass energy project products and components for use in generating clean and sustainable energy, including electrical energy;
- D. IAS and COBBLESTONE desire to enter into a non-exclusive agreement whereby COBBLESTONE shall manufacture and wholesale renewable energy and biomass energy products and components, namely IAS Products defined hereinafter, utilizing IAS Technology, such agreement providing for IAS to retain the right to enter into other and similar agreements with Third Parties, as defined hereafter, other than COBBLESTONE, the agreement to be non-exclusive in regard to the rights granted to COBBLESTONE by IAS;
- E. For the consideration set forth below, IAS is willing to grant to COBBLESTONE, and COBBLESTONE desires to obtain from IAS, certain non-exclusive rights and licenses with respect to the IAS Solar Technology, IAS Biomass Technology, and IAS Products;
- F. Subject to the terms and provisions set forth in this Agreement, IAS is willing to supply COBBLESTONE with all technical plans and specifications necessary for the implementation of the IAS Technology and for the manufacturing and fabrication of the IAS Products by COBBLESTONE, such technical plans and specifications being kept strictly confidential by COBBLESTONE.
- G. IAS and COBBLESTONE may have previously entered into one or more License Agreements, and, if so, they desire to supersede and replace such prior agreements by this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, IAS and COBBLESTONE hereby agree as follows:

ARTICLE I.

DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set out in this Article 1 unless the context clearly and unambiguously dictates otherwise.

- 1.1. "Affiliate" of a Party shall mean any person, corporation or other entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by, comes to control, or is under common control with such Party, as the case may be. As used in this Section 1.1, "control" shall mean: (i) to possess, directly or indirectly, the power to direct the management and policies of such person, corporation or other entity, whether through ownership of voting securities or by contract relating to voting rights or corporate governance; or (ii) direct or indirect beneficial ownership of at least fifty percent (50%) (or such lesser percentage which is the maximum allowed to be owned by a foreign corporation in a particular jurisdiction) of the voting share capital in such person, corporation or other entity.
- 1.2. "Business Day" shall mean a day other than a (i) Saturday, (ii) Sunday or (iii) federal public holiday. For the avoidance of doubt, references in this Agreement to "days" shall mean calendar days.
- 1.3. "Commercialization Studies" shall mean any commercialization studies in support of COBBLESTONE's manufacturing and wholesale of the IAS Products.
- 1.4. "Commercially Reasonable Efforts" means those diligent efforts and resources, with respect to a particular Party, at the relevant point in time, that are comparable to those generally used by that Party, in good faith, in the exercise of its reasonable and prudent business judgment. Such Commercially Reasonable Efforts shall include, without limitation, comparable efforts with respect to (i) promptly assigning responsibility for development and commercialization activities to specific employees who are held accountable for progress and monitoring such progress on an on-going basis, (ii) setting and consistently seeking to achieve specific and meaningful objectives and timelines for carrying out such development and commercialization activities, and (iii) consistently making and implementing decisions and allocating resources designed to advance progress with respect to such objectives and timelines.
- 1.5. "Confidentiality Agreement" shall mean Article VII of this Agreement as well as any separate confidentiality agreement or non-disclosure agreement that may be entered into by the Parties at any time.
- 1.6. "Data" shall mean, any and all research data, performance data, manufacturing data and/or all regulatory documentation, information and submissions pertaining to, or made in association with, the IAS Products.
- 1.7. "Effective Date" shall mean the date stated above on which this Agreement is effective.

- 1.8. "Grid" shall mean the transmission system for electricity in the United States and Canada.
- 1.9. "IAS" shall mean International Automated Systems, Inc.
- 1.10. "IAS Know-How" shall mean all present and future scientific, technical, engineering, manufacturing, regulatory and other information relating to the solar collection technology, the biomass energy production technology, and the bladeless turbine technology, or the IAS Products that are owned or controlled by IAS as of the Effective Date or during the Term of this Agreement.
- 1.11. "IAS Patents" shall mean all present and future Patents owned or controlled by IAS, which generically or specifically claim any of the IAS Solar Technology, IAS Biomass Technology, or IAS Products; claim a composition utilizing IAS Technology or comprising or incorporating any of the IAS Products; claim a use of IAS Technology or any of the IAS Products; or claim a method for manufacturing any of the IAS Products.
- 1.12. "IAS Studies" shall mean any studies conducted by IAS or other parties regarding the IAS Products.
- 1.13. "IAS Technology" shall mean all IAS Know-How, IAS Patents, all technical plans and specifications and designs necessary for the manufacturing and fabrication of the IAS Products, and any intellectual property associated with the development of solar energy or biomass energy, including but not limited to the solar collectors, biomass systems, and the bladeless turbine, which are owned or controlled by IAS prior to the Effective Date, and all Improvements to IAS Technology during the Term of this Agreement, if any.
- 1.14. "Improvements" shall mean any new or useful process, technique, formula, invention or know-how, formulation, or composition of matter relating to or comprising any IAS Product, whether patentable or unpatentable, or any improvement, enhancement, modification or derivative work thereof, that is conceived or first reduced to practice or first demonstrated to have utility during the Term of this Agreement in connection with the Parties' activities under this Agreement.
- 1.15. "Party" shall mean IAS or COBBLESTONE individually, and "Parties" shall mean IAS and COBBLESTONE collectively.
- 1.16. "Patent(s)" shall mean patents and patent applications, together with all additions, divisions, continuations, continuations-in-part, provisionals, substitutions, reissues, re-examinations, extensions, registrations, patent term extensions, supplemental protection certificates and renewals of a patent or patent application, and any confirmation patent or registration patent or patent of addition based on any such patent.
- 1.17. "Person" shall mean any individual, corporation, partnership, limited liability company, trust, governmental entity, or other legal entity of any nature whatsoever.
- 1.18. "IAS Products" shall mean the IAS products set forth on Exhibit "1."

- 1.19. "Product Trademarks" shall mean the trademark(s), if any, owned by IAS that are available for use with the IAS Products.
- 1.20. "COBBLESTONE" shall mean Cobblestone Centre, L.C.
- 1.21. "Severable Improvements" shall mean an Improvement to the IAS Technology that is capable of exploitation independently of the IAS Technology owned or controlled by IAS as of the Effective Date and during the Term of this Agreement.
- 1.22. "Territory" shall mean the United States of America and Canada.
- 1.23. "Term" shall mean the period described in Section 9.1 of this Agreement.
- 1.24. "Third Party" shall mean any Person other than IAS and COBBLESTONE.
- 1.25. "Third Party Technology" means any Patents, know-how, inventions, or other intellectual property owned or controlled by a Third Party.

ARTICLE II.

GRANT OF LICENSE

2.1. Licenses.

- 2.1.1. Subject to the other terms, limitations and conditions set forth in this Agreement and in consideration for the payments set forth below, IAS hereby grants to COBBLESTONE the non-exclusive right and license to the IAS Technology, in and throughout the Territory, to manufacture, fabricate and wholesale the IAS Products for use in the production and sale of electricity into the Grid in and throughout the Territory. The foregoing right and license also apply to any and all modifications, enhancements, variations, and improvements developed for the IAS Products for the Territory by or for IAS in the future, including under the claims of any patents owned or controlled by IAS now or in the future relating directly to the IAS Products. In furtherance of same, COBBLESTONE shall have the right to engage subcontractors to manufacture, fabricate and wholesale the IAS Products. COBBLESTONE shall be required to engage in a bidding process, at least once every calendar year, to ensure best price and quality for the IAS Products in the Territory. In order to ensure that COBBLESTONE can use the license, IAS will supply know-how, technical plans and specifications, and any and all additional information necessary to manufacture and fabricate the IAS Products. This license shall be non-transferable except as set forth in this Agreement. This license shall only apply to the manufacture, fabrication and wholesale of the IAS Products and components thereof. COBBLESTONE acknowledges that the marketing, offering for sale, sale, construction, installation, operation and maintenance of solar energy projects and biomass energy projects incorporating IAS Technology and IAS Products shall be performed by Commercialization Licensees of IAS. COBBLESTONE is licensed to wholesale IAS Products manufactured and fabricated by COBBLESTONE to

Commercialization Licensees of IAS, and to others, at prices determined solely by COBBLESTONE and as agreed between COBBLESTONE and the Commercialization Licenses or other wholesale purchasers.

2.1.2. IAS hereby grants to COBBLESTONE a non-exclusive license to use the IAS Product Trademarks in COBBLESTONE wholesale marketing materials. IAS reserves the right to use the Product Trademarks in its own marketing materials.

2.2. COBBLESTONE Right of Notice of Third Party Licenses. Although IAS may attempt to advise COBBLESTONE of its intent to enter into a similar license agreement with a Third Party, IAS shall have no obligation to provide any such notice to COBBLESTONE.

2.3. Rights Reserved by IAS. IAS expressly reserves the right to sell or license any IAS Product or IAS Technology to any Third Party. Except for the non-exclusive rights and licenses expressly granted in this Agreement, IAS retains all rights under its intellectual property and no additional rights shall be deemed granted to COBBLESTONE by implication, estoppel or otherwise.

2.4. Third Party Licenses

2.4.1. If either Party deems it necessary or advisable to obtain a license, or other rights to any Patent that may be or have the potential of being a blocking patent(s), such Party shall notify the other Party in writing. If the other Party agrees, then the Parties shall discuss in good faith the procedure by which the Parties will seek to obtain such license or other rights. Unless otherwise agreed in writing, the Parties shall share the costs equally. Any such license or rights shall be obtained in the name of IAS and, if applicable, shall thereafter be subject to this Agreement as provided by Section 2.5.

2.4.2. If the other Party disagrees with the initial assessment that it is necessary or advisable to obtain such license or rights to any Patent referred to in Section 2.4.1, the Party desiring the license shall obtain an opinion of independent patent counsel approved by the other Party (such approval not to be unreasonably withheld or delayed) to review infringement, validity and enforceability of the Patent(s) and the conclusions contained in such opinion shall be binding on both Parties. In the event that in the opinion of such independent patent counsel the identified Patent(s) may reasonably be expected to be held in subsequent legal proceedings to be infringed, valid and enforceable by any one of the activities licensed hereunder to COBBLESTONE, then the Parties shall immediately proceed in the manner provided in Section 2.4.1 as if both Parties had initially agreed to seek the license or other rights.

2.5. Third Party Technology. If after the Effective Date IAS acquires an assignment of, or license under, Third Party Technology (other than Patents licensed or otherwise acquired pursuant to Section 2.4.1) for use in connection with the research, development, commercialization or manufacture of the IAS Products, then IAS will promptly provide COBBLESTONE with written notice of such acquisition and any additional financial terms to which IAS would be subject if COBBLESTONE were to exploit a license under such Third Party Technology. If COBBLESTONE

desires to obtain such license, the Parties will promptly amend this Agreement to reflect such additional financial terms and to provide that the applicable Patents, know-how, data, or filings will be included in the definition of IAS Technology under this Agreement. For the avoidance of doubt, if COBBLESTONE does not desire to obtain such license, such Third Party Technology shall not be included in the definition of IAS Technology under this Agreement.

ARTICLE III.

PAYMENTS

- 3.1. Initial License Fee. In consideration for the non-exclusive licenses granted hereunder for the IAS Technology, COBBLESTONE shall pay to IAS a one-time, non-refundable, lump-sum payment in the amount of Five Thousand US Dollars (\$5,000.00) within thirty (30) days of the Effective Date. The initial license fee set forth in this Section 3.1 shall not be refundable or creditable against any future payments by COBBLESTONE to IAS under this Agreement.
- 3.2. Annual License Payment. In further consideration for the non-exclusive licenses granted hereunder, for any and all gross revenue received by COBBLESTONE during each calendar year for IAS Products, or any components or parts thereof, manufactured, fabricated or sold by COBBLESTONE, or for any other products or components incorporating or manufactured, in whole or in part, through the use of IAS technology, COBBLESTONE shall pay to IAS an Annual License Payment in an amount equal to Twenty Five Percent (25%) of the gross revenue. The Annual License Payment shall be paid by COBBLESTONE to IAS on or before the Fifteenth (15th) day of January of the following calendar year.
- 3.3. Examination of Records: COBBLESTONE shall provide in electronic form to IAS, on or before the Fifteenth (15th) day of January of each year, an Annual Report in Quick Books®, or other electronic format acceptable to IAS, itemizing the gross revenue received by COBBLESTONE during the preceding calendar year, and provide to IAS, in electronic Quick Books®, or other electronic format acceptable to IAS, all data, documentation, reports and ledgers relied upon in producing the report. IAS, in its sole discretion, shall have the right to have an accountant, CPA or auditor examine any or all of the financial, accounting, cost, sales and tax records and electronic files and data of COBBLESTONE, to determine the accuracy or inaccuracy of the Annual Report. If IAS elects to have such an examination performed, IAS shall provide five (5) business days prior written notice to COBBLESTONE and the examination shall be performed during normal business hours. COBBLESTONE shall provide unlimited access to all its financial, accounting, cost, sales and tax records and electronic files and data.

ARTICLE IV.

MANUFACTURING PLAN

- 4.1. Manufacturing Plan. Within three (3) months of the execution of this Agreement, COBBLESTONE shall prepare and deliver to the IAS, for its review, a plan for the manufacturing of the IAS Products. The plan will outline in as much detail as practicable given the current status of manufacturing development. COBBLESTONE will solicit input from IAS for the

Manufacturing Plan but will retain the sole and absolute right to decide on the final content and strategy for the Manufacturing Plan.

- 4.1.1. The Manufacturing Plan shall be supplemented, modified and updated regularly by COBBLESTONE as and when additional relevant data and information become available, but in any event not less frequently than annually. Any fundamental modifications made to the Manufacturing Plan shall be delivered to the IAS for review promptly following such modifications, even when such may occur between regularly scheduled meetings.
- 4.2. Responsibilities of COBBLESTONE under the Manufacturing Plan. In addition to the non-exclusive right to manufacture, fabricate and wholesale the IAS Products, COBBLESTONE shall have a non-exclusive right to engage in, and shall be solely responsible for, all activities set forth in the Manufacturing Plan. As part of the Manufacturing Plan, COBBLESTONE shall:
 - 4.2.1. Conduct the Manufacturing Plan in compliance with all applicable laws;
 - 4.2.2. Use Commercially Reasonable Efforts to manufacture and fabricate the IAS Products in accordance with the Manufacturing Plan; and
 - 4.2.3. After the end of each Calendar Year, furnish IAS with reasonably detailed summary written reports on all activities conducted by COBBLESTONE under the Manufacturing Plan during such calendar year.
- 4.3. Price of IAS Products. COBBLESTONE shall be solely responsible for any decisions and negotiations with relevant wholesale purchasers of IAS Products, including IAS Commercialization Licensees, regarding price for IAS Products which are subject to this Agreement.
- 4.4. Loss of Non-Exclusive License. In the event that COBBLESTONE fails to meet any of the following Manufacturing Objectives, all rights and licenses granted to COBBLESTONE under this Agreement shall immediately, in the sole discretion of IAS and upon 30 days written notice ("License Termination Notice") to COBBLESTONE, terminate, in the sole discretion of IAS.
 - 4.4.1. Beginning with calendar year 2013, in the event that COBBLESTONE fails to receive, in any calendar year, at least \$10,000,000.00 in gross revenue from the manufacturing, fabricating, and wholesale of IAS Products for solar renewable energy projects or biomass energy projects utilizing IAS Technology and IAS Products, or fails to engage in sufficient transactions which are licensed under this Agreement, in any calendar year, such that the accrued Annual License Payment amount exceeds \$3,000,000.00, IAS may, in its sole discretion, elect to terminate this Agreement by issuing a License Termination Notice as provided above.

ARTICLE V.

PAYMENTS, BOOKS AND RECORDS

- 5.1. Payment Method. All payments under this Agreement shall be made by certified check or by bank wire transfer in immediately available funds to an account, capable of receiving United States Dollars, designated in writing by IAS. Payments hereunder will be considered to be made as of the day on which they are received by IAS's designated bank.
- 5.1.1. Payment Currency: Currency Conversion. Unless otherwise expressly stated in this Agreement, all amounts specified to be payable under this Agreement are in United States Dollars and shall be paid in United States Dollars. Net Sales in countries invoiced in currency other than United States Dollars or, as appropriate, shall be translated to United States Dollars, as necessary, using established exchanges for the translation of foreign currency into United States Dollars.
- 5.1.2. Fees and Expenses. Each Party shall pay all fees and expenses incurred by such Party in connection with this Agreement, except as otherwise expressly provided herein.
- 5.2. Withholding Taxes. If laws or regulations require withholding by COBBLESTONE of any taxes imposed upon IAS or COBBLESTONE on account of any payments paid under this Agreement, such taxes shall be deducted by COBBLESTONE as required by law from such payment and shall be paid by COBBLESTONE to the proper taxing authorities. Official receipts of payment of any withholding tax shall promptly be secured and promptly sent to IAS as evidence of such payment. The Parties will cooperate and exercise their reasonable efforts to ensure that any withholding taxes imposed are reduced as far as possible under the provisions of any applicable tax treaty and shall cooperate in filing any forms required for such reduction. IAS warrants that IAS is resident for tax purposes in the United States. COBBLESTONE warrants that COBBLESTONE is resident for tax purposes in the United States.
- 5.3. Sales Taxes. All amounts to be paid under this Agreement are stated exclusive of any sales, use, value-added, goods and services or other applicable taxes, which shall be invoiced separately.
- 5.4. Records. COBBLESTONE shall keep, and require its Affiliates and to keep, complete, true and accurate books of accounts and records for the purpose of determining the amounts payable to IAS and COBBLESTONE pursuant to this Agreement. Such books and records shall be kept for such period of time required by law, but no less than at least five years following the end of the Calendar Quarter to which they pertain. Such records shall be subject to inspection in accordance with Section 3.3.
- 5.5. Late Payments. Any payments or portions thereof due under this Agreement that are not paid by the date such payment is due shall bear interest at an annual rate of eighteen percent (18%), compounded annually, and computed on the basis of a three hundred sixty five (365) day year. The provisions of this Section 5.5 shall in no way limit any other remedies available to IAS and COBBLESTONE. The Parties agree that this provision, unless otherwise provided, will not apply to payments that are the result of a subsequent adjustment of an estimated

payment, including rebates, adjustments, returns or reconciliations, nor to payments that are the subject matter of a good faith dispute between the Parties.

ARTICLE VI.

EXCLUSIVITY OBLIGATIONS

6.1 COBBLESTONE Commitments. In consideration for the non-exclusive license granted to COBBLESTONE by IAS in this Agreement, and in consideration of the other covenants, promises, and agreements stated in this Agreement, neither COBBLESTONE nor its Affiliates shall manufacture, fabricate, or wholesale solar collection, biomass energy production, or power generation products or technologies other than IAS Products or IAS Technologies.

ARTICLE VII.

CONFIDENTIALITY

- 7.1. Confidential Information. Except to the extent expressly authorized by this Agreement or otherwise agreed in writing, the Parties agree that the receiving Party (the "Receiving Party") shall keep confidential and shall not publish or otherwise disclose or use for any purpose other than as provided for in this Agreement any confidential or proprietary information and materials, patentable or otherwise, in any form (written, oral, photographic, electronic, magnetic, or otherwise) which is disclosed to it by the other Party (the "Disclosing Party") including, but not limited to, all information concerning the IAS Products, information disclosed by one Party to the other pursuant to the Confidentiality Agreement, the contents of this Agreement and any other technical or business information of whatever nature (collectively, "Confidential Information").
- 7.2. Development Data. Except to the extent expressly authorized by this Agreement or otherwise agreed in writing, the Parties agree that they shall keep confidential and shall not publish or otherwise disclose or use for any purpose other than as provided for in this Agreement any Data, results, reports or other know-how directly related to the IAS Technology or the IAS Products which is generated in the performance of either Party under this Agreement ("Development Data").
- 7.3. Exceptions. The obligations of confidentiality shall not apply to Confidential Information or Development Data that, in each case as demonstrated by competent evidence:
- 7.3.1. Was already known to the Receiving Party or any Affiliate, other than under an obligation of confidentiality, at the time of disclosure;
 - 7.3.2. Was generally available to the public or was otherwise part of the public domain at the time of its disclosure to the Receiving Party;
 - 7.3.3. Became generally available to the public or otherwise part of the public domain after its disclosure by the Disclosing Party and other than through any act or omission of the

Receiving Party or any Affiliate in breach of this Agreement;

7.3.4. Was subsequently lawfully disclosed to the Receiving Party or any Affiliate by a Person other than the Disclosing Party, and who, to the best knowledge of the Receiving Party, did not directly or indirectly receive such information from the Disclosing Party under an obligation of confidence; or

7.3.5. Is developed by the Receiving Party or its Affiliate without use of or reference to any information or materials disclosed by the Disclosing Party.

7.4. Permitted Disclosures. Upon ten (10) days written notice to the other Parties to this Agreement, each Party hereto may disclose Confidential Information of the other Party and Development Data to its Affiliates and any other Third Parties to the extent such disclosure: (a) is reasonably necessary for the purpose of exercising the rights granted to it under this Agreement; (b) is reasonably necessary to prosecute or defend litigation; (c) is reasonably necessary to comply with applicable governmental laws or regulations; or (d) is reasonably necessary to submit information to tax or other governmental authorities. If a Party is required by law or regulations to make any such disclosure of Confidential Information of the other Party or Development Data, to the extent it may legally do so, it will give reasonable advance notice to the other Party of such disclosure and, save to the extent inappropriate in the case of patent applications or otherwise, will use its good faith efforts to secure confidential treatment of such Confidential Information or Development Data prior to its disclosure (whether through protective orders or otherwise) and disclose only the minimum amount of Confidential Information or Development Data necessary to comply with the requirement. For all other disclosures of Confidential Information of the other Party or Development Data permitted pursuant to this Section 7.4, including to Affiliates and other Third Parties, a Party shall ensure that the recipient thereof is bound by a written confidentiality agreement as materially protective of such Confidential Information or Development Data as this Article Seven.

7.5. Public Announcements. As soon as practicable following the date hereof, the Parties will issue a joint press release announcing the existence of this Agreement. IAS grants COBBLESTONE the right to disclose the non-exclusive relationship in COBBLESTONE marketing materials.

ARTICLE VIII.

PATENT PROSECUTION AND ENFORCEMENT

8.1. Ownership of Intellectual Property.

8.1.1. Subject to the licenses granted to COBBLESTONE pursuant to Section 2, IAS has, and shall retain all right, title and interest in and to, the IAS Technology (including without limitation the IAS Patents and IAS Know-How).

8.1.2. Subject to the licenses granted to COBBLESTONE pursuant to Section 2, IAS shall have

and retain all right, title and interest in all inventions, discoveries and know-how which are made, conceived by IAS or COBBLESTONE, reduced to practice or generated by the employees, agents or other persons acting under the authority of either IAS or COBBLESTONE in the course of or as a result of this Agreement, during the term of this Agreement or within five (5) years thereafter.

8.1.3. IAS shall solely own all right, title and interest in and to any Severable or Non-Severable Improvements. COBBLESTONE shall promptly disclose to IAS any and all Severable and Non-Severable Improvements conceived or reduced to practice by COBBLESTONE, its Affiliates or Sublicensees, or any of its or their officers, directors, employees, consultants or other personnel at any time during the term of this Agreement or within five (5) years thereafter, or within five (5) years of termination of this Agreement, in exercising any rights or performing any obligation under this Agreement. All Severable Improvements and all Non-Severable Improvements shall be the exclusive property of IAS, and COBBLESTONE shall take, and shall cause its Affiliates and Sublicensees to take, appropriate steps to ensure that its, or their officers, directors, employees, consultants and all other personnel are obligated to assign to IAS all right, title and interest each may have in any such Severable or Non-Severable Improvement and will cooperate to effect the foregoing.

8.2. Other Licenses. Subject to Section 8.1 and the rights reserved or granted under this Agreement, IAS can use, and grant non-exclusive licenses to use, an invention owned by IAS, without the consent of COBBLESTONE and IAS has no duty to account to COBBLESTONE for such use or license, and COBBLESTONE hereby waives any right it may have under the laws of any country to require any such consent or accounting.

8.3. Prosecution and Maintenance of IAS Patents.

8.3.1. Prosecution. COBBLESTONE shall hold all information disclosed to it under this Agreement as Confidential Information. If IAS elects not to undertake the filing, prosecution and/or maintenance of any IAS Patents (or, after commencement of such filing, prosecution and/or maintenance, desires to cease the prosecution or the maintenance of any such IAS Patents), then IAS will notify COBBLESTONE of such election with at least thirty (30) days' prior written notice, identifying the specific IAS Patent(s) to which such election pertains and COBBLESTONE will be, at its own expense and discretion, entitled to file, prosecute and/or maintain such IAS Patent(s) in the name of IAS.

8.3.2. Patent Term Extensions. The Parties will discuss and recommend for which, if any, of the Patents for which patent term extensions should be sought. IAS shall have the final decision-making authority whether, at its own expense, to file all applications and take actions necessary to obtain patent term extensions with respect to the IAS Products or IAS Technology pursuant to statutes, which extensions shall be owned by IAS. If IAS declines to pursue such patent term extensions, then COBBLESTONE shall have the right at its own expense on behalf of IAS to file all such applications and take all such actions necessary to obtain such patent term extensions with respect to the IAS Products or IAS Technology. In each case, the Parties shall provide reasonable cooperation to the other Party which is

seeking to obtain such extensions and additional protection.

8.4. Patent Enforcement. In the event that IAS or COBBLESTONE becomes aware of (i) an actual or threatened infringement or misappropriation of any IAS Technology by the manufacture, sale, offer for sale or use of any IAS Product or IAS Technology ("Infringing Product"), or (ii) an actual or threatened challenge to any IAS Patents, that Party shall promptly notify the other Party in writing. IAS shall have the first right, but not the obligation, to initiate proceedings or take other appropriate action, at its own expense, against any Third Party taking or threatening to take such action. If IAS does not initiate proceedings or take other appropriate action within thirty (30) days of a request by COBBLESTONE to initiate an enforcement proceeding or defense to a challenge to the IAS Patents then COBBLESTONE shall be entitled, without obligation, to initiate infringement proceedings or take other appropriate action against an Infringing Product or IAS Patent challenge at its own expense and to include IAS as a nominal party plaintiff. The Party conducting such action shall have full control over its conduct, including settlement thereof; *provided*, however, that the Party conducting such action may not settle any such action, or make any admissions or assert any position in such action, in a manner that would materially adversely affect the rights or interests of the other Party whether within or outside the jurisdiction in which the action is brought, without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. In any event, the Parties shall assist one another and cooperate in any such litigation at the reasonable request of the other Party.

8.5. Cooperation. The Parties shall keep one another informed of the status of their respective activities regarding any litigation or settlement thereof concerning IAS Technology and shall assist one another and cooperate in any such litigation at the reasonable request of the other (including, without limitation, joining as a party plaintiff to the extent necessary and requested in writing by the other Party).

8.6. Infringement of Third Party Intellectual Property. In the event any action is taken by a Third Party against COBBLESTONE or any Affiliate on the basis of alleged infringement of a Patent of such Third Party or of misappropriation of the know-how of a Third Party, COBBLESTONE shall promptly inform IAS and COBBLESTONE shall be entitled at COBBLESTONE's expense to take whatever reasonable action it considers necessary or useful and IAS will provide any and all reasonable assistance, free of charge, to COBBLESTONE. IAS shall also have the right, but not the obligation, to participate in any legal proceedings in connection with such action at its own expense and make recommendations to COBBLESTONE concerning such action. COBBLESTONE will consider in good faith all reasonable suggestions of IAS with respect thereto, and agrees to keep IAS informed of the course such action or legal proceedings with respect thereto. COBBLESTONE shall control the legal proceedings, including the right to enter into any settlement, in order to be able to resume the exercise of the rights granted to COBBLESTONE under the terms of this Agreement; *provided*, however, that COBBLESTONE may not settle any such action, or make any admissions or assert any position in such action, in a manner that would adversely affect the rights or interests of IAS, or make any financial payment without the prior written consent of IAS, which consent shall not be unreasonably withheld or delayed.

8.7. Patent Marking. COBBLESTONE agrees to mark, and have its Affiliates, mark, all patented IAS Products they sell or distribute pursuant to this Agreement in accordance with the applicable patent statutes and regulations in the country or countries of sale thereof.

ARTICLE IX.

TERM AND TERMINATION

9.1. Term. This Agreement shall commence on the Effective Date and, unless earlier terminated pursuant to Section 9.2, shall continue until the later of (a) the thirtieth (30th) anniversary of the Effective Date, and (b) the date on which COBBLESTONE ceases to continue to market, promote, distribute, import or sell the IAS Products or to otherwise use the IAS Technology (the "Term").

9.2. Early Termination. Each Party shall have the right to terminate this Agreement in its entirety before the end of the Term;

9.2.1. By mutual written agreement of the Parties;

9.2.2. Upon written notice by either Party as described below if the other Party is in material breach of this Agreement and has not cured such breach within the time period identified below after notice from the terminating Party requesting cure of the breach; provided, however, in the event of a good faith dispute with respect to the existence of a material breach, the cure period shall be tolled until such time as the dispute is resolved pursuant to Article III; and provided that the terminating Party has given the defaulting Party the following opportunities to remedy any breach:

9.2.3. The written notice of breach referenced above shall detail the specific obligation under this Agreement which is alleged to have been breached; the manner of such alleged breach; and the steps which must be taken in order to remedy such breach; and

9.2.4. The terminating Party has provided the defaulting Party sixty (60) days in which to complete any steps which might be taken to remedy the breach, as stated in the notification of breach; or

9.2.5. Upon the bankruptcy or insolvency, or the filing of an action to commence insolvency proceedings against the other Party, or the making or seeking to make or arrange an assignment for the benefit of creditors of the other Party, or the initiation of proceedings in voluntary or involuntary bankruptcy, or the appointment of a receiver or trustee of such Party's property that is not discharged within ninety (90) days.

9.3. Termination of Non-exclusive Rights and License. The non-exclusive rights and licenses granted to COBBLESTONE under this Agreement are subject to the commercialization requirements and conversion provisions of paragraph 4.4 above.

ARTICLE X.

EFFECT OF TERMINATION

- 10.1. Accrued Obligations. The termination of this Agreement, in whole or part, for any reason shall not release either Party from any liability which, at the time of such termination, has already accrued to such Party or which is attributable to a period prior to such termination, nor will any termination of this Agreement preclude either Party from pursuing all rights and remedies it may have under this Agreement, at law or in equity, with respect to breach of this Agreement.
- 10.2. Rights Terminated. Notwithstanding any other provision of this Agreement, following the effective date of termination, COBBLESTONE' and its Affiliates' rights with respect to the IAS Products IAS Technology shall be terminated unless otherwise agreed in writing by the parties.
- 10.3. Continuing Payment Obligations. Any IAS Technology used or IAS Product sold or disposed of by COBBLESTONE or an Affiliate of either shall be subject to the applicable payment obligations under Articles III and V above.
- 10.4. No Renewal, Extension or Waiver. Acceptance by IAS of any payment from COBBLESTONE after the notice or effective date of termination of this Agreement shall not be construed as a renewal or extension hereof, or as a waiver of termination of this Agreement.

ARTICLE XI.

REPRESENTATIONS, WARRANTIES AND COVENANTS

- 11.1. General Representations. Each Party hereby represents and warrants to the other Party, as of the Effective Date, as follows:
- 11.1.1. Duly Organized. Such Party is a corporation or limited liability company duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, and is qualified, or within ninety (90) days of the Effective Date of this Agreement shall become qualified, to do business and is in good standing, or within ninety (90) days of the Effective Date of this Agreement shall attain good standing, as a foreign corporation or limited liability company in each jurisdiction in which the conduct of its business or the ownership of its properties requires such qualification and failure to have such would prevent such Party from performing its obligations under this Agreement.
- 11.1.2. Due Execution Binding Agreement. This Agreement is a legal and valid obligation binding on such Party and enforceable in accordance with its terms. The execution, delivery and performance of this Agreement by such Party have been duly authorized by all necessary corporate action and do not and will not: (i) require any consent or

approval of its stockholders; (ii) to such Party's knowledge and belief, violate any law, rule, regulation, order, writ, judgment, decree, determination or award of any court, governmental body or administrative or other agency having jurisdiction over such Party; nor (iii) conflict with, or constitute a default under, any agreement, instrument or understanding, oral or written, to which such Party is a party or by which it is bound.

11.1.3. Consents. Such Party has obtained, or is not required to obtain, the consent, approval, order or authorization of any Third Party, or has completed, or is not required to complete any registration, qualification, designation, declaration, or filing with, any Regulatory Authority or governmental authority, in connection with the execution and delivery of this Agreement and the performance by such Party of its obligations under this Agreement.

11.2. Representations and Warranties of IAS. IAS represents and warrants to COBBLESTONE that, as of the Effective Date:

11.2.1. It has the full right and authority to grant the rights and licenses provided herein;

11.2.2. IAS is the exclusive owner or licensee of all right, title and interest in the IAS Technology and, specifically, the IAS Patents. To the best of IAS's knowledge, the issued claims in the IAS Patents are valid and enforceable, and the patent applications have been duly filed or will be filed at an appropriate time by IAS or its licensor;

11.2.3. To the best of IAS's knowledge, neither the development, use, sale or import of the IAS Products or IAS Technology, infringes any Third Party's valid patents or constitutes a misappropriation of a Third Party's trade secrets or other intellectual property rights;

11.2.4. To IAS's knowledge, there is no actual, pending, alleged or threatened product liability action nor intellectual property right litigation in relation to the IAS Technology or IAS Products;

11.2.5. IAS has not failed to furnish COBBLESTONE with any information requested by COBBLESTONE, or intentionally concealed from COBBLESTONE, any information in its possession which IAS reasonably believes would be material to COBBLESTONE's decision to enter into this Agreement and undertake the commitments and obligations set forth herein.

11.3. Representations and Warranties of COBBLESTONE. COBBLESTONE represents and warrants to IAS and COBBLESTONE that, as of the Effective Date:

11.3.1. It has the full right and authority to enter into this Agreement and to grant the rights granted herein.

11.3.2. COBBLESTONE has not failed to furnish IAS with any information requested by

IAS, or intentionally concealed from IAS, any information in its possession which COBBLESTONE reasonably believes would be material to IAS's decision to enter into this Agreement and undertake the commitments and obligations set forth herein.

11.4. DISCLAIMER. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, OR ANY OTHER AGREEMENT CONTEMPLATED HEREUNDER, NEITHER PARTY MAKES ANY REPRESENTATIONS OR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, AND EACH PARTY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE OR USE, NON-INFRINGEMENT, VALIDITY AND ENFORCEABILITY OF PATENTS, OR THE PROSPECTS OR LIKELIHOOD OF DEVELOPMENT OR COMMERCIAL SUCCESS OF THE IAS PRODUCTS. IN NO EVENT WILL EITHER PARTY BE LIABLE FOR THE OTHER PARTY'S LOST PROFITS, LOSS OF DATA, OR FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, HOWEVER CAUSED, ON ANY THEORY OF LIABILITY AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, ARISING UNDER ANY CAUSE OF ACTION AND ARISING IN ANY WAY OUT OF THIS AGREEMENT. THE FOREGOING LIMITATIONS WILL NOT LIMIT EITHER PARTY'S OBLIGATIONS TO THE OTHER PARTY UNDER SECTION XII OF THIS AGREEMENT.

ARTICLE XII.

INDEMNIFICATION

12.1. Indemnification of IAS. COBBLESTONE shall indemnify and hold harmless each of IAS, its Affiliates and the directors, officers, shareholders, owners, members, managers, employees, attorneys, and insurers of such entities, and the successors and assigns of any of the foregoing (the "IAS Indemnitees"), from and against any and all liabilities, damages, penalties, fines, costs and expenses (including, reasonable attorneys' fees and other expenses of litigation) ("Liabilities") from any claims, actions, suits or proceedings brought by a Third Party (a "Third Party Claim") incurred by any IAS Indemnitee, arising from, or occurring as a result of: (a) manufacturing, fabricating, marketing, offering for sale, sale, or wholesale of any IAS Products by COBBLESTONE or its Affiliates, including any Products Liability Claim; or (b) any material breach of any representations, warranties or covenants by COBBLESTONE under this Agreement; except to the extent such Third Party Claims fall within the scope of the indemnification obligations of IAS set forth in Section 12.2, below, or result from the willful misconduct of an IAS Indemnitee.

12.2. Indemnification of COBBLESTONE. IAS shall indemnify and hold harmless each of COBBLESTONE, its Affiliates, and the directors, officers, shareholders, owners, members, managers, employees, attorneys, and insurers of such entities, and the successors and assigns of any of the foregoing (the "COBBLESTONE Indemnitees"), from and against any and all Liabilities from any Third Party Claims incurred by any COBBLESTONE Indemnitee, arising from, or occurring as a result of: (a) the use of the Product Trademarks by COBBLESTONE in the Territory in accordance with this Agreement, and (b) any material breach of any representations, warranties or covenants by IAS under this Agreement, except to the extent such Third Party Claims falls within the scope of the indemnification obligations of

COBBLESTONE set forth in Section 12.1 above, or result from the gross negligence or willful misconduct of an COBBLESTONE Indemnitee.

12.3. Procedure. A Party that intends to claim indemnification under this Article XII (the "Indemnitee") shall promptly notify the other Party (the "Indemnitor") in writing of any Third Party Claim, in respect of which the Indemnitee intends to claim such indemnification, and the Indemnitor shall have sole control of the defense and/or settlement thereof. The indemnity arrangement in this Section 12 shall not apply to amounts paid in settlement of any action with respect to a Third Party Claim, if such settlement is effected without the consent of the Indemnitor, which consent shall not be withheld or delayed unreasonably. The failure to deliver written notice to the Indemnitor within a reasonable time after the commencement of any action with respect to a Third Party Claim shall only relieve the Indemnitor of its indemnification obligations under this Article XII if and to the extent the Indemnitor is actually prejudiced thereby. The Indemnitee shall cooperate fully with the Indemnitor and its legal representatives in the investigation of any action with respect to a Third Party Claim covered by this indemnification.

12.4. Product Liability Claims. COBBLESTONE hereby expressly acknowledges and agrees that it shall be solely responsible for any and all Product Liability Claims related to or arising out of any product manufactured, fabricated, marketed, offered for sale, or sold, in whole or in part by or on behalf of COBBLESTONE. COBBLESTONE shall be solely responsible for complying with all federal, state or foreign laws, regulations, standards, requirements and guidelines regarding the manufacturing, fabricating, marketing, offering for sale, or sale of any product utilizing or embodying IAS Technology or any of the IAS Products. COBBLESTONE hereby expressly acknowledges and agrees that IAS has made no representations regarding the safety of any IAS Product or regarding the compliance of any IAS Technology or any IAS Product with any federal, state or foreign law or regulation, or with any design or safety standard or requirement, COBBLESTONE having the sole obligation to make all assessments and evaluations regarding the adequacy of the design and the safety of the IAS Products, and regarding the compliance for any product manufactured, fabricated, marketed, offered for sale, or sold, in whole or in part by or on behalf of COBBLESTONE, with applicable federal, state or foreign law or regulation, and with all applicable design and safety standards and requirements.

ARTICLE XIII.

DISPUTE RESOLUTION

13.1. Dispute Resolution Process. The Parties recognize that disputes as to certain matters may from time to time arise during the Term of this Agreement that relate to a Party's rights and/or obligations hereunder. If the Parties cannot resolve any such dispute within thirty (30) days after written notice of a dispute from one Party to another, either Party may pursue any remedy available to such Party at law or in equity, subject to the terms and conditions of this Agreement and the other agreements expressly contemplated hereunder.

13.2. Governing Law; Litigation; Exclusive Venue. This Agreement and all questions regarding its existence, validity, interpretation, breach or performance of this Agreement, shall be governed by, and construed and enforced in accordance with, the laws of the State of Utah, United States, without reference to its conflicts of law principles. The exclusive venue for any action initiated by any party to this Agreement for any dispute arising under this Agreement, any other agreement expressly contemplated hereunder, or the transactions, events or occurrences related thereto, shall be the state or federal courts of the State of Utah situated in Salt Lake County, State of Utah, and each of the parties to this Agreement hereby consents to the jurisdiction of such courts.

ARTICLE XIV.

GENERAL PROVISIONS

- 14.1. Waiver of Breach. The failure of either Party at any time or times to require performance of any provision of this Agreement shall in no manner affect its rights at a later time to enforce such rights. No waiver by either Party of any condition or term in any one or more instances shall be construed as a further or continuing waiver of such condition or term or of another condition or term.
- 14.2. Performance by Affiliates. To the extent that this Agreement imposes obligations on Affiliates of a Party, such Party agrees to cause its Affiliates to perform such obligation. Either Party may use one or more of its Affiliates to perform its obligation hereunder, provided that the Parties will remain liable hereunder for the prompt payment and performance of all their respective obligations hereunder.
- 14.3. Performance by Subcontractors. Either Party may perform any of its obligations or exercise any of its rights under this Agreement through subcontractors. Such Party shall ensure that all of its subcontractors comply with, and perform its obligations in accordance with, the terms of this Agreement; provided, however, that the use of such subcontractors by such Party shall not relieve such Party of its respective obligations under this Agreement.
- 14.4. Modification. No amendment or modification of any provision of this Agreement shall be effective unless in a prior writing signed by both Parties hereto. No provision of this Agreement shall be varied, contradicted or explained by any oral agreement, course of dealing or performance or any other matter not set forth in an agreement in writing and signed by both Parties hereto.
- 14.5. Severability. In the event any provision of this Agreement should be held invalid, illegal or unenforceable in any jurisdiction, the Parties shall negotiate, in good faith and enter into a valid, legal and enforceable substitute provision that most nearly reflects the original intent of the Parties. All other provisions of this Agreement shall remain in full force and effect in such jurisdiction. Such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of such provision in any other jurisdiction.

14.6. Entire Agreement. This Agreement (including the Exhibits and Schedules attached hereto) constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes and cancels all previous express or implied agreements and understandings, negotiations, writings and commitments, either oral or written, in respect to the subject matter hereof. Each of the Parties hereby acknowledges and agrees that any transactions between the Parties relating to the subject matter of this Agreement which may have occurred prior to the Effective Date, if any, shall be subject to the terms and provisions of this Agreement, and that this Agreement shall supersede any prior oral or written agreement relating to transactions which occurred prior to the Effective Date, if any. Each of the parties acknowledges and agrees that in entering into this Agreement, and the documents referred to in it, it does not rely on, and shall have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) of any person (whether party to this Agreement or not) other than as expressly set out in this Agreement. Nothing in this clause shall, however, operate to limit or exclude any liability for fraud.

14.7. Language. The language of this Agreement and all activities to be pursued under this Agreement is English. Any and all documents proffered by one Party to the other in fulfillment of any provision of this Agreement shall only be in compliance if in English. Any translation of this Agreement in another language shall be deemed for convenience only and shall never prevail over the original English version. This Agreement is established in the English language.

14.8. Notices. Unless otherwise agreed by the Parties in writing or specified in this Agreement, all communications between the Parties relating to, and all written documentation to be prepared and provided under, this Agreement shall be in the English language. Any notice required or permitted under this Agreement shall be in writing in the English language, delivered personally, sent by facsimile (and promptly confirmed by personal delivery, registered or certified mail or overnight courier), sent by internationally-recognized courier or sent by registered or certified mail, postage prepaid to the following addresses of the Parties (or such other address for a Party as may be at any time thereafter specified by like notice):

International Automated Systems, Inc.
Attention: LaGrand T. Johnson
326 N. SR 198
Salem, UT 84660

COBBLESTONE CENTRE, L.C.
4035 S. 4000 W.
Desert, UT 84624

Any such notice shall be deemed to have been given: (a) when delivered if personally delivered; (b) on the next Business Day after dispatch if sent by facsimile or by internationally-recognized overnight courier; and/or (c) on the fifth (5th) Business Day following the date of mailing if sent by mail or other internationally-recognized courier.

- 14.9. Assignment. This Agreement shall be fully assignable by IAS, in the sole discretion of IAS. This Agreement shall not be assignable or otherwise transferred, nor may any right or obligations hereunder be assigned or transferred, by COBBLESTONE to any Third Party without the prior written consent of IAS, except that COBBLESTONE may assign this Agreement without the consent of IAS to an entity that acquires all or a substantial part of the business or assets of COBBLESTONE, whether by merger, acquisition or otherwise, provided that the acquiring Party assumes this Agreement in writing or by operation of law. In addition, either Party shall have the right to assign this Agreement to an Affiliate upon written notice to the non-assigning Party; provided, however, the assigning Party hereby guarantees the performance of this Agreement by such Affiliate. Subject to the foregoing, this Agreement shall inure to the benefit of each Party, its successors and permitted assigns. Any assignment of this Agreement in contravention of this Section 19.10 shall be null and void.
- 14.10. No Partnership or Joint Venture. Nothing in this Agreement or any action which may be taken pursuant to its terms is intended, or shall be deemed, to establish a joint venture or partnership between COBBLESTONE and IAS. Neither Party to this Agreement shall have any express or implied right or authority to assume or create any obligations on behalf of, or in the name of, the other Party, or to bind the other Party to any contract, agreement or undertaking with any Third Party.
- 14.11. Interpretation. The captions to the several Articles and Sections of this Agreement are not a part of this Agreement but are included for convenience of reference and shall not affect its meaning or interpretation. In this Agreement: (a) the word "including" shall be deemed to be followed by the phrase "without limitation" or like expression; (b) the singular shall include the plural and vice versa; and (c) masculine, feminine and neuter pronouns and expressions shall be interchangeable. Each accounting term used herein that is not specifically defined herein shall have the meaning given to it under generally accepted accounting principles in the International Financial Reporting Standards consistently applied, but only to the extent consistent with its usage and the other definitions in this Agreement.
- 14.12. Counterparts. This Agreement may be executed in any number of counterparts each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.
- 14.13. Securities Laws. Each of the Parties acknowledges that it is aware that the securities laws of the United States and the securities laws of other countries prohibit any person who has material non-public information about a publicly listed company from purchasing or selling securities of such company or from communicating such information to any person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities. Each Party agrees to comply with such securities laws and make its Affiliates, Sublicensees, employees and agents aware of the existence of such securities laws and their need to comply with such laws.
- 14.14. Conduct of Activities. As to all matters contained in this Agreement, each Party shall conduct the activities allocated to it in compliance in all material respects with all applicable laws, rules and regulations.

IN WITNESS WHEREOF, International Automated Systems, Inc., and Cobblestone Centre, L.C., have executed this License and Commercialization Agreement as of the Effective Date.

INTERNATIONAL AUTOMATED SYSTEMS, INC.

By: _____

Its: _____

COBBLESTONE CENTRE, L.C.

By: _____

Its: _____

EXHIBIT 1

IAS PRODUCTS

1. Fresnel Lens Segments and Sub-segments for Solar Panels
2. Solar Collector Towers, including Solar Panels and Tower Structure and Foundation
3. Dual Axis Solar Tracking System, including Drive and Control System
4. Solar Receiver
5. Heat Transfer Fluid Recirculation System
6. Heat Transfer System
7. Bladeless Turbine, including Waste Heat and Water Recirculation System
8. Biomass Supply System
9. Biomass Burner
10. Biomass Heat Exchange System

AMENDED LICENSE AGREEMENT

This **AMENDED LICENSE AGREEMENT** ("Agreement") is entered into between **International Automated Systems, Inc.**, a Utah corporation ("**IAS**"), with its principal place of business at 1122 North 1100 East, Spanish Fork, Utah 84660, and **Solstice Enterprises, Inc.**, a Nevis Corporation, #6 Solomon's Arcade, Main Street, Charleston, Nevis ("**SOLSTICE**"), the Utah address of which is 4035 South 4000 West, Deseret, Utah 84624, effective the 1st day of August, 2011.

WHEREAS:

- A. IAS has developed certain proprietary solar energy collection, biomass energy production, and bladeless turbine technologies (the "**IAS Technology**" as further defined below) that harness solar energy and biomass energy and has developed a number of products utilizing the IAS Technology (the "**IAS Products**" as further defined below);
- B. IAS owns or controls certain patents, know-how, trademarks and other intellectual property relating to the IAS Technology and the IAS Products;
- C. SOLSTICE is engaged in the business of manufacturing and wholesaling renewable energy project and biomass energy project products and components for use in generating clean and sustainable energy, including electrical energy;
- D. IAS and SOLSTICE desire to enter into a non-exclusive agreement whereby SOLSTICE shall manufacture and wholesale renewable energy and biomass energy products and components, namely IAS Products defined hereinafter, utilizing IAS Technology, such agreement providing for IAS to retain the right to enter into other and similar agreements with Third Parties, as defined hereafter, other than SOLSTICE, the agreement to be non-exclusive in regard to the rights granted to SOLSTICE by IAS;
- E. For the consideration set forth below, IAS is willing to grant to SOLSTICE, and SOLSTICE desires to obtain from IAS, certain non-exclusive rights and licenses with respect to the IAS Solar Technology, IAS Biomass Technology, and IAS Products;
- F. Subject to the terms and provisions set forth in this Agreement, IAS is willing to supply SOLSTICE with all technical plans and specifications necessary for the implementation of the IAS Technology and for the manufacturing and fabrication of the IAS Products by SOLSTICE, such technical plans and specifications being kept strictly confidential by SOLSTICE.
- G. IAS and SOLSTICE may have previously entered into one or more License Agreements, and, if so, they desire to supersede and replace such prior agreements by this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, IAS and SOLSTICE hereby agree as follows:

ARTICLE I.

DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set out in this Article 1 unless the context clearly and unambiguously dictates otherwise.

- 1.1. "Affiliate" of a Party shall mean any person, corporation or other entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by, comes to control, or is under common control with such Party, as the case may be. As used in this Section 1.1, "control" shall mean: (i) to possess, directly or indirectly, the power to direct the management and policies of such person, corporation or other entity, whether through ownership of voting securities or by contract relating to voting rights or corporate governance; or (ii) direct or indirect beneficial ownership of at least fifty percent (50%) (or such lesser percentage which is the maximum allowed to be owned by a foreign corporation in a particular jurisdiction) of the voting share capital in such person, corporation or other entity.
- 1.2. "Business Day" shall mean a day other than a (i) Saturday, (ii) Sunday or (iii) federal public holiday. For the avoidance of doubt, references in this Agreement to "days" shall mean calendar days.
- 1.3. "Commercialization Studies" shall mean any commercialization studies in support of SOLSTICE's manufacturing and wholesale of the IAS Products.
- 1.4. "Commercially Reasonable Efforts" means those diligent efforts and resources, with respect to a particular Party, at the relevant point in time, that are comparable to those generally used by that Party, in good faith, in the exercise of its reasonable and prudent business judgment. Such Commercially Reasonable Efforts shall include, without limitation, comparable efforts with respect to (i) promptly assigning responsibility for development and commercialization activities to specific employees who are held accountable for progress and monitoring such progress on an on-going basis, (ii) setting and consistently seeking to achieve specific and meaningful objectives and timelines for carrying out such development and commercialization activities, and (iii) consistently making and implementing decisions and allocating resources designed to advance progress with respect to such objectives and timelines.
- 1.5. "Confidentiality Agreement" shall mean Article VII of this Agreement as well as any separate confidentiality agreement or non-disclosure agreement that may be entered into by the Parties at any time.
- 1.6. "Data" shall mean, any and all research data, performance data, manufacturing data and/or all regulatory documentation, information and submissions pertaining to, or made in association with, the IAS Products.
- 1.7. "Effective Date" shall mean the date stated above on which this Agreement is effective.
- 1.8. "Grid" shall mean the transmission system for electricity in the United States and Canada.
- 1.9. "IAS" shall mean International Automated Systems, Inc.
- 1.10. "IAS Know-How" shall mean all present and future scientific, technical, engineering, manufacturing, regulatory and other information relating to the solar collection technology, the

biomass energy production technology, and the bladeless turbine technology, or the IAS Products that are owned or controlled by IAS as of the Effective Date or during the Term of this Agreement.

- 1.11. "IAS Patents" shall mean all present and future Patents owned or controlled by IAS, which generically or specifically claim any of the IAS Solar Technology, IAS Biomass Technology, or IAS Products; claim a composition utilizing IAS Technology or comprising or incorporating any of the IAS Products; claim a use of IAS Technology or any of the IAS Products; or claim a method for manufacturing any of the IAS Products.
- 1.12. "IAS Studies" shall mean any studies conducted by IAS or other parties regarding the IAS Products.
- 1.13. "IAS Technology" shall mean all IAS Know-How, IAS Patents, all technical plans and specifications and designs necessary for the manufacturing and fabrication of the IAS Products, and any intellectual property associated with the development of solar energy or biomass energy, including but not limited to the solar collectors, biomass systems, and the bladeless turbine, which are owned or controlled by IAS prior to the Effective Date, and all Improvements to IAS Technology during the Term of this Agreement, if any.
- 1.14. "Improvements" shall mean any new or useful process, technique, formula, invention or know-how, formulation, or composition of matter relating to or comprising any IAS Product, whether patentable or unpatentable, or any improvement, enhancement, modification or derivative work thereof, that is conceived or first reduced to practice or first demonstrated to have utility during the Term of this Agreement in connection with the Parties' activities under this Agreement.
- 1.15. "Party" shall mean IAS or SOLSTICE individually, and "Parties" shall mean IAS and SOLSTICE collectively.
- 1.16. "Patent(s)" shall mean patents and patent applications, together with all additions, divisions, continuations, continuations-in-part, provisionals, substitutions, reissues, re-examinations, extensions, registrations, patent term extensions, supplemental protection certificates and renewals of a patent or patent application, and any confirmation patent or registration patent or patent of addition based on any such patent.
- 1.17. "Person" shall mean any individual, corporation, partnership, limited liability company, trust, governmental entity, or other legal entity of any nature whatsoever.
- 1.18. "IAS Products" shall mean the IAS products set forth on Exhibit "1."
- 1.19. "Product Trademarks" shall mean the trademark(s), if any, owned by IAS that are available for use with the IAS Products.
- 1.20. "SOLSTICE" shall mean Solstice Enterprises, Inc.
- 1.21. "Severable Improvements" shall mean an Improvement to the IAS Technology that is capable of exploitation independently of the IAS Technology owned or controlled by IAS as of the Effective Date and during the Term of this Agreement.

- 1.22. "Territory" shall mean the United States of America and Canada.
- 1.23. "Term" shall mean the period described in Section 9.1 of this Agreement.
- 1.24. "Third Party" shall mean any Person other than IAS and SOLSTICE.
- 1.25. "Third Party Technology" means any Patents, know-how, inventions, or other intellectual property owned or controlled by a Third Party.

ARTICLE II.

GRANT OF LICENSE

2.1. Licenses.

- 2.1.1. Subject to the other terms, limitations and conditions set forth in this Agreement and in consideration for the payments set forth below, IAS hereby grants to SOLSTICE the non-exclusive right and license to the IAS Technology, in and throughout the Territory, to manufacture, fabricate and wholesale the IAS Products for use in the production and sale of electricity into the Grid in and throughout the Territory. The foregoing right and license also apply to any and all modifications, enhancements, variations, and improvements developed for the IAS Products for the Territory by or for IAS in the future, including under the claims of any patents owned or controlled by IAS now or in the future relating directly to the IAS Products. In furtherance of same, SOLSTICE shall have the right to engage subcontractors to manufacture, fabricate and wholesale the IAS Products. SOLSTICE shall be required to engage in a bidding process, at least once every calendar year, to ensure best price and quality for the IAS Products in the Territory. In order to ensure that SOLSTICE can use the license, IAS will supply know-how, technical plans and specifications, and any and all additional information necessary to manufacture and fabricate the IAS Products. This license shall be non-transferable except as set forth in this Agreement. This license shall only apply to the manufacture, fabrication and wholesale of the IAS Products and components thereof. SOLSTICE acknowledges that the marketing, offering for sale, sale, construction, installation, operation and maintenance of solar energy projects and biomass energy projects incorporating IAS Technology and IAS Products shall be performed by Commercialization Licensees of IAS. SOLSTICE is licensed to wholesale IAS Products manufactured and fabricated by SOLSTICE to Commercialization Licensees of IAS, and to others, at prices determined solely by SOLSTICE and as agreed between SOLSTICE and the Commercialization Licensees or other wholesale purchasers.
- 2.1.2. IAS hereby grants to SOLSTICE a non-exclusive license to use the IAS Product Trademarks in SOLSTICE wholesale marketing materials. IAS reserves the right to use the Product Trademarks in its own marketing materials.
- 2.2. SOLSTICE Right of Notice of Third Party Licenses. Although IAS may attempt to advise SOLSTICE of its intent to enter into a similar license agreement with a Third Party, IAS shall have no obligation to provide any such notice to SOLSTICE.
- 2.3. Rights Reserved by IAS. IAS expressly reserves the right to sell or license any IAS Product or

IAS Technology to any Third Party. Except for the non-exclusive rights and licenses expressly granted in this Agreement, IAS retains all rights under its intellectual property and no additional rights shall be deemed granted to SOLSTICE by implication, estoppel or otherwise.

2.4. Third Party Licenses

2.4.1. If either Party deems it necessary or advisable to obtain a license, or other rights to any Patent that may be or have the potential of being a blocking patent(s), such Party shall notify the other Party in writing. If the other Party agrees, then the Parties shall discuss in good faith the procedure by which the Parties will seek to obtain such license or other rights. Unless otherwise agreed in writing, the Parties shall share the costs equally. Any such license or rights shall be obtained in the name of IAS and, if applicable, shall thereafter be subject to this Agreement as provided by Section 2.5.

2.4.2. If the other Party disagrees with the initial assessment that it is necessary or advisable to obtain such license or rights to any Patent referred to in Section 2.4.1, the Party desiring the license shall obtain an opinion of independent patent counsel approved by the other Party (such approval not to be unreasonably withheld or delayed) to review infringement, validity and enforceability of the Patent(s) and the conclusions contained in such opinion shall be binding on both Parties. In the event that in the opinion of such independent patent counsel the identified Patent(s) may reasonably be expected to be held in subsequent legal proceedings to be infringed, valid and enforceable by any one of the activities licensed hereunder to SOLSTICE, then the Parties shall immediately proceed in the manner provided in Section 2.4.1 as if both Parties had initially agreed to seek the license or other rights.

2.5. Third Party Technology. If after the Effective Date IAS acquires an assignment of, or license under, Third Party Technology (other than Patents licensed or otherwise acquired pursuant to Section 2.4.1) for use in connection with the research, development, commercialization or manufacture of the IAS Products, then IAS will promptly provide SOLSTICE with written notice of such acquisition and any additional financial terms to which IAS would be subject if SOLSTICE were to exploit a license under such Third Party Technology. If SOLSTICE desires to obtain such license, the Parties will promptly amend this Agreement to reflect such additional financial terms and to provide that the applicable Patents, know-how, data, or filings will be included in the definition of IAS Technology under this Agreement. For the avoidance of doubt, if SOLSTICE does not desire to obtain such license, such Third Party Technology shall not be included in the definition of IAS Technology under this Agreement.

ARTICLE III.

PAYMENTS

3.1. Initial License Fee. In consideration for the non-exclusive licenses granted hereunder for the IAS Technology, SOLSTICE shall pay to IAS a one-time, non-refundable, lump-sum payment in the amount of Five Thousand US Dollars (\$5,000.00) within thirty (30) days of the Effective Date. The initial license fee set forth in this Section 3.1 shall not be refundable or creditable against any future payments by SOLSTICE to IAS under this Agreement.

3.2. Annual License Payment. In further consideration for the non-exclusive licenses granted

hereunder, for any and all gross revenue received by SOLSTICE during each calendar year for IAS Products, or any components or parts thereof, manufactured, fabricated or sold by SOLSTICE, or for any other products or components incorporating or manufactured, in whole or in part, through the use of IAS technology, SOLSTICE shall pay to IAS an Annual License Payment in an amount equal to Twenty Five Percent (25%) of the gross revenue. The Annual License Payment shall be paid by SOLSTICE to IAS on or before the Fifteenth (15th) day of January of the following calendar year.

- 3.3. Examination of Records: SOLSTICE shall provide in electronic form to IAS, on or before the Fifteenth (15th) day of January of each year, an Annual Report in Quick Books®, or other electronic format acceptable to IAS, itemizing the gross revenue received by SOLSTICE during the preceding calendar year, and provide to IAS, in electronic Quick Books®, or other electronic format acceptable to IAS, all data, documentation, reports and ledgers relied upon in producing the report. IAS, in its sole discretion, shall have the right to have an accountant, CPA or auditor examine any or all of the financial, accounting, cost, sales and tax records and electronic files and data of SOLSTICE, to determine the accuracy or inaccuracy of the Annual Report. If IAS elects to have such an examination performed, IAS shall provide five (5) business days prior written notice to SOLSTICE and the examination shall be performed during normal business hours. SOLSTICE shall provide unlimited access to all its financial, accounting, cost, sales and tax records and electronic files and data.

ARTICLE IV.

MANUFACTURING PLAN

- 4.1. Manufacturing Plan. Within three (3) months of the execution of this Agreement, SOLSTICE shall prepare and deliver to the IAS, for its review, a plan for the manufacturing of the IAS Products. The plan will outline in as much detail as practicable given the current status of manufacturing development. SOLSTICE will solicit input from IAS for the Manufacturing Plan but will retain the sole and absolute right to decide on the final content and strategy for the Manufacturing Plan.
- 4.1.1. The Manufacturing Plan shall be supplemented, modified and updated regularly by SOLSTICE as and when additional relevant data and information become available, but in any event not less frequently than annually. Any fundamental modifications made to the Manufacturing Plan shall be delivered to the IAS for review promptly following such modifications, even when such may occur between regularly scheduled meetings.
- 4.2. Responsibilities of SOLSTICE under the Manufacturing Plan. In addition to the non-exclusive right to manufacture, fabricate and wholesale the IAS Products, SOLSTICE shall have a non-exclusive right to engage in, and shall be solely responsible for, all activities set forth in the Manufacturing Plan. As part of the Manufacturing Plan, SOLSTICE shall:
- 4.2.1. Conduct the Manufacturing Plan in compliance with all applicable laws;
- 4.2.2. Use Commercially Reasonable Efforts to manufacture and fabricate the IAS Products in accordance with the Manufacturing Plan; and
- 4.2.3. After the end of each Calendar Year, furnish IAS with reasonably detailed summary

written reports on all activities conducted by SOLSTICE under the Manufacturing Plan during such calendar year.

- 4.3. Price of IAS Products. SOLSTICE shall be solely responsible for any decisions and negotiations with relevant wholesale purchasers of IAS Products, including IAS Commercialization Licensees, regarding price for IAS Products which are subject to this Agreement.
- 4.4. Loss of Non-Exclusive License. In the event that SOLSTICE fails to meet any of the following Manufacturing Objectives, all rights and licenses granted to SOLSTICE under this Agreement shall immediately, in the sole discretion of IAS and upon 30 days written notice ("License Termination Notice") to SOLSTICE, terminate, in the sole discretion of IAS.
- 4.4.1. Beginning with calendar year 2013, in the event that SOLSTICE fails to receive, in any calendar year, at least \$10,000,000.00 in gross revenue from the manufacturing, fabricating, and wholesale of IAS Products for solar renewable energy projects or biomass energy projects utilizing IAS Technology and IAS Products, or fails to engage in sufficient transactions which are licensed under this Agreement, in any calendar year, such that the accrued Annual License Payment amount exceeds \$3,000,000.00, IAS may, in its sole discretion, elect to terminate this Agreement by issuing a License Termination Notice as provided above.

ARTICLE V.

PAYMENTS, BOOKS AND RECORDS

- 5.1. Payment Method. All payments under this Agreement shall be made by certified check or by bank wire transfer in immediately available funds to an account, capable of receiving United States Dollars, designated in writing by IAS. Payments hereunder will be considered to be made as of the day on which they are received by IAS's designated bank.
- 5.1.1. Payment Currency: Currency Conversion. Unless otherwise expressly stated in this Agreement, all amounts specified to be payable under this Agreement are in United States Dollars and shall be paid in United States Dollars. Net Sales in countries invoiced in currency other than United States Dollars or, as appropriate, shall be translated to United States Dollars; as necessary, using established exchanges for the translation of foreign currency into United States Dollars.
- 5.1.2. Fees and Expenses. Each Party shall pay all fees and expenses incurred by such Party in connection with this Agreement, except as otherwise expressly provided herein.
- 5.2. Withholding Taxes. If laws or regulations require withholding by SOLSTICE of any taxes imposed upon IAS or SOLSTICE on account of any payments paid under this Agreement, such taxes shall be deducted by SOLSTICE as required by law from such payment and shall be paid by SOLSTICE to the proper taxing authorities. Official receipts of payment of any withholding tax shall promptly be secured and promptly sent to IAS as evidence of such payment. The Parties will cooperate and exercise their reasonable efforts to ensure that any withholding taxes imposed are reduced as far as possible under the provisions of any applicable tax treaty and shall cooperate in filing any forms required for such reduction. IAS warrants that IAS is

resident for tax purposes in the United States. SOLSTICE warrants that SOLSTICE is resident for tax purposes in the United States.

- 5.3. Sales Taxes. All amounts to be paid under this Agreement are stated exclusive of any sales, use, value-added, goods and services or other applicable taxes, which shall be invoiced separately.
- 5.4. Records. SOLSTICE shall keep, and require its Affiliates and to keep, complete, true and accurate books of accounts and records for the purpose of determining the amounts payable to IAS and SOLSTICE pursuant to this Agreement. Such books and records shall be kept for such period of time required by law, but no less than at least five years following the end of the Calendar Quarter to which they pertain. Such records shall be subject to inspection in accordance with Section 3.3.
- 5.5. Late Payments. Any payments or portions thereof due under this Agreement that are not paid by the date such payment is due shall bear interest at an annual rate of eighteen percent (18%), compounded annually, and computed on the basis of a three hundred sixty five (365) day year. The provisions of this Section 5.5 shall in no way limit any other remedies available to IAS and SOLSTICE. The Parties agree that this provision, unless otherwise provided, will not apply to payments that are the result of a subsequent adjustment of an estimated payment, including rebates, adjustments, returns or reconciliations, nor to payments that are the subject matter of a good faith dispute between the Parties.

ARTICLE VI.

EXCLUSIVITY OBLIGATIONS

6.1 SOLSTICE Commitments. In consideration for the non-exclusive license granted to SOLSTICE by IAS in this Agreement, and in consideration of the other covenants, promises, and agreements stated in this Agreement, neither SOLSTICE nor its Affiliates shall manufacture, fabricate, or wholesale solar collection, biomass energy production, or power generation products or technologies other than IAS Products or IAS Technologies.

ARTICLE VII.

CONFIDENTIALITY

7.1. Confidential Information. Except to the extent expressly authorized by this Agreement or otherwise agreed in writing, the Parties agree that the receiving Party (the "Receiving Party") shall keep confidential and shall not publish or otherwise disclose or use for any purpose other than as provided for in this Agreement any confidential or proprietary information and materials, patentable or otherwise, in any form (written, oral, photographic, electronic, magnetic, or otherwise) which is disclosed to it by the other Party (the "Disclosing Party") including, but not limited to, all information concerning the IAS Products, information disclosed by one Party to the other pursuant to the Confidentiality Agreement, the contents of this Agreement and any other technical or business information of whatever nature (collectively, "Confidential Information").

- 7.2. Development Data. Except to the extent expressly authorized by this Agreement or otherwise agreed in writing, the Parties agree that they shall keep confidential and shall not publish or otherwise disclose or use for any purpose other than as provided for in this Agreement any Data, results, reports or other know-how directly related to the IAS Technology or the IAS Products which is generated in the performance of either Party under this Agreement ("Development Data").
- 7.3. Exceptions. The obligations of confidentiality shall not apply to Confidential Information or Development Data that, in each case as demonstrated by competent evidence:
- 7.3.1. Was already known to the Receiving Party or any Affiliate, other than under an obligation of confidentiality, at the time of disclosure;
 - 7.3.2. Was generally available to the public or was otherwise part of the public domain at the time of its disclosure to the Receiving Party;
 - 7.3.3. Became generally available to the public or otherwise part of the public domain after its disclosure by the Disclosing Party and other than through any act or omission of the Receiving Party or any Affiliate in breach of this Agreement;
 - 7.3.4. Was subsequently lawfully disclosed to the Receiving Party or any Affiliate by a Person other than the Disclosing Party, and who, to the best knowledge of the Receiving Party, did not directly or indirectly receive such information from the Disclosing Party under an obligation of confidence; or
 - 7.3.5. Is developed by the Receiving Party or its Affiliate without use of or reference to any information or materials disclosed by the Disclosing Party.
- 7.4. Permitted Disclosures. Upon ten (10) days written notice to the other Parties to this Agreement, each Party hereto may disclose Confidential Information of the other Party and Development Data to its Affiliates and any other Third Parties to the extent such disclosure: (a) is reasonably necessary for the purpose of exercising the rights granted to it under this Agreement; (b) is reasonably necessary to prosecute or defend litigation; (c) is reasonably necessary to comply with applicable governmental laws or regulations; or (d) is reasonably necessary to submit information to tax or other governmental authorities. If a Party is required by law or regulations to make any such disclosure of Confidential Information of the other Party or Development Data, to the extent it may legally do so, it will give reasonable advance notice to the other Party of such disclosure and, save to the extent inappropriate in the case of patent applications or otherwise, will use its good faith efforts to secure confidential treatment of such Confidential Information or Development Data prior to its disclosure (whether through protective orders or otherwise) and disclose only the minimum amount of Confidential Information or Development Data necessary to comply with the requirement. For all other disclosures of Confidential Information of the other Party or Development Data permitted pursuant to this Section 7.4, including to Affiliates and other Third Parties, a Party shall ensure that the recipient thereof is bound by a written confidentiality agreement as materially protective of such Confidential Information or Development Data as this Article Seven.
- 7.5. Public Announcements. As soon as practicable following the date hereof, the Parties will issue a

joint press release announcing the existence of this Agreement. IAS grants SOLSTICE the right to disclose the non-exclusive relationship in SOLSTICE marketing materials.

ARTICLE VIII.

PATENT PROSECUTION AND ENFORCEMENT

8.1. Ownership of Intellectual Property.

- 8.1.1. Subject to the licenses granted to SOLSTICE pursuant to Section 2, IAS has, and shall retain all right, title and interest in and to, the IAS Technology (including without limitation the IAS Patents and IAS Know-How).
- 8.1.2. Subject to the licenses granted to SOLSTICE pursuant to Section 2, IAS shall have and retain all right, title and interest in all inventions, discoveries and know-how which are made, conceived by IAS or SOLSTICE, reduced to practice or generated by the employees, agents or other persons acting under the authority of either IAS or SOLSTICE in the course of or as a result of this Agreement, during the term of this Agreement or within five (5) years thereafter.
- 8.1.3. IAS shall solely own all right, title and interest in and to any Severable or Non-Severable Improvements. SOLSTICE shall promptly disclose to IAS any and all Severable and Non-Severable Improvements conceived or reduced to practice by SOLSTICE, its Affiliates or Sublicensees, or any of its or their officers, directors, employees, consultants or other personnel at any time during the term of this Agreement or within five (5) years thereafter, or within five (5) years of termination of this Agreement, in exercising any rights or performing any obligation under this Agreement. All Severable Improvements and all Non-Severable Improvements shall be the exclusive property of IAS, and SOLSTICE shall take, and shall cause its Affiliates and Sublicensees to take, appropriate steps to ensure that its, or their officers, directors, employees, consultants and all other personnel are obligated to assign to IAS all right, title and interest each may have in any such Severable or Non-Severable Improvement and will cooperate to effect the foregoing.

8.2. Other Licenses. Subject to Section 8.1 and the rights reserved or granted under this Agreement, IAS can use, and grant non-exclusive licenses to use, an invention owned by IAS, without the consent of SOLSTICE and IAS has no duty to account to SOLSTICE for such use or license, and SOLSTICE hereby waives any right it may have under the laws of any country to require any such consent or accounting.

8.3. Prosecution and Maintenance of IAS Patents.

- 8.3.1. Prosecution. SOLSTICE shall hold all information disclosed to it under this Agreement as Confidential Information. If IAS elects not to undertake the filing, prosecution and/or maintenance of any IAS Patents (or, after commencement of such filing, prosecution and/or maintenance, desires to cease the prosecution or the maintenance of any such IAS Patents), then IAS will notify SOLSTICE of such election with at least thirty (30) days' prior written notice, identifying the specific IAS Patent(s) to which such election pertains and SOLSTICE will be, at its own expense and discretion, entitled to file, prosecute and/or

maintain such IAS Patent(s) in the name of IAS.

8.3.2. Patent Term Extensions. The Parties will discuss and recommend for which, if any, of the Patents for which patent term extensions should be sought. IAS shall have the final decision-making authority whether, at its own expense, to file all applications and take actions necessary to obtain patent term extensions with respect to the IAS Products or IAS Technology pursuant to statutes, which extensions shall be owned by IAS. If IAS declines to pursue such patent term extensions, then SOLSTICE shall have the right at its own expense on behalf of IAS to file all such applications and take all such actions necessary to obtain such patent term extensions with respect to the IAS Products or IAS Technology. In each case, the Parties shall provide reasonable cooperation to the other Party which is seeking to obtain such extensions and additional protection.

8.4. Patent Enforcement. In the event that IAS or SOLSTICE becomes aware of (i) an actual or threatened infringement or misappropriation of any IAS Technology by the manufacture, sale, offer for sale or use of any IAS Product or IAS Technology ("Infringing Product"), or (ii) an actual or threatened challenge to any IAS Patents, that Party shall promptly notify the other Party in writing. IAS shall have the first right, but not the obligation, to initiate proceedings or take other appropriate action, at its own expense, against any Third Party taking or threatening to take such action. If IAS does not initiate proceedings or take other appropriate action within thirty (30) days of a request by SOLSTICE to initiate an enforcement proceeding or defense to a challenge to the IAS Patents then SOLSTICE shall be entitled, without obligation, to initiate infringement proceedings or take other appropriate action against an Infringing Product or IAS Patent challenge at its own expense and to include IAS as a nominal party plaintiff. The Party conducting such action shall have full control over its conduct, including settlement thereof; *provided*, however, that the Party conducting such action may not settle any such action, or make any admissions or assert any position in such action, in a manner that would materially adversely affect the rights or interests of the other Party whether within or outside the jurisdiction in which the action is brought, without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. In any event, the Parties shall assist one another and cooperate in any such litigation at the reasonable request of the other Party.

8.5 Cooperation. The Parties shall keep one another informed of the status of their respective activities regarding any litigation or settlement thereof concerning IAS Technology and shall assist one another and cooperate in any such litigation at the reasonable request of the other (including, without limitation, joining as a party plaintiff to the extent necessary and requested in writing by the other Party).

8.6. Infringement of Third Party Intellectual Property. In the event any action is taken by a Third Party against SOLSTICE or any Affiliate on the basis of alleged infringement of a Patent of such Third Party or of misappropriation of the know-how of a Third Party, SOLSTICE shall promptly inform IAS and SOLSTICE shall be entitled at SOLSTICE' expense to take whatever reasonable action it considers necessary or useful and IAS will provide any and all reasonable assistance, free of charge, to SOLSTICE. IAS shall also have the right, but not the obligation, to participate in any legal proceedings in connection with such action at its own expense and make recommendations to SOLSTICE concerning such action. SOLSTICE will consider in good faith all reasonable suggestions of IAS with respect thereto, and agrees to keep IAS informed of the course such action or legal proceedings with respect thereto. SOLSTICE shall control the legal proceedings, including the right to enter into any settlement, in order to be able to resume the

exercise of the rights granted to SOLSTICE under the terms of this Agreement; *provided*, however, that SOLSTICE may not settle any such action, or make any admissions or assert any position in such action, in a manner that would adversely affect the rights or interests of IAS, or make any financial payment without the prior written consent of IAS, which consent shall not be unreasonably withheld or delayed.

8.7. Patent Marking. SOLSTICE agrees to mark, and have its Affiliates mark, all patented IAS Products they sell or distribute pursuant to this Agreement in accordance with the applicable patent statutes and regulations in the country or countries of sale thereof.

ARTICLE IX.

TERM AND TERMINATION

9.1. Term. This Agreement shall commence on the Effective Date and, unless earlier terminated pursuant to Section 9.2, shall continue until the later of (a) the thirtieth (30th) anniversary of the Effective Date, and (b) the date on which SOLSTICE ceases to continue to market, promote, distribute, import or sell the IAS Products or to otherwise use the IAS Technology (the "Term").

9.2. Early Termination. Each Party shall have the right to terminate this Agreement in its entirety before the end of the Term;

9.2.1. By mutual written agreement of the Parties;

9.2.2. Upon written notice by either Party as described below if the other Party is in material breach of this Agreement and has not cured such breach within the time period identified below after notice from the terminating Party requesting cure of the breach; provided, however, in the event of a good faith dispute with respect to the existence of a material breach, the cure period shall be tolled until such time as the dispute is resolved pursuant to Article III; and provided that the terminating Party has given the defaulting Party the following opportunities to remedy any breach:

9.2.3. The written notice of breach referenced above shall detail the specific obligation under this Agreement which is alleged to have been breached; the manner of such alleged breach; and the steps which must be taken in order to remedy such breach; and

9.2.4. The terminating Party has provided the defaulting Party sixty (60) days in which to complete any steps which might be taken to remedy the breach, as stated in the notification of breach; or

9.2.5. Upon the bankruptcy or insolvency, or the filing of an action to commence insolvency proceedings against the other Party, or the making or seeking to make or arrange an assignment for the benefit of creditors of the other Party, or the initiation of proceedings in voluntary or involuntary bankruptcy, or the appointment of a receiver or trustee of such Party's property that is not discharged within ninety (90) days.

- 9.3 Termination of Non-exclusive Rights and License. The non-exclusive rights and licenses granted to SOLSTICE under this Agreement are subject to the commercialization requirements and conversion provisions of paragraph 4.4 above.
- 9.4 Involuntary Termination of LaGrand Johnson as President of SOLSTICE. Notwithstanding any other provision of this Agreement to the contrary, in the event of the involuntary termination of LaGrand Johnson as the President of SOLSTICE, other than in the event of his death, IAS shall have the right, in its sole discretion, upon 60 days written notice to SOLSTICE, to terminate the non-exclusive rights and licenses granted to SOLSTICE under this Agreement.

ARTICLE X.

EFFECT OF TERMINATION

- 10.1. Accrued Obligations. The termination of this Agreement, in whole or part, for any reason shall not release either Party from any liability which, at the time of such termination, has already accrued to such Party or which is attributable to a period prior to such termination, nor will any termination of this Agreement preclude either Party from pursuing all rights and remedies it may have under this Agreement, at law or in equity, with respect to breach of this Agreement.
- 10.2. Rights Terminated. Notwithstanding any other provision of this Agreement, following the effective date of termination, SOLSTICE' and its Affiliates' rights with respect to the IAS Products IAS Technology shall be terminated unless otherwise agreed in writing by the parties.
- 10.3. Continuing Payment Obligations. Any IAS Technology used or IAS Product sold or disposed of by SOLSTICE or an Affiliate of either shall be subject to the applicable payment obligations under Articles III and V above.
- 10.4. No Renewal, Extension or Waiver. Acceptance by IAS of any payment from SOLSTICE after the notice or effective date of termination of this Agreement shall not be construed as a renewal or extension hereof, or as a waiver of termination of this Agreement.

ARTICLE XI.

REPRESENTATIONS, WARRANTIES AND COVENANTS

- 11.1. General Representations. Each Party hereby represents and warrants to the other Party, as of the Effective Date, as follows:
- 11.1.1. Duly Organized. Such Party is a corporation or limited liability company duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, and is qualified, or within ninety (90) days of the Effective Date of this Agreement shall become qualified, to do business and is in good standing, or within ninety (90) days of the Effective Date of this Agreement shall attain good standing, as a foreign corporation or limited liability company in each jurisdiction in

which the conduct of its business or the ownership of its properties requires such qualification and failure to have such would prevent such Party from performing its obligations under this Agreement.

11.1.2. Due Execution Binding Agreement. This Agreement is a legal and valid obligation binding on such Party and enforceable in accordance with its terms. The execution, delivery and performance of this Agreement by such Party have been duly authorized by all necessary corporate action and do not and will not: (i) require any consent or approval of its stockholders; (ii) to such Party's knowledge and belief, violate any law, rule, regulation, order, writ, judgment, decree, determination or award of any court, governmental body or administrative or other agency having jurisdiction over such Party; nor (iii) conflict with, or constitute a default under, any agreement, instrument or understanding, oral or written, to which such Party is a party or by which it is bound.

11.1.3. Consents. Such Party has obtained, or is not required to obtain, the consent, approval, order or authorization of any Third Party, or has completed, or is not required to complete any registration, qualification, designation, declaration, or filing with, any Regulatory Authority or governmental authority, in connection with the execution and delivery of this Agreement and the performance by such Party of its obligations under this Agreement.

11.2. Representations and Warranties of IAS. IAS represents and warrants to SOLSTICE that, as of the Effective Date:

11.2.1. It has the full right and authority to grant the rights and licenses provided herein;

11.2.2. IAS is the exclusive owner or licensee of all right, title and interest in the IAS Technology and, specifically, the IAS Patents. To the best of IAS's knowledge, the issued claims in the IAS Patents are valid and enforceable, and the patent applications have been duly filed or will be filed at an appropriate time by IAS or its licensor;

11.2.3. To the best of IAS's knowledge, neither the development, use, sale or import of the IAS Products or IAS Technology, infringes any Third Party's valid patents or constitutes a misappropriation of a Third Party's trade secrets or other intellectual property rights;

11.2.4. To IAS's knowledge, there is no actual, pending, alleged or threatened product liability action nor intellectual property right litigation in relation to the IAS Technology or IAS Products;

11.2.5. IAS has not failed to furnish SOLSTICE with any information requested by SOLSTICE, or intentionally concealed from SOLSTICE, any information in its possession which IAS reasonably believes would be material to SOLSTICE's decision to enter into this Agreement and undertake the commitments and obligations set forth herein.

11.3. Representations and Warranties of SOLSTICE. SOLSTICE represents and warrants to IAS and SOLSTICE that, as of the Effective Date:

11.3.1. It has the full right and authority to enter into this Agreement and to grant the rights granted herein.

11.3.2. SOLSTICE has not failed to furnish IAS with any information requested by IAS, or intentionally concealed from IAS, any information in its possession which SOLSTICE reasonably believes would be material to IAS's decision to enter into this Agreement and undertake the commitments and obligations set forth herein.

11.4. DISCLAIMER. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, OR ANY OTHER AGREEMENT CONTEMPLATED HEREUNDER, NEITHER PARTY MAKES ANY REPRESENTATIONS OR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, AND EACH PARTY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE OR USE, NON-INFRINGEMENT, VALIDITY AND ENFORCEABILITY OF PATENTS, OR THE PROSPECTS OR LIKELIHOOD OF DEVELOPMENT OR COMMERCIAL SUCCESS OF THE IAS PRODUCTS. IN NO EVENT WILL EITHER PARTY BE LIABLE FOR THE OTHER PARTY'S LOST PROFITS, LOSS OF DATA, OR FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, HOWEVER CAUSED, ON ANY THEORY OF LIABILITY AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, ARISING UNDER ANY CAUSE OF ACTION AND ARISING IN ANY WAY OUT OF THIS AGREEMENT. THE FOREGOING LIMITATIONS WILL NOT LIMIT EITHER PARTY'S OBLIGATIONS TO THE OTHER PARTY UNDER SECTION XII OF THIS AGREEMENT.

ARTICLE XII.

INDEMNIFICATION

12.1. Indemnification of IAS. SOLSTICE shall indemnify and hold harmless each of IAS, its Affiliates and the directors, officers, shareholders, owners, members, managers, employees, attorneys, and insurers of such entities, and the successors and assigns of any of the foregoing (the "IAS Indemnitees"), from and against any and all liabilities, damages, penalties, fines, costs and expenses (including, reasonable attorneys' fees and other expenses of litigation) ("Liabilities") from any claims, actions, suits or proceedings brought by a Third Party (a "Third Party Claim") incurred by any IAS Indemnitee, arising from, or occurring as a result of: (a) manufacturing, fabricating, marketing, offering for sale, sale, or wholesale of any IAS Products, by SOLSTICE or its Affiliates, including any Products Liability Claim; or (b) any material breach of any representations, warranties or covenants by SOLSTICE under this Agreement; except to the extent such Third Party Claims fall within the scope of the indemnification obligations of IAS set forth in Section 12.2, below, or result from the willful misconduct of an IAS Indemnitee.

12.2. Indemnification of SOLSTICE. IAS shall indemnify and hold harmless each of SOLSTICE, its Affiliates, and the directors, officers, shareholders, owners, members, managers, employees, attorneys, and insurers of such entities, and the successors and assigns of any of the foregoing (the "SOLSTICE Indemnitees"), from and against any and all Liabilities from any

Third Party Claims incurred by any SOLSTICE Indemnitee, arising from, or occurring as a result of: (a) the use of the Product Trademarks by SOLSTICE in the Territory in accordance with this Agreement, and (b) any material breach of any representations, warranties or covenants by IAS under this Agreement, except to the extent such Third Party Claims falls within the scope of the indemnification obligations of SOLSTICE set forth in Section 12.1 above, or result from the gross negligence or willful misconduct of an SOLSTICE Indemnitee.

12.3. Procedure. A Party that intends to claim indemnification under this Article XII (the "Indemnitee") shall promptly notify the other Party (the "Indemnitor") in writing of any Third Party Claim, in respect of which the Indemnitee intends to claim such indemnification, and the Indemnitor shall have sole control of the defense and/or settlement thereof. The indemnity arrangement in this Section 12 shall not apply to amounts paid in settlement of any action with respect to a Third Party Claim, if such settlement is effected without the consent of the Indemnitor, which consent shall not be withheld or delayed unreasonably. The failure to deliver written notice to the Indemnitor within a reasonable time after the commencement of any action with respect to a Third Party Claim shall only relieve the Indemnitor of its indemnification obligations under this Article XII if and to the extent the Indemnitor is actually prejudiced thereby. The Indemnitee shall cooperate fully with the Indemnitor and its legal representatives in the investigation of any action with respect to a Third Party Claim covered by this indemnification.

12.4. Product Liability Claims. SOLSTICE hereby expressly acknowledges and agrees that it shall be solely responsible for any and all Product Liability Claims related to or arising out of any product manufactured, fabricated, marketed, offered for sale, or sold, in whole or in part by or on behalf of SOLSTICE. SOLSTICE shall be solely responsible for complying with all federal, state or foreign laws, regulations, standards, requirements and guidelines regarding the manufacturing, fabricating, marketing, offering for sale, or sale of any product utilizing or embodying IAS Technology or any of the IAS Products. SOLSTICE hereby expressly acknowledges and agrees that IAS has made no representations regarding the safety of any IAS Product or regarding the compliance of any IAS Technology or any IAS Product with any federal, state or foreign law or regulation, or with any design or safety standard or requirement, SOLSTICE having the sole obligation to make all assessments and evaluations regarding the adequacy of the design and the safety of the IAS Products, and regarding the compliance for any product manufactured, fabricated, marketed, offered for sale, or sold, in whole or in part by or on behalf of SOLSTICE, with applicable federal, state or foreign law or regulation, and with all applicable design and safety standards and requirements.

ARTICLE XIII.

DISPUTE RESOLUTION

13.1. Dispute Resolution Process. The Parties recognize that disputes as to certain matters may from time to time arise during the Term of this Agreement that relate to a Party's rights and/or obligations hereunder. If the Parties cannot resolve any such dispute within thirty (30) days after written notice of a dispute from one Party to another, either Party may pursue any remedy available to such Party at law or in equity, subject to the terms and conditions of this Agreement and the other agreements expressly contemplated hereunder.

- 13.2. Governing Law; Litigation; Exclusive Venue. This Agreement and all questions regarding its existence, validity, interpretation, breach or performance of this Agreement, shall be governed by, and construed and enforced in accordance with, the laws of the State of Utah, United States, without reference to its conflicts of law principles. The exclusive venue for any action initiated by any party to this Agreement for any dispute arising under this Agreement, any other agreement expressly contemplated hereunder, or the transactions, events or occurrences related thereto, shall be the state or federal courts of the State of Utah situated in Salt Lake County, State of Utah, and each of the parties to this Agreement hereby consents to the jurisdiction of such courts.

ARTICLE XIV.

GENERAL PROVISIONS

- 14.1. Waiver of Breach. The failure of either Party at any time or times to require performance of any provision of this Agreement shall in no manner affect its rights at a later time to enforce such rights. No waiver by either Party of any condition or term in any one or more instances shall be construed as a further or continuing waiver of such condition or term or of another condition or term.
- 14.2. Performance by Affiliates. To the extent that this Agreement imposes obligations on Affiliates of a Party, such Party agrees to cause its Affiliates to perform such obligation. Either Party may use one or more of its Affiliates to perform its obligation hereunder, provided that the Parties will remain liable hereunder for the prompt payment and performance of all their respective obligations hereunder.
- 14.3. Performance by Subcontractors. Either Party may perform any of its obligations or exercise any of its rights under this Agreement through subcontractors. Such Party shall ensure that all of its subcontractors comply with, and perform its obligations in accordance with, the terms of this Agreement; provided, however, that the use of such subcontractors by such Party shall not relieve such Party of its respective obligations under this Agreement.
- 14.4. Modification. No amendment or modification of any provision of this Agreement shall be effective unless in a prior writing signed by both Parties hereto. No provision of this Agreement shall be varied, contradicted or explained by any oral agreement, course of dealing or performance or any other matter not set forth in an agreement in writing and signed by both Parties hereto.
- 14.5. Severability. In the event any provision of this Agreement should be held invalid, illegal or unenforceable in any jurisdiction, the Parties shall negotiate, in good faith and enter into a valid, legal and enforceable substitute provision that most nearly reflects the original intent of the Parties. All other provisions of this Agreement shall remain in full force and effect in such jurisdiction. Such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of such provision in any other jurisdiction.
- 14.6. Entire Agreement. This Agreement (including the Exhibits and Schedules attached hereto) constitutes the entire agreement between the Parties relating to the subject matter hereof and

supersedes and cancels all previous express or implied agreements and understandings, negotiations, writings and commitments, either oral or written, in respect to the subject matter hereof. Each of the Parties hereby acknowledges and agrees that any transactions between the Parties relating to the subject matter of this Agreement which may have occurred prior to the Effective Date, if any, shall be subject to the terms and provisions of this Agreement, and that this Agreement shall supersede any prior oral or written agreement relating to transactions which occurred prior to the Effective Date, if any. Each of the parties acknowledges and agrees that in entering into this Agreement, and the documents referred to in it, it does not rely on, and shall have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) of any person (whether party to this Agreement or not) other than as expressly set out in this Agreement. Nothing in this clause shall, however, operate to limit or exclude any liability for fraud.

- 14.7. Language. The language of this Agreement and all activities to be pursued under this Agreement is English. Any and all documents proffered by one Party to the other in fulfillment of any provision of this Agreement shall only be in compliance if in English. Any translation of this Agreement in another language shall be deemed for convenience only and shall never prevail over the original English version. This Agreement is established in the English language.
- 14.8. Notices. Unless otherwise agreed by the Parties in writing or specified in this Agreement, all communications between the Parties relating to, and all written documentation to be prepared and provided under, this Agreement shall be in the English language. Any notice required or permitted under this Agreement shall be in writing in the English language, delivered personally, sent by facsimile (and promptly confirmed by personal delivery, registered or certified mail or overnight courier), sent by internationally-recognized courier or sent by registered or certified mail, postage prepaid to the following addresses of the Parties (or such other address for a Party as may be at any time thereafter specified by like notice):

INTERNATIONAL AUTOMATED SYSTEMS, INC.
Attention: Neldon P. Johnson
1122 North 1100 East
Spanish Fork, Utah 84660

SOLSTICE ENTERPRISES, INC.
Attention: LaGrand T. Johnson
1309 North 550 West
Pleasant Grove, Utah 84062

Any such notice shall be deemed to have been given: (a) when delivered if personally delivered; (b) on the next Business Day after dispatch if sent by facsimile or by internationally-recognized overnight courier; and/or (c) on the fifth (5th) Business Day following the date of mailing if sent by mail or other internationally-recognized courier.

- 14.9. Assignment. This Agreement shall be fully assignable by IAS, in the sole discretion of IAS. This Agreement shall not be assignable or otherwise transferred, nor may any right or obligations hereunder be assigned or transferred, by SOLSTICE to any Third Party without the prior written consent of IAS, except that SOLSTICE may assign this Agreement without the consent of IAS to

an entity that acquires all or a substantial part of the business or assets of SOLSTICE, whether by merger, acquisition or otherwise, provided that the acquiring Party assumes this Agreement in writing or by operation of law. In addition, either Party shall have the right to assign this Agreement to an Affiliate upon written notice to the non-assigning Party; provided, however, the assigning Party hereby guarantees the performance of this Agreement by such Affiliate. Subject to the foregoing, this Agreement shall inure to the benefit of each Party, its successors and permitted assigns. Any assignment of this Agreement in contravention of this Section 19.10 shall be null and void.

- 14.10. No Partnership or Joint Venture. Nothing in this Agreement or any action which may be taken pursuant to its terms is intended, or shall be deemed, to establish a joint venture or partnership between SOLSTICE and IAS. Neither Party to this Agreement shall have any express or implied right or authority to assume or create any obligations on behalf of, or in the name of, the other Party, or to bind the other Party to any contract, agreement or undertaking with any Third Party.
- 14.11. Interpretation. The captions to the several Articles and Sections of this Agreement are not a part of this Agreement but are included for convenience of reference and shall not affect its meaning or interpretation. In this Agreement: (a) the word "including" shall be deemed to be followed by the phrase "without limitation" or like expression; (b) the singular shall include the plural and vice versa; and (c) masculine, feminine and neuter pronouns and expressions shall be interchangeable. Each accounting term used herein that is not specifically defined herein shall have the meaning given to it under generally accepted accounting principles in the International Financial Reporting Standards consistently applied, but only to the extent consistent with its usage and the other definitions in this Agreement.
- 14.12. Counterparts. This Agreement may be executed in any number of counterparts each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.
- 14.13. Securities Laws. Each of the Parties acknowledges that it is aware that the securities laws of the United States and the securities laws of other countries prohibit any person who has material non-public information about a publicly listed company from purchasing or selling securities of such company or from communicating such information to any person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities. Each Party agrees to comply with such securities laws and make its Affiliates, Sublicensees, employees and agents aware of the existence of such securities laws and their need to comply with such laws.
- 14.14. Conduct of Activities. As to all matters contained in this Agreement, each Party shall conduct the activities allocated to it in compliance in all material respects with all applicable laws, rules and regulations.

IN WITNESS WHEREOF, International Automated Systems, Inc., and Solstice Enterprises, Inc., have executed this License and Commercialization Agreement as of the Effective Date.

INTERNATIONAL AUTOMATED SYSTEMS, INC.

By: Neldon P. Johnson
Its: President

SOLSTICE ENTERPRISES, INC.

By: LaGrand T. Johnson
Its: President

EXHIBIT 1

IAS PRODUCTS

1. Fresnel Lens Segments and Sub-segments for Solar Panels
2. Solar Collector Towers, including Solar Panels and Tower Structure and Foundation
3. Dual Axis Solar Tracking System, including Drive and Control System
4. Solar Receiver
5. Heat Transfer Fluid Recirculation System
6. Heat Transfer System
7. Bladeless Turbine, including Waste Heat and Water Recirculation System
8. Biomass Supply System
9. Biomass Burner
10. Biomass Heat Exchange System

SECOND AMENDED COMMERCIALIZATION AND LICENSE AGREEMENT

This **SECOND AMENDED COMMERCIALIZATION AND LICENSE AGREEMENT** ("**Agreement**") is entered into between **International Automated Systems, Inc.**, a Utah corporation ("**IAS**"), with its principal place of business at 1122 North 1100 East, Spanish Fork, Utah 84660, and **XSun Energy, LLC**, a Utah limited liability company ("**XSUN**"), with its principal place of business at 4035 South 4000 West, Deseret, Utah 84624, effective the 1st day of August, 2011.

WHEREAS:

- A. IAS has developed certain proprietary solar energy collection, biomass energy production, and bladeless turbine technologies (the "**IAS Technology**" as further defined below) that harness solar energy and biomass energy and has developed a number of products utilizing the IAS Technology (the "**IAS Products**" as further defined below);
- B. IAS owns or controls certain patents, know-how, trademarks and other intellectual property relating to the IAS Technology and the IAS Products;
- C. XSUN is engaged in the business of developing, constructing, installing, operating and maintaining renewable energy projects and biomass energy projects (the "**XSUN Projects**" as further defined below) to provide clean and sustainable energy, including electrical energy, and negotiating energy utilization agreements, interconnection agreements and power purchase agreements for the utilization of the renewable energy and the transmission and sale of electricity;
- D. IAS and XSUN desire to enter into a non-exclusive agreement whereby XSUN shall market, offer for sale, sell, install, operate and maintain renewable energy and biomass energy projects utilizing IAS Technology and IAS Products, such agreement providing for IAS to retain the right to enter into other and similar agreements with Third Parties, as defined hereafter, other than XSUN, the agreement to be non-exclusive in regard to the rights granted to XSUN by IAS;
- E. For the consideration set forth below, IAS is willing to grant to XSUN, and XSUN desires to obtain from IAS, certain non-exclusive rights and licenses with respect to the potential development and commercialization of the IAS Solar Technology, IAS Biomass Technology, and IAS Products;
- F. Subject to the terms and provisions set forth in this Agreement, IAS is willing to supply XSUN with all technical plans and specifications necessary for the implementation of the IAS Technology and for the construction, installation, operation and maintenance of the IAS Products by XSUN, such technical plans and specifications being kept strictly confidential by XSUN.
- G. IAS and XSUN have previously entered into one or more Commercialization and License Agreements, which they desire to supersede and replace by this Agreement.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, IAS and XSUN hereby agree as follows:

ARTICLE I.

DEFINITIONS

As used in this Agreement, the following terms shall have the meanings set out in this Article I unless the context clearly and unambiguously dictates otherwise.

- 1.1. "Affiliate" of a Party shall mean any person, corporation or other entity that, directly or indirectly, through one or more intermediaries, controls, is controlled by, comes to control, or is under common control with such Party, as the case may be. As used in this Section 1.1, "control" shall mean: (i) to possess, directly or indirectly, the power to direct the management and policies of such person, corporation or other entity, whether through ownership of voting securities or by contract relating to voting rights or corporate governance; or (ii) direct or indirect beneficial ownership of at least fifty percent (50%) (or such lesser percentage which is the maximum allowed to be owned by a foreign corporation in a particular jurisdiction) of the voting share capital in such person, corporation or other entity.
- 1.2. "Business Day" shall mean a day other than a (i) Saturday, (ii) Sunday or (iii) federal public holiday. For the avoidance of doubt, references in this Agreement to "days" shall mean calendar days.
- 1.3. "Commercialization Studies" shall mean any commercialization studies in support of XSUN's commercialization of the IAS Products.
- 1.4. "Commercially Reasonable Efforts" means those diligent efforts and resources, with respect to a particular Party, at the relevant point in time, that are comparable to those generally used by that Party, in good faith, in the exercise of its reasonable and prudent business judgment. Such Commercially Reasonable Efforts shall include, without limitation, comparable efforts with respect to (i) promptly assigning responsibility for development and commercialization activities to specific employees who are held accountable for progress and monitoring such progress on an on-going basis, (ii) setting and consistently seeking to achieve specific and meaningful objectives and timelines for carrying out such development and commercialization activities, and (iii) consistently making and implementing decisions and allocating resources designed to advance progress with respect to such objectives and timelines.
- 1.5. "Confidentiality Agreement" shall mean Article VII of this Agreement as well as any separate confidentiality agreement or non-disclosure agreement that may be entered into by the Parties at any time.
- 1.6. "Data" shall mean, any and all research data, performance data, manufacturing data and/or all regulatory documentation, information and submissions pertaining to, or made in association with, the IAS Products.
- 1.7. "Effective Date" shall mean the date stated above on which this Agreement is effective.
- 1.8. "Grid" shall mean the transmission system for electricity in the United States and Canada.
- 1.9. "IAS" shall mean International Automated Systems, Inc.

- 1.10. "IAS Know-How" shall mean all present and future scientific, technical, engineering, manufacturing, regulatory and other information relating to the solar collection technology, the biomass energy production technology, and the bladeless turbine technology, or the IAS Products that are owned or controlled by IAS as of the Effective Date or during the Term of this Agreement.
- 1.11. "IAS Patents" shall mean all present and future Patents owned or controlled by IAS, which generically or specifically claim any of the IAS Solar Technology, IAS Biomass Technology, or IAS Products; claim a composition utilizing IAS Technology or comprising or incorporating any of the IAS Products; claim a use of IAS Technology or any of the IAS Products; or claim a method for manufacturing any of the IAS Products.
- 1.12. "IAS Studies" shall mean any studies conducted by IAS or other parties regarding the IAS Products.
- 1.13. "IAS Technology" shall mean all IAS Know-How, IAS Patents, all technical plans and specifications and designs necessary for the construction and deployment of the IAS Products, and any intellectual property associated with the development of solar energy or biomass energy, including but not limited to the solar collectors, biomass systems, and the bladeless turbine, which are owned or controlled by IAS prior to the Effective Date, and all Improvements to IAS Technology during the Term of this Agreement, if any.
- 1.14. "Improvements" shall mean any new or useful process, technique, formula, invention or know-how, formulation, or composition of matter relating to or comprising any IAS Product, whether patentable or unpatentable, or any improvement, enhancement, modification or derivative work thereof, that is conceived or first reduced to practice or first demonstrated to have utility during the Term of this Agreement in connection with the Parties' activities under this Agreement.
- 1.15. "Party" shall mean IAS or XSUN individually, and "Parties" shall mean IAS and XSUN collectively.
- 1.16. "Patent(s)" shall mean patents and patent applications, together with all additions, divisions, continuations, continuations-in-part, provisionals, substitutions, reissues, re-examinations, extensions, registrations, patent term extensions, supplemental protection certificates and renewals of a patent or patent application, and any confirmation patent or registration patent or patent of addition based on any such patent.
- 1.17. "Person" shall mean any individual, corporation, partnership, limited liability company, trust, governmental entity, or other legal entity of any nature whatsoever.
- 1.18. "IAS Products" shall mean the IAS products set forth on Exhibit "1."
- 1.19. "Product Trademarks" shall mean the trademark(s), if any, owned by IAS that are available for use with the IAS Products.
- 1.20. "XSUN Project" shall mean any residential, commercial, industrial or community solar energy or biomass energy project that XSUN develops.
- 1.21. "XSUN" shall mean XSun Energy, LLC.

- 1.22. "Severable Improvements" shall mean an Improvement to the IAS Technology that is capable of exploitation independently of the IAS Technology owned or controlled by IAS as of the Effective Date and during the Term of this Agreement.
- 1.23. "Territory" shall mean the United States of America and Canada.
- 1.24. "Term" shall mean the period described in Section 9.1 of this Agreement.
- 1.25. "Third Party" shall mean any Person other than IAS and XSUN.
- 1.26. "Third Party Technology" means any Patents, know-how, inventions, or other intellectual property owned or controlled by a Third Party.

ARTICLE II.

GRANT OF LICENSE

2.1. Licenses.

2.1.1. Subject to the other terms, limitations and conditions set forth in this Agreement and in consideration for the payments set forth below, IAS hereby grants to XSUN the non-exclusive right and license to the IAS Technology, in and throughout the Territory, to market, offer for sale, sell, distribute, construct, install, use, operate, maintain, and offer related services, and otherwise to commercialize the IAS Technology and the IAS Products for the production and sale of electricity into the Grid in and throughout the Territory. The foregoing right and license also apply to any and all modifications, enhancements, variations, and improvements developed for the IAS Products for the Territory by or for IAS in the future, including under the claims of any patents owned or controlled by IAS now or in the future relating directly to the IAS Products. In furtherance of same, XSUN shall have the right to engage subcontractors to construct and install the IAS Products. XSUN shall be required to engage in a bidding process, at least once every calendar year, to ensure best price and quality for the construction and installation of the IAS Products. XSUN shall be responsible for all marketing, sale, storage, distribution, installation, construction, operation, maintenance, order processing and fulfillment, billing and collection activities with respect to the commercialization of IAS Technology and sale or lease of the IAS Products by or on behalf of XSUN in the Territory. In order to ensure that XSUN can use the license, IAS will supply know-how, technical plans and specifications, and any and all additional information necessary to construct, install, use, operate and maintain the IAS Products. This license shall be non-transferable except as set forth in this Agreement. The Parties acknowledge that this license shall not apply to the manufacturing or fabrication of the IAS Products. The Parties acknowledge that the manufacturing and fabrication of the IAS Products will be performed by one or more Manufacturing Licensees of IAS. XSUN acknowledges that the IAS Products are required for the XSUN Projects and that XSUN shall be required to purchase the IAS Products on a wholesale basis from one or more Manufacturing Licensees of IAS at prices agreed upon between XSUN and the Manufacturing Licensees. XSUN shall have no rights relating to the manufacturing or fabrication of the IAS Products except for the right to acquire the IAS Products from a Manufacturing Licensee of IAS and to incorporate the IAS Products in the XSUN Projects.

- 2.1.2. IAS hereby grants to XSUN a non-exclusive license to use the IAS Product Trademarks in XSUN marketing materials. IAS reserves the right to use the Product Trademarks in its own marketing materials.
- 2.2. XSUN Right of Notice of Third Party Licenses. Although IAS may attempt to advise XSUN of its intent to enter into a similar commercialization and license agreement with a Third Party, IAS shall have no obligation to provide any such notice to XSUN.
- 2.3. Rights Reserved by IAS. IAS expressly reserves the right to sell or license any IAS Product or IAS Technology to any Third Party. Except for the non-exclusive rights and licenses expressly granted in this Agreement, IAS retains all rights under its intellectual property and no additional rights shall be deemed granted to XSUN by implication, estoppel or otherwise.
- 2.4. Third Party Licenses
- 2.4.1. If either Party deems it necessary or advisable to obtain a license, or other rights to any Patent that may be or have the potential of being a blocking patent(s), such Party shall notify the other Party in writing. If the other Party agrees, then the Parties shall discuss in good faith the procedure by which the Parties will seek to obtain such license or other rights. Unless otherwise agreed in writing, the Parties shall share the costs equally. Any such license or rights shall be obtained in the name of IAS and, if applicable, shall thereafter be subject to this Agreement as provided by Section 2.5.
- 2.4.2. If the other Party disagrees with the initial assessment that it is necessary or advisable to obtain such license or rights to any Patent referred to in Section 2.4.1, the Party desiring the license shall obtain an opinion of independent patent counsel approved by the other Party (such approval not to be unreasonably withheld or delayed) to review infringement, validity and enforceability of the Patent(s) and the conclusions contained in such opinion shall be binding on both Parties. In the event that in the opinion of such independent patent counsel the identified Patent(s) may reasonably be expected to be held in subsequent legal proceedings to be infringed, valid and enforceable by any one of the activities licensed hereunder to XSUN, then the Parties shall immediately proceed in the manner provided in Section 2.4.1 as if both Parties had initially agreed to seek the license or other rights.
- 2.5. Third Party Technology. If after the Effective Date IAS acquires an assignment of, or license under, Third Party Technology (other than Patents licensed or otherwise acquired pursuant to Section 2.4.1) for use in connection with the research, development, commercialization or manufacture of the IAS Products, then IAS will promptly provide XSUN with written notice of such acquisition and any additional financial terms to which IAS would be subject if XSUN were to exploit a license under such Third Party Technology. If XSUN desires to obtain such license, the Parties will promptly amend this Agreement to reflect such additional financial terms and to provide that the applicable Patents, know-how, data, or filings will be included in the definition of IAS Technology under this Agreement. For the avoidance of doubt, if XSUN does not desire to obtain such license, such Third Party Technology shall not be included in the definition of IAS Technology under this Agreement.

ARTICLE III.

PAYMENTS

- 3.1. Initial License Fee. In consideration for the non-exclusive licenses granted hereunder for the IAS Technology, XSUN shall pay to IAS a one-time, non-refundable, lump-sum payment in the amount of Five Thousand US Dollars (\$5,000.00) within thirty (30) days of the Effective Date. The initial license fee set forth in this Section 3.1 shall not be refundable or creditable against any future payments by XSUN to IAS under this Agreement.
- 3.2. Annual License Payment. In further consideration for the non-exclusive licenses granted hereunder, for any and all gross revenue received by XSUN during each calendar year for any solar renewable energy projects or biomass energy projects, including but not limited to any and all XSUN Projects, for which XSUN has provided or will provide one or more of the IAS Products identified in Exhibit 1, including but not limited to solar panel Fresnel lens components, solar panels and towers, solar tracking system, solar energy receivers, heat transfer fluid recirculation system, heat exchange system, biomass supply system, biomass burner, biomass heat exchange system, or bladeless turbines, incorporating or manufactured, in whole or in part through the use of, IAS technology, XSUN shall pay to IAS an Annual License Payment in an amount equal to Twenty Five Percent (25%) of the gross revenue received by XSUN for the sale, construction, installation, use, operation or maintenance of each solar renewable energy project and each biomass energy project. The Annual License Payment shall not be limited to projects or components of projects utilizing IAS Technology and IAS Products exclusively, but shall include all solar renewable energy projects or biomass energy projects which utilize any IAS Product or utilize IAS Technology to any extent or in any manner. The Annual License Payment shall be paid by XSUN to IAS on or before the Fifteenth (15th) day of January of the following calendar year.
- 3.3. Examination of Records: XSUN shall provide in electronic form to IAS, on or before the Fifteenth (15th) day of January of each year, an Annual Report in Quick Books®, or other electronic format acceptable to IAS, itemizing, for each project, the gross revenue received by XSUN during the preceding calendar year, and provide to IAS, in electronic Quick Books®, or other electronic format acceptable to IAS, all data, documentation, reports and ledgers relied upon in producing the report. IAS, in its sole discretion, shall have the right to have an accountant, CPA or auditor examine any or all of the financial, accounting, cost, sales and tax records and electronic files and data of XSUN, to determine the accuracy or inaccuracy of the Annual Report. If IAS elects to have such an examination performed, IAS shall provide five (5) business days prior written notice to XSUN and the examination shall be performed during normal business hours. XSUN shall provide unlimited access to all its financial, accounting, cost, sales and tax records and electronic files and data.

ARTICLE IV.

COMMERCIALIZATION PLAN

- 4.1. Commercialization Plan. Within three (3) months of the execution of this Agreement, XSUN shall prepare and deliver to the IAS, for its review, a plan for the commercialization of the IAS Products. The plan will outline in as much detail as practicable given the current stage of commercialization. (The first such plan being the "Initial Commercialization Plan" and such

later plans, including any amendments to the Initial Commercialization Plan, as amended from time to time, herein after referred to as the "Commercialization Plan"). XSUN will solicit input from IAS for the Commercialization Plan but will retain the sole and absolute right to decide on the final content and strategy for the Commercialization Plan.

- 4.1.1. The Commercialization Plan shall be supplemented, modified and updated regularly by XSUN as and when additional relevant data and information become available, but in any event not less frequently than annually. Any fundamental modifications made to the Commercialization Plan shall be delivered to the IAS for review promptly following such modifications, even when such may occur between regularly scheduled meetings.
- 4.2. Responsibilities of XSUN under the Commercialization Plan. In addition to the non-exclusive right to market, sell, construct, install, operate and maintain the IAS Products, XSUN shall have a non-exclusive right to engage in, and shall be solely responsible for, all activities set forth in the Commercialization Plan. As part of the Commercialization Plan, XSUN shall:
 - 4.2.1. Use its Commercially Reasonable Efforts to commercialize the IAS Products;
 - 4.2.2. Use its Commercially Reasonable Efforts to perform pre-commercialization analysis, planning, market preparation and related marketing activities;
 - 4.2.3. Use its Commercially Reasonable Efforts to find, finance, manufacture, develop and operate Projects using the IAS Products and IAS Technology;
 - 4.2.4. Conduct the Commercialization Plan in compliance with all applicable laws;
 - 4.2.5. Use Commercially Reasonable Efforts to conduct its commercialization of the IAS Products in accordance with the Commercialization Plan; and
 - 4.2.6. After the end of each Calendar Year, furnish IAS and XSUN with reasonably detailed summary written reports on all activities conducted by XSUN under the Commercialization Plan during such calendar year.
- 4.3. Price of IAS Products. XSUN shall be solely responsible for any decisions and negotiations with relevant purchasers of IAS Products regarding price for XSUN Projects which are subject to this Agreement.
- 4.4. Loss of Non-Exclusive License. In the event that XSUN fails to meet any of the following Commercialization Objectives, all rights and licenses granted to XSUN under this Agreement shall immediately, in the sole discretion of IAS and upon 30 days written notice ("License Termination Notice") to XSUN, terminate, in the sole discretion of IAS.
 - 4.4.1. Beginning with calendar year 2013, in the event that XSUN fails to receive, in any calendar year, at least \$10,000,000.00 in gross revenue from solar renewable energy projects or biomass energy projects utilizing IAS Technology and IAS Products, or fails to engage in sufficient transactions which are licensed under this Agreement, in any calendar year, such that the accrued Annual License Payment amount exceeds \$3,000,000.00, IAS may, in its sole discretion, elect to terminate this Agreement by

issuing a License Termination Notice as provided above.

ARTICLE V.

PAYMENTS, BOOKS AND RECORDS

- 5.1. Payment Method. All payments under this Agreement shall be made by certified check or by bank wire transfer in immediately available funds to an account, capable of receiving United States Dollars, designated in writing by IAS. Payments hereunder will be considered to be made as of the day on which they are received by IAS's designated bank.
- 5.1.1. Payment Currency: Currency Conversion. Unless otherwise expressly stated in this Agreement, all amounts specified to be payable under this Agreement are in United States Dollars and shall be paid in United States Dollars. Net Sales in countries invoiced in currency other than United States Dollars or, as appropriate, shall be translated to United States Dollars, as necessary, using established exchanges for the translation of foreign currency into United States Dollars.
- 5.1.2. Fees and Expenses. Each Party shall pay all fees and expenses incurred by such Party in connection with this Agreement, except as otherwise expressly provided herein.
- 5.2. Withholding Taxes. If laws or regulations require withholding by XSUN of any taxes imposed upon IAS or XSUN on account of any payments paid under this Agreement, such taxes shall be deducted by XSUN as required by law from such payment and shall be paid by XSUN to the proper taxing authorities. Official receipts of payment of any withholding tax shall promptly be secured and promptly sent to IAS as evidence of such payment. The Parties will cooperate and exercise their reasonable efforts to ensure that any withholding taxes imposed are reduced as far as possible under the provisions of any applicable tax treaty and shall cooperate in filing any forms required for such reduction. IAS warrants that IAS is resident for tax purposes in the United States. XSUN warrants that XSUN is resident for tax purposes in the United States.
- 5.3. Sales Taxes. All amounts to be paid under this Agreement are stated exclusive of any sales, use, value-added, goods and services or other applicable taxes, which shall be invoiced separately.
- 5.4. Records. XSUN shall keep, and require its Affiliates and to keep, complete, true and accurate books of accounts and records for the purpose of determining the amounts payable to IAS and XSUN pursuant to this Agreement. Such books and records shall be kept for such period of time required by law, but no less than at least five years following the end of the Calendar Quarter to which they pertain. Such records shall be subject to inspection in accordance with Section 3.3.
- 5.5. Late Payments. Any payments or portions thereof due under this Agreement that are not paid by the date such payment is due shall bear interest at an annual rate of eighteen percent (18%), compounded annually, and computed on the basis of a three hundred sixty five (365) day year. The provisions of this Section 5.5 shall in no way limit any other remedies available to IAS and XSUN. The Parties agree that this provision, unless otherwise provided, will not apply to payments that are the result of a subsequent adjustment of an estimated payment, including rebates, adjustments, returns or reconciliations, nor to payments that are the subject matter of a good faith dispute between the Parties.

ARTICLE VI.

EXCLUSIVITY OBLIGATIONS

6.1 XSUN Commitments. Prior to commencing any Project, XSUN will conduct a feasibility analysis to determine if the IAS Products meet the power generation requirements of the Project. In consideration for the non-exclusive license granted to XSUN by IAS in this Agreement, and in consideration of the other covenants, promises, and agreements stated in this Agreement, neither XSUN nor its Affiliates shall use solar collection, biomass energy production, or power generation products or technologies other than IAS Products or IAS Technologies for any XSUN Project, even if XSUN determines that such competing technology better meets the needs of the Project. XSUN commits to utilize the IAS Products and will purchase the IAS Products for any XSUN Project from a Manufacturing Licensee of IAS. XSUN may purchase products needed for a complete and operational solar energy project or biomass energy project that are not an IAS Product or incorporated in an IAS Product.

ARTICLE VII.

CONFIDENTIALITY

7.1. Confidential Information. Except to the extent expressly authorized by this Agreement or otherwise agreed in writing, the Parties agree that the receiving Party (the "Receiving Party") shall keep confidential and shall not publish or otherwise disclose or use for any purpose other than as provided for in this Agreement any confidential or proprietary information and materials, patentable or otherwise, in any form (written, oral, photographic, electronic, magnetic, or otherwise) which is disclosed to it by the other Party (the "Disclosing Party") including, but not limited to, all information concerning the IAS Products, information disclosed by one Party to the other pursuant to the Confidentiality Agreement, the contents of this Agreement and any other technical or business information of whatever nature (collectively, "Confidential Information").

7.2. Development Data. Except to the extent expressly authorized by this Agreement or otherwise agreed in writing, the Parties agree that they shall keep confidential and shall not publish or otherwise disclose or use for any purpose other than as provided for in this Agreement any Data, results, reports or other know-how directly related to the IAS Technology or the IAS Products which is generated in the performance of either Party under this Agreement ("Development Data").

7.3. Exceptions. The obligations of confidentiality shall not apply to Confidential Information or Development Data that, in each case as demonstrated by competent evidence:

7.3.1. Was already known to the Receiving Party or any Affiliate, other than under an obligation of confidentiality, at the time of disclosure;

7.3.2. Was generally available to the public or was otherwise part of the public domain at the

time of its disclosure to the Receiving Party;

7.3.3. Became generally available to the public or otherwise part of the public domain after its disclosure by the Disclosing Party and other than through any act or omission of the Receiving Party or any Affiliate in breach of this Agreement;

7.3.4. Was subsequently lawfully disclosed to the Receiving Party or any Affiliate by a Person other than the Disclosing Party, and who, to the best knowledge of the Receiving Party, did not directly or indirectly receive such information from the Disclosing Party under an obligation of confidence; or

7.3.5. Is developed by the Receiving Party or its Affiliate without use of or reference to any information or materials disclosed by the Disclosing Party.

7.4. Permitted Disclosures. Upon ten (10) days written notice to the other Parties to this Agreement, each Party hereto may disclose Confidential Information of the other Party and Development Data to its Affiliates and any other Third Parties to the extent such disclosure: (a) is reasonably necessary for the purpose of exercising the rights granted to it under this Agreement; (b) is reasonably necessary to prosecute or defend litigation; (c) is reasonably necessary to comply with applicable governmental laws or regulations; or (d) is reasonably necessary to submit information to tax or other governmental authorities. If a Party is required by law or regulations to make any such disclosure of Confidential Information of the other Party or Development Data, to the extent it may legally do so, it will give reasonable advance notice to the other Party of such disclosure and, save to the extent inappropriate in the case of patent applications or otherwise, will use its good faith efforts to secure confidential treatment of such Confidential Information or Development Data prior to its disclosure (whether through protective orders or otherwise) and disclose only the minimum amount of Confidential Information or Development Data necessary to comply with the requirement. For all other disclosures of Confidential Information of the other Party or Development Data permitted pursuant to this Section 7.4, including to Affiliates and other Third Parties, a Party shall ensure that the recipient thereof is bound by a written confidentiality agreement as materially protective of such Confidential Information or Development Data as this Article Seven.

7.5. Public Announcements. As soon as practicable following the date hereof, the Parties will issue a joint press release announcing the existence of this Agreement. IAS grants XSUN the right to disclose the non-exclusive relationship in XSUN marketing materials.

ARTICLE VIII.

PATENT PROSECUTION AND ENFORCEMENT

8.1. Ownership of Intellectual Property.

8.1.1. Subject to the licenses granted to XSUN pursuant to Section 2, IAS has, and shall retain all right, title and interest in and to, the IAS Technology (including without limitation the IAS Patents and IAS Know-How).

8.1.2. Subject to the licenses granted to XSUN pursuant to Section 2, IAS shall have and retain

all right, title and interest in all inventions, discoveries and know-how which are made, conceived by IAS or XSUN, reduced to practice or generated by the employees, agents or other persons acting under the authority of either IAS or XSUN in the course of or as a result of this Agreement, during the term of this Agreement or within five (5) years thereafter.

8.1.3. IAS shall solely own all right, title and interest in and to any Severable or Non-Severable Improvements. XSUN shall promptly disclose to IAS any and all Severable and Non-Severable Improvements conceived or reduced to practice by XSUN, its Affiliates or Sublicensees, or any of its or their officers, directors, employees, consultants or other personnel at any time during the term of this Agreement or within five (5) years thereafter, or within five (5) years of termination of this Agreement, in exercising any rights or performing any obligation under this Agreement. All Severable Improvements and all Non-Severable Improvements shall be the exclusive property of IAS, and XSUN shall take, and shall cause its Affiliates and Sublicensees to take, appropriate steps to ensure that its, or their officers, directors, employees, consultants and all other personnel are obligated to assign to IAS all right, title and interest each may have in any such Severable or Non-Severable Improvement and will cooperate to effect the foregoing.

8.2. Other Licenses. Subject to Section 8.1 and the rights reserved or granted under this Agreement, IAS can use, and grant non-exclusive licenses to use, an invention owned by IAS, without the consent of XSUN and IAS has no duty to account to XSUN for such use or license, and XSUN hereby waives any right it may have under the laws of any country to require any such consent or accounting.

8.3. Prosecution and Maintenance of IAS Patents.

8.3.1. Prosecution. XSUN shall hold all information disclosed to it under this Agreement as Confidential Information. If IAS elects not to undertake the filing, prosecution and/or maintenance of any IAS Patents (or, after commencement of such filing, prosecution and/or maintenance, desires to cease the prosecution or the maintenance of any such IAS Patents), then IAS will notify XSUN of such election with at least thirty (30) days' prior written notice, identifying the specific IAS Patent(s) to which such election pertains and XSUN will be, at its own expense and discretion, entitled to file, prosecute and/or maintain such IAS Patent(s) in the name of IAS.

8.3.2. Patent Term Extensions. The Parties will discuss and recommend for which, if any, of the Patents for which patent term extensions should be sought. IAS shall have the final decision-making authority whether, at its own expense, to file all applications and take actions necessary to obtain patent term extensions with respect to the IAS Products or IAS Technology pursuant to statutes, which extensions shall be owned by IAS. If IAS declines to pursue such patent term extensions, then XSUN shall have the right at its own expense on behalf of IAS to file all such applications and take all such actions necessary to obtain such patent term extensions with respect to the IAS Products or IAS Technology. In each case, the Parties shall provide reasonable cooperation to the other Party which is seeking to obtain such extensions and additional protection.

8.4. Patent Enforcement. In the event that IAS or XSUN becomes aware of (i) an actual or threatened infringement or misappropriation of any IAS Technology by the manufacture, sale,

offer for sale or use of any IAS Product or IAS Technology ("Infringing Product"), or (ii) an actual or threatened challenge to any IAS Patents, that Party shall promptly notify the other Party in writing. IAS shall have the first right, but not the obligation, to initiate proceedings or take other appropriate action, at its own expense, against any Third Party taking or threatening to take such action. If IAS does not initiate proceedings or take other appropriate action within thirty (30) days of a request by XSUN to initiate an enforcement proceeding or defense to a challenge to the IAS Patents then XSUN shall be entitled, without obligation, to initiate infringement proceedings or take other appropriate action against an Infringing Product or IAS Patent challenge at its own expense and to include IAS as a nominal party plaintiff. The Party conducting such action shall have full control over its conduct, including settlement thereof; *provided*, however, that the Party conducting such action may not settle any such action, or make any admissions or assert any position in such action, in a manner that would materially adversely affect the rights or interests of the other Party whether within or outside the jurisdiction in which the action is brought, without the prior written consent of the other Party, which consent shall not be unreasonably withheld or delayed. In any event, the Parties shall assist one another and cooperate in any such litigation at the reasonable request of the other Party.

8.5. Cooperation. The Parties shall keep one another informed of the status of their respective activities regarding any litigation or settlement thereof concerning IAS Technology and shall assist one another and cooperate in any such litigation at the reasonable request of the other (including, without limitation, joining as a party plaintiff to the extent necessary and requested in writing by the other Party).

8.6. Infringement of Third Party Intellectual Property. In the event any action is taken by a Third Party against XSUN or any Affiliate on the basis of alleged infringement of a Patent of such Third Party or of misappropriation of the know-how of a Third Party, XSUN shall promptly inform IAS and XSUN shall be entitled at XSUN' expense to take whatever reasonable action it considers necessary or useful and IAS will provide any and all reasonable assistance, free of charge, to XSUN. IAS shall also have the right, but not the obligation, to participate in any legal proceedings in connection with such action at its own expense and make recommendations to XSUN concerning such action. XSUN will consider in good faith all reasonable suggestions of IAS with respect thereto, and agrees to keep IAS informed of the course such action or legal proceedings with respect thereto. XSUN shall control the legal proceedings, including the right to enter into any settlement, in order to be able to resume the exercise of the rights granted to XSUN under the terms of this Agreement; *provided*, however, that XSUN may not settle any such action, or make any admissions or assert any position in such action, in a manner that would adversely affect the rights or interests of IAS, or make any financial payment without the prior written consent of IAS, which consent shall not be unreasonably withheld or delayed.

8.7. Patent Marking. XSUN agrees to mark, and have its Affiliates mark, all patented IAS Products they sell or distribute pursuant to this Agreement in accordance with the applicable patent statutes and regulations in the country or countries of sale thereof.

ARTICLE IX.

TERM AND TERMINATION

9.1. Term. This Agreement shall commence on the Effective Date and, unless earlier

terminated pursuant to Section 9.2, shall continue until the later of (a) the thirtieth (30th) anniversary of the Effective Date, and (b) the date on which XSUN ceases to continue to market, promote, distribute, import or sell the IAS Products or to otherwise use the IAS Technology (the "Term").

9.2. Early Termination. Each Party shall have the right to terminate this Agreement in its entirety before the end of the Term;

9.2.1. By mutual written agreement of the Parties;

9.2.2. Upon written notice by either Party as described below if the other Party is in material breach of this Agreement and has not cured such breach within the time period identified below after notice from the terminating Party requesting cure of the breach; provided, however, in the event of a good faith dispute with respect to the existence of a material breach, the cure period shall be tolled until such time as the dispute is resolved pursuant to Article III; and provided that the terminating Party has given the defaulting Party the following opportunities to remedy any breach:

9.2.3. The written notice of breach referenced above shall detail the specific obligation under this Agreement which is alleged to have been breached; the manner of such alleged breach; and the steps which must be taken in order to remedy such breach; and

9.2.4. The terminating Party has provided the defaulting Party sixty (60) days in which to complete any steps which might be taken to remedy the breach, as stated in the notification of breach; or

9.2.5. Upon the bankruptcy or insolvency, or the filing of an action to commence insolvency proceedings against the other Party, or the making or seeking to make or arrange an assignment for the benefit of creditors of the other Party, or the initiation of proceedings in voluntary or involuntary bankruptcy, or the appointment of a receiver or trustee of such Party's property that is not discharged within ninety (90) days.

9.3. Termination of Non-exclusive Rights and License. The non-exclusive rights and licenses granted to XSUN under this Agreement are subject to the commercialization requirements and conversion provisions of paragraph 4.4 above.

9.4. Involuntary Termination of Neldon Johnson as Manager of XSUN. Notwithstanding any other provision of this Agreement to the contrary, in the event of the involuntary termination of Neldon P. Johnson as the Manager of XSUN, other than in the event of his death, IAS shall have the right, in its sole discretion, upon 60 days written notice to XSUN, to terminate the non-exclusive rights and licenses granted to XSUN under this Agreement.

ARTICLE X.

EFFECT OF TERMINATION

- 10.1. Accrued Obligations. The termination of this Agreement, in whole or part, for any reason shall not release either Party from any liability which, at the time of such termination, has already accrued to such Party or which is attributable to a period prior to such termination, nor will any termination of this Agreement preclude either Party from pursuing all rights and remedies it may have under this Agreement, at law or in equity, with respect to breach of this Agreement.
- 10.2. Rights Terminated. Notwithstanding any other provision of this Agreement, following the effective date of termination, XSUN' and its Affiliates' rights with respect to the IAS Products IAS Technology shall be terminated unless otherwise agreed in writing by the parties.
- 10.3. Continuing Payment Obligations. Any IAS Technology used or IAS Product sold or disposed of by XSUN or an Affiliate of either shall be subject to the applicable payment obligations under Articles III and V above.
- 10.4. No Renewal, Extension or Waiver. Acceptance by IAS of any payment from XSUN after the notice or effective date of termination of this Agreement shall not be construed as a renewal or extension hereof, or as a waiver of termination of this Agreement.

ARTICLE XI.

REPRESENTATIONS, WARRANTIES AND COVENANTS

- 11.1. General Representations. Each Party hereby represents and warrants to the other Party, as of the Effective Date, as follows:
- 11.1.1. Duly Organized. Such Party is a corporation or limited liability company duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or formation, and is qualified, or within ninety (90) days of the Effective Date of this Agreement shall become qualified, to do business and is in good standing, or within ninety (90) days of the Effective Date of this Agreement shall attain good standing, as a foreign corporation or limited liability company in each jurisdiction in which the conduct of its business or the ownership of its properties requires such qualification and failure to have such would prevent such Party from performing its obligations under this Agreement.
- 11.1.2. Due Execution Binding Agreement. This Agreement is a legal and valid obligation binding on such Party and enforceable in accordance with its terms. The execution, delivery and performance of this Agreement by such Party have been duly authorized by all necessary corporate action and do not and will not: (i) require any consent or approval of its stockholders; (ii) to such Party's knowledge and belief, violate any law, rule, regulation, order, writ, judgment, decree, determination or award of any court, governmental body or administrative or other agency having jurisdiction over such Party; nor (iii) conflict with, or constitute a default under, any agreement, instrument or

understanding, oral or written, to which such Party is a party or by which it is bound.

11.1.3. Consents. Such Party has obtained, or is not required to obtain, the consent, approval, order or authorization of any Third Party, or has completed, or is not required to complete any registration, qualification, designation, declaration, or filing with, any Regulatory Authority or governmental authority, in connection with the execution and delivery of this Agreement and the performance by such Party of its obligations under this Agreement.

11.2. Representations and Warranties of IAS. IAS represents and warrants to XSUN that, as of the Effective Date:

11.2.1. It has the full right and authority to grant the rights and licenses provided herein;

11.2.2. IAS is the exclusive owner or licensee of all right, title and interest in the IAS Technology and, specifically, the IAS Patents. To the best of IAS's knowledge, the issued claims in the IAS Patents are valid and enforceable, and the patent applications have been duly filed or will be filed at an appropriate time by IAS or its licensor;

11.2.3. To the best of IAS's knowledge, neither the development, use, sale or import of the IAS Products or IAS Technology, infringes any Third Party's valid patents or constitutes a misappropriation of a Third Party's trade secrets or other intellectual property rights;

11.2.4. To IAS's knowledge, there is no actual, pending, alleged or threatened product liability action nor intellectual property right litigation in relation to the IAS Technology or IAS Products;

11.2.5. IAS has not failed to furnish XSUN with any information requested by XSUN, or intentionally concealed from XSUN, any information in its possession which IAS reasonably believes would be material to XSUN's decision to enter into this Agreement and undertake the commitments and obligations set forth herein.

11.3. Representations and Warranties of XSUN. XSUN represents and warrants to IAS and XSUN that, as of the Effective Date:

11.3.1. It has the full right and authority to enter into this Agreement and to grant the rights granted herein.

11.3.2. XSUN has not failed to furnish IAS with any information requested by IAS, or intentionally concealed from IAS, any information in its possession which XSUN reasonably believes would be material to IAS's decision to enter into this Agreement and undertake the commitments and obligations set forth herein.

11.4. DISCLAIMER. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, OR ANY OTHER AGREEMENT CONTEMPLATED HEREUNDER, NEITHER PARTY MAKES

ANY REPRESENTATIONS OR EXTENDS ANY WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, AND EACH PARTY EXPRESSLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND OF FITNESS FOR A PARTICULAR PURPOSE OR USE, NON-INFRINGEMENT, VALIDITY AND ENFORCEABILITY OF PATENTS, OR THE PROSPECTS OR LIKELIHOOD OF DEVELOPMENT OR COMMERCIAL SUCCESS OF THE IAS PRODUCTS. IN NO EVENT WILL EITHER PARTY BE LIABLE FOR THE OTHER PARTY'S LOST PROFITS, LOSS OF DATA, OR FOR ANY SPECIAL, INDIRECT, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, HOWEVER CAUSED, ON ANY THEORY OF LIABILITY AND WHETHER OR NOT SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES, ARISING UNDER ANY CAUSE OF ACTION AND ARISING IN ANY WAY OUT OF THIS AGREEMENT. THE FOREGOING LIMITATIONS WILL NOT LIMIT EITHER PARTY'S OBLIGATIONS TO THE OTHER PARTY UNDER SECTION XII OF THIS AGREEMENT.

ARTICLE XII.

INDEMNIFICATION

12.1. Indemnification of IAS. XSUN shall indemnify and hold harmless each of IAS and its Affiliates, and the directors, officers, shareholders, owners, members, managers, employees, attorneys, and insurers of such entities, and the successors and assigns of any of the foregoing (the "IAS Indemnitees"), from and against any and all liabilities, damages, penalties, fines, costs and expenses (including, reasonable attorneys' fees and other expenses of litigation) ("Liabilities") from any claims, actions, suits or proceedings brought by a Third Party (a "Third Party Claim") incurred by any IAS Indemnitee, arising from, or occurring as a result of: (a) marketing, offer of sale, sale, distribution, packaging, importation, transportation, construction, installation, use, operation or maintenance of any IAS Products by XSUN or its Affiliates, including any Products Liability Claim; (b) the performance of any Developmental Study regarding the IAS Products commenced by XSUN or its Affiliates; or (c) any material breach of any representations, warranties or covenants by XSUN under this Agreement; except to the extent such Third Party Claims fall within the scope of the indemnification obligations of IAS set forth in Section 12.2, below, or result from the willful misconduct of an IAS Indemnitee.

12.2. Indemnification of XSUN. IAS shall indemnify and hold harmless each of XSUN, its Affiliates, and the directors, officers, shareholders, owners; members, managers, employees, attorneys, and insurers of such entities, and the successors and assigns of any of the foregoing (the "XSUN Indemnitees"), from and against any and all Liabilities from any Third Party Claims incurred by any XSUN Indemnitee, arising from, or occurring as a result of: (a) the use of the Product Trademarks by XSUN in the Territory in accordance with this Agreement, and (b) any material breach of any representations, warranties or covenants by IAS under this Agreement, except to the extent such Third Party Claims falls within the scope of the indemnification obligations of XSUN set forth in Section 12.1 above, or result from the gross negligence or willful misconduct of an XSUN Indemnitee.

12.3. Procedure. A Party that intends to claim indemnification under this Article XII (the "Indemnitee") shall promptly notify the other Party (the "Indemnitor") in writing of any Third Party Claim, in respect of which the Indemnitee intends to claim such indemnification, and the

Indemnitor shall have sole control of the defense and/or settlement thereof. The indemnity arrangement in this Section 12 shall not apply to amounts paid in settlement of any action with respect to a Third Party Claim, if such settlement is effected without the consent of the Indemnitor, which consent shall not be withheld or delayed unreasonably. The failure to deliver written notice to the Indemnitor within a reasonable time after the commencement of any action with respect to a Third Party Claim shall only relieve the Indemnitor of its indemnification obligations under this Article XII if and to the extent the Indemnitor is actually prejudiced thereby. The Indemnatee shall cooperate fully with the Indemnitor and its legal representatives in the investigation of any action with respect to a Third Party Claim covered by this indemnification.

12.4. Product Liability Claims. XSUN hereby expressly acknowledges and agrees that it shall be solely responsible for any and all Product Liability Claims related to or arising out of any product, project or installation, marketed, sold, leased, constructed, installed, used, operated or maintained, in whole or in part by or on behalf of XSUN, including but not limited to the XSUN Projects, pursuant to this Agreement. XSUN shall be solely responsible for complying with all federal, state or foreign laws, regulations, standards, requirements and guidelines regarding the marketing, sale, lease, construction, installation, use, operation or maintenance of any product, project or installation, including but not limited to the XSUN Projects, utilizing or embodying IAS Technology or any of the IAS Products. XSUN hereby expressly acknowledges and agrees that IAS has made no representations regarding the safety of any IAS Product or regarding the compliance of any IAS Technology or any IAS Product with any federal, state or foreign law or regulation, or with any design or safety standard or requirement, XSUN having the sole obligation to make all assessments and evaluations regarding the adequacy of the design and the safety of the IAS Products, and regarding the compliance for any product, project or installation, marketed, sold, leased, constructed, installed, used, operated or maintained, in whole or in part by or on behalf of XSUN, including but not limited to the XSUN Projects, with applicable federal, state or foreign law or regulation, and with all applicable design and safety standards and requirements.

ARTICLE XIII.

DISPUTE RESOLUTION

- 13.1. Dispute Resolution Process. The Parties recognize that disputes as to certain matters may from time to time arise during the Term of this Agreement that relate to a Party's rights and/or obligations hereunder. If the Parties cannot resolve any such dispute within thirty (30) days after written notice of a dispute from one Party to another, either Party may pursue any remedy available to such Party at law or in equity, subject to the terms and conditions of this Agreement and the other agreements expressly contemplated hereunder.
- 13.2. Governing Law; Litigation; Exclusive Venue. This Agreement and all questions regarding its existence, validity, interpretation, breach or performance of this Agreement, shall be governed by, and construed and enforced in accordance with, the laws of the State of Utah, United States, without reference to its conflicts of law principles. The exclusive venue for any action initiated by any party to this Agreement for any dispute arising under this Agreement, any other agreement expressly contemplated hereunder, or the transactions, events or occurrences related thereto, shall be the state or federal courts of the State of Utah situated in Salt Lake County, State

of Utah, and each of the parties to this Agreement hereby consents to the jurisdiction of such courts.

ARTICLE XIV.

GENERAL PROVISIONS

- 14.1. Waiver of Breach. The failure of either Party at any time or times to require performance of any provision of this Agreement shall in no manner affect its rights at a later time to enforce such rights. No waiver by either Party of any condition or term in any one or more instances shall be construed as a further or continuing waiver of such condition or term or of another condition or term.
- 14.2. Performance by Affiliates. To the extent that this Agreement imposes obligations on Affiliates of a Party, such Party agrees to cause its Affiliates to perform such obligation. Either Party may use one or more of its Affiliates to perform its obligation hereunder, provided that the Parties will remain liable hereunder for the prompt payment and performance of all their respective obligations hereunder.
- 14.3. Performance by Subcontractors. Either Party may perform any of its obligations or exercise any of its rights under this Agreement through subcontractors. Such Party shall ensure that all of its subcontractors comply with, and perform its obligations in accordance with, the terms of this Agreement; provided, however, that the use of such subcontractors by such Party shall not relieve such Party of its respective obligations under this Agreement.
- 14.4. Modification. No amendment or modification of any provision of this Agreement shall be effective unless in a prior writing signed by both Parties hereto. No provision of this Agreement shall be varied, contradicted or explained by any oral agreement, course of dealing or performance or any other matter not set forth in an agreement in writing and signed by both Parties hereto.
- 14.5. Severability. In the event any provision of this Agreement should be held invalid, illegal or unenforceable in any jurisdiction, the Parties shall negotiate, in good faith and enter into a valid, legal and enforceable substitute provision that most nearly reflects the original intent of the Parties. All other provisions of this Agreement shall remain in full force and effect in such jurisdiction. Such invalidity, illegality or unenforceability shall not affect the validity, legality or enforceability of such provision in any other jurisdiction.
- 14.6. Entire Agreement. This Agreement (including the Exhibits and Schedules attached hereto) constitutes the entire agreement between the Parties relating to the subject matter hereof and supersedes and cancels all previous express or implied agreements and understandings, negotiations, writings and commitments, either oral or written, in respect to the subject matter hereof. Each of the Parties hereby acknowledges and agrees that any transactions between the Parties relating to the subject matter of this Agreement which may have occurred prior to the Effective Date, if any, shall be subject to the terms and provisions of this Agreement, and that this Agreement shall supersede any prior oral or written agreement relating to transactions which

occurred prior to the Effective Date, if any. Each of the parties acknowledges and agrees that in entering into this Agreement, and the documents referred to in it, it does not rely on, and shall have no remedy in respect of, any statement, representation, warranty or understanding (whether negligently or innocently made) of any person (whether party to this Agreement or not) other than as expressly set out in this Agreement. Nothing in this clause shall, however, operate to limit or exclude any liability for fraud.

- 14.7. Language. The language of this Agreement and all activities to be pursued under this Agreement is English. Any and all documents proffered by one Party to the other in fulfillment of any provision of this Agreement shall only be in compliance if in English. Any translation of this Agreement in another language shall be deemed for convenience only and shall never prevail over the original English version. This Agreement is established in the English language.
- 14.8. Notices. Unless otherwise agreed by the Parties in writing or specified in this Agreement, all communications between the Parties relating to, and all written documentation to be prepared and provided under, this Agreement shall be in the English language. Any notice required or permitted under this Agreement shall be in writing in the English language, delivered personally, sent by facsimile (and promptly confirmed by personal delivery, registered or certified mail or overnight courier), sent by internationally-recognized courier or sent by registered or certified mail, postage prepaid to the following addresses of the Parties (or such other address for a Party as may be at any time thereafter specified by like notice):

International Automated Systems, Inc.
Attention: LaGrand T. Johnson
1122 North 1100 East
Spanish Fork, Utah 84660

XSun Energy, LLC
4035 S. 4000 W.
Desert, UT 84624

Any such notice shall be deemed to have been given: (a) when delivered if personally delivered; (b) on the next Business Day after dispatch if sent by facsimile or by internationally-recognized overnight courier; and/or (c) on the fifth (5th) Business Day following the date of mailing if sent by mail or other internationally-recognized courier.

- 14.9. Assignment. This Agreement shall be fully assignable by IAS, in the sole discretion of IAS. This Agreement shall not be assignable or otherwise transferred, nor may any right or obligations hereunder be assigned or transferred, by XSUN to any Third Party without the prior written consent of IAS, except that XSUN may assign this Agreement without the consent of IAS to an entity that acquires all or a substantial part of the business or assets of XSUN, whether by merger, acquisition or otherwise, provided that the acquiring Party assumes this Agreement in writing or by operation of law. In addition, either Party shall have the right to assign this Agreement to an Affiliate upon written notice to the non-assigning Party; provided, however, the assigning Party hereby guarantees the performance of this Agreement by such Affiliate. Subject to the foregoing, this Agreement shall inure to the benefit of each Party, its successors and permitted assigns. Any assignment of this Agreement in contravention of this Section 14.9 shall be null and void.

- 14.10. No Partnership or Joint Venture. Nothing in this Agreement or any action which may be taken pursuant to its terms is intended, or shall be deemed, to establish a joint venture or partnership between XSUN and IAS. Neither Party to this Agreement shall have any express or implied right or authority to assume or create any obligations on behalf of, or in the name of, the other Party, or to bind the other Party to any contract, agreement or undertaking with any Third Party.
- 14.11. Interpretation. The captions to the several Articles and Sections of this Agreement are not a part of this Agreement but are included for convenience of reference and shall not affect its meaning or interpretation. In this Agreement: (a) the word “including” shall be deemed to be followed by the phrase “without limitation” or like expression; (b) the singular shall include the plural and vice versa; and (c) masculine, feminine and neuter pronouns and expressions shall be interchangeable. Each accounting term used herein that is not specifically defined herein shall have the meaning given to it under generally accepted accounting principles in the International Financial Reporting Standards consistently applied, but only to the extent consistent with its usage and the other definitions in this Agreement.
- 14.12. Counterparts. This Agreement may be executed in any number of counterparts each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.
- 14.13. Securities Laws. Each of the Parties acknowledges that it is aware that the securities laws of the United States and the securities laws of other countries prohibit any person who has material non-public information about a publicly listed company from purchasing or selling securities of such company or from communicating such information to any person under circumstances in which it is reasonably foreseeable that such person is likely to purchase or sell such securities. Each Party agrees to comply with such securities laws and make its Affiliates, Sublicensees, employees and agents aware of the existence of such securities laws and their need to comply with such laws.
- 14.14. Conduct of Activities. As to all matters contained in this Agreement, each Party shall conduct the activities allocated to it in compliance in all material respects with all applicable laws, rules and regulations.

The remainder of this page is intentionally left blank.

IN WITNESS WHEREOF, International Automated Systems, Inc., and XSUN Energy, LLC, have executed this License and Commercialization Agreement as of the Effective Date.

INTERNATIONAL AUTOMATED SYSTEMS, INC.

By: _____

Its: _____

XSUN ENERGY, LLC

By: _____

Its: _____

EXHIBIT 1

IAS PRODUCTS

1. Fresnel Lens Segments and Sub-segments for Solar Panels
2. Solar Collector Towers, including Solar Panels and Tower Structure and Foundation
3. Dual Axis Solar Tracking System, including Drive and Control System
4. Solar Receiver
5. Heat Transfer Fluid Recirculation System
6. Heat Transfer System
7. Bladeless Turbine, including Waste Heat and Water Recirculation System
8. Biomass Supply System
9. Biomass Burner
10. Biomass Heat Exchange System

**CONSENT TO ACTION WITHOUT A MEETING OF
THE BOARD OF DIRECTORS OF SOLSTICE ENTERPRISES INC.**

In accordance with the Provisions of the Nevis Business Corporation Ordinance 1984 as amended, LaGrand T. Johnson, the Director of Solstice Enterprises Inc., (the ACompany@), hereby consents to the following action:

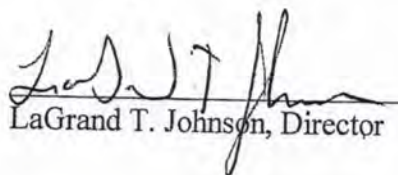
RESOLVED, that the Company hereby accepts the offer of Randle P. Johnson to purchase Twenty Five Thousand (5,000) shares of the common voting stock of the Company at the price of Ten Cents (\$0.10) per share, the Company acknowledging that the services of Randle P. Johnson on behalf of the Company to date have been taken into account in arriving at the foregoing purchase price. The foregoing purchase price shall be paid on or before February 1, 2014. These shares shall be issued by the Company on or before January 10, 2014, in consideration for Randle P. Johnson=s prior services and his promise to pay the foregoing sum on or before the date stated.

RESOLVED, that the Company hereby accepts the offer of LaGrand T. Johnson to purchase Twenty Five Thousand (5,000) shares of the common voting stock of the Company at the price of Ten Cents (\$0.10) per share, the Company acknowledging that the services of LaGrand T. Johnson on behalf of the Company to date have been taken into account in arriving at the foregoing purchase price. The foregoing purchase price shall be paid on or before February 1, 2014. These shares shall be issued by the Company on or before January 10, 2014, in consideration for LaGrand T. Johnson=s prior services and his promise to pay the foregoing sum on or before the date stated.

RESOLVED, that the Company hereby accepts the offer of Neldon P. Johnson to purchase Twenty Five Thousand (5,000) shares of the common voting stock of the Company at the price of Ten Cents (\$0.10) per share, the Company acknowledging that the services of Neldon P. Johnson on behalf of the Company to date have been taken into account in arriving at the foregoing purchase price. The foregoing purchase price shall be paid on or before February 1, 2014. These shares shall be issued by the Company on or before January 10, 2014, in consideration for Neldon P. Johnson=s prior services and his promise to pay the foregoing sum on or before the date stated.

IN WITNESS WHEREOF, the undersigned has executed this Written Consent as of the date hereof.

DATED this 1 day of Feb, 2014.


LaGrand T. Johnson, Director