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IN THE UNITED STATES DISTRICT COURT FOR THE
DISTRICT OF UTAH, CENTRAL DIVISION

UNITED STATES OF AMERICA, Plaintiff, vs. RAPOWER-3, LLC, INTERNATIONAL AUTOMATED SYSTEMS, INC., LTB1, LLC, R. GREGORY SHEPARD, NELDON JOHNSON, and ROGER FREEBORN, Defendants.	Civil No. 2:15-cv-00828-DN-EJF **UNITED STATES' NOTICE OF DEPOSITION OF DEFENDANT RAPOWER-3, LLC** Judge David Nuffer Magistrate Judge Evelyn J. Furse

Pursuant to Fed. R. Civ. P. 30, please take notice that the United States will take the deposition of Defendant RaPower-3, LLC, in this matter, at the United States Attorney's Office at 111 South Main Street, Suite 1800, Salt Lake City, Utah, 844111-2176, on May 25, 2017, at

9:00 a.m. The deposition will be recorded by stenographic means; will continue from day-to-day until completed, without further notice; and will be used for discovery, the preservation of testimony, and any other permissible purpose under the Federal Rules of Civil Procedure in the above-captioned matter.

Pursuant to Fed. R. Civ. P. 30(b)(6), Defendant RaPower-3, LLC., is required to designate one or more officers, directors, or managing agents, or other persons who consent to testify on its behalf about the matters set forth below. Please note that Rule 30(b)(6) requires the designated witness(es) to "testify about information known or reasonably available to the organization."

Definitions

1. "Shepard" refers to Defendant R. Gregory Shepard, and to any of his employees or agents, unless otherwise stated.

2. "Johnson" refers to Defendant Neldon Johnson, and to any of his employees or agents, unless otherwise stated.

3. "Freeborn" refers to Defendant Roger Freeborn, and to any of his employees or agents, unless otherwise stated.

4. "RaPower-3" refers to Defendant RaPower-3, LLC, and to any of its employees or agents, unless otherwise stated.

5. "IAS" refers to Defendant International Automated Systems, Inc., and to any of its employees or agents, unless otherwise stated.

6. "LTB1" refers to Defendant LTB1, LLC, and to any of its employees or agents, unless otherwise stated.

7. The term "IRS" refers to the Internal Revenue Service.

8. The term "Lens" means any equipment that any Defendant refers to as a "solar thermal lens," "solar lens," "Fresnel lens," and/or "lens" in public statements like the statements made in: (1) the March 2, 2015 version of the "Frequently Asked Questions" site on www.rapower3.com, a copy of which is labeled with Bates numbers US001716 through US001721 and previously identified as Pl. Ex. 1; and (2) the March 3, 2015 version of the "Solar Panels" site on www.iaus.com, a copy of which is labeled with Bates numbers US002856 through US002857 and previously identified as Pl. Ex. 2.

9. The term "System" refers to any technical, scientific, or engineering system that uses or purports to use a Lens in any way, including the purported "solar power technology" described in Pl. Ex. 2; the March 3, 2015 version of the "SOLAR" site on www.iaus.com, a copy of which is labeled with Bates numbers US002858 through US002859 and previously identified as Pl. Ex. 3; and the "combined technologies" referred to in Pl. Ex. 1.

10. The term "Component" refers to any piece of equipment in a System that is not a Lens.

11. The term "Customer" refers to any person or entity who has paid money for a Lens.

12. The term "Sponsor" means the "sponsor" that RaPower-3 refers to in Pl. Ex. 1.

13. The term "Distributor" means any person or entity, other than a Sponsor, who sells any product or service related to any System, Lens, and/or Component.

14. Unless otherwise specified, the relevant time period for the following topics is January 1, 2005 to the present.

Topics for Examination

1. Background information regarding RaPower-3, including its date of formation and whether it is in good standing, RaPower-3's general business purpose, and experience in the fields of energy technology and/or marketing of energy technology.

2. The identity (by name, last known address, and telephone number) of RaPower-3's current and former: corporate officer(s), owner(s), employees, contractors, and other agents

3. RaPower-3's federal tax filings (if any) for income and/or employment taxes, including when RaPower-3 filed returns, the amount(s) due, and the identity (by name, last known address, and telephone number) of the person who prepared any such filings.

4. RaPower-3's business relationship, if any, with IAS, Johnson, Shepard, Freeborn, LTB1, LTB, LLC, LTB O&M, LLC, SOLCO I, LLC, Cobblestone Centre, L.C., Shepard Global, Inc., The Shepard Foundation, Shepard Energy, Matthew Shepard, and XSun Energy, LLC, including whether there are any common officers, shareholders, directors, and/or employees among the entities identified.

5. Current and prior technical specifications for the Lens, System(s), and/or Component(s).

6. How Lenses are manufactured.

7. All costs incurred to produce each Lens, including the costs of research and development; materials; and manufacturing.

8. How the price of each Lens is determined, including the amount of profit, amount of down payment, and the terms of repayment.

9. Tests that RaPower-3 conducted (or has had a third-party conduct) with respect to any Lens, System, and/or Component, the results of such tests, and the identity of the person and/or entity who conducted the testing.

10. Research that RaPower-3 has conducted (or has had a third-party conduct) with respect to any Lens, System, and/or Component, the results of such research, and the identity of the person and/or entity who conducted the research.

11. The physical location(s) at which RaPower-3 provides products and/or services to any person or entity, and the infrastructure and equipment that RaPower-3 uses and/or operates to provide such services.

12. The electricity, heat, solar process heat, hot water, cooling, water of any kind, and/or any other product, that any Lens, System, and/or Component was or is intended to generate. If any product has been generated or is being generated, the quantity generated and the revenue received for each such product.

13. Facts regarding any project at, and/or referred to by, the name(s):

a. Yermo, California;

b. San Bernardino, California;

c. Boulder City, Nevada;

d. Mesquite, Nevada;

e. Kokopelli1;

f. Kokopelli2;

g. Safeway, Inc.'s Tracy Distribution Center;

h. Green River City, Utah; and/or

i. Needles, California.

14. The Lenses, Systems, and/or Components that have been installed and/or operated at Delta, Millard County, Utah (*see* RaPower-3's Resp. To U.S. 2d Interrogs., No. 19).

15. The "Safety and Operating Guidelines" provided by RaPower-3 to LTB1, (s*ee, e.g.*, Pl. Ex. 121 ¶ 4.1), and any participation IAS may have had in creating those Guidelines.

16. The "Governmental Approvals that are required to be in the Operators [*sic*] name and that are necessary for the Operator to perform its obligations" under the Operation & Maintenance agreement with Customers. (*See, e.g.*, Pl. Ex. 121 ¶ 2.5.)

17. Agreements (whether draft or executed) between RaPower-3 and any person or entity regarding the generation and/or sale of any electricity, heat, solar process heat, hot water, cooling, water of any kind, or any other product.

18. Agreements (whether draft or executed) between any person(s) and/or entity (or entities) regarding the generation and/or sale of any electricity, heat, solar process heat, hot water, cooling, water of any kind, or any other product, from a Lens, System, and/or Component.

19. Power purchase agreements, transmission agreements, and/or interconnection agreements (whether draft or executed) to which RaPower-3 is a party (or prospective party) or for which RaPower-3 provides any services.

20. All contacts between RaPower-3 and Rocky Mountain Power, Intermountain Power Project, PacifiCorp (or any subdivision of PacifiCorp), and/or any other entity to

interconnect any property owned, operated, and/or serviced by RaPower-3 with property owned, operated, and/or serviced by such entities.

21. How RaPower-3 contracted with Customers and/or other users of RaPower-3's products or services, including whether any Customer negotiated the terms of any contract with RaPower-3.

22. RaPower-3's understanding of its rights and obligations under any equipment purchase agreement (*see, e.g.*, Pl. Ex. 119), bonus contract (*see, e.g.*, Pl. Ex. 312), operation and maintenance agreement (*see, e.g.*, Pl. Ex. 121), and/or any other contract that RaPower-3 has with any person and/or entity related to any Lens, System, and/or Component.

23. How RaPower-3 ensures that a Customer meets its obligations under any contract, including making any required payment for each Lens.

24. RaPower-3's services to any person and/or entity related to a Lens, System, and/or Component, to the extent RaPower-3 has provided and/or is currently providing such services.

25. How RaPower-3 ensures it meets its obligations to any Customer, including tracking any Customer's "downline" and ensuring all Customer commissions are paid.

26. Payments that RaPower-3 has made to any person and/or entity related to a Lens, System, and/or Component.

27. Statements to any person and/or entity that that person's and/or entity's unit, equipment, Lens, Component, and/or System had been installed, "put into service," and/or "placed in service."

28. Inquiries by any Customer regarding the status of such Customer's bonus payment, lease payment, and/or the performance of any Lens, System, and/or Component.

29. Statements about RaPower-3's business activities, products, and/or services on current and/or former versions of the website www.rapower3.com; in "History of RaPower3" (*see* Pl. Ex. 8); in RaPower-3 "Team Memos" (*see* Pl. Ex. 292), on "site tours," and/or other marketing materials and events. This topic includes the identity of the person or persons who provided information that supports such statements.

30. Statements made by IAS, Johnson, Shepard, Matthew Shepard, and/or Freeborn to any person and/or entity regarding the function, operational status, and/or technical capacity of any Lens, System, and/or Component. This topic includes the identity of the person or persons who provided information that supports such statements.

31. Research and/or advice performed by and/or obtained by RaPower-3 regarding federal tax consequences related to any Lens, System and/or Component, including the federal tax consequences of the financial structure of any transaction Customers enter related to any Lens, System, and/or Component. This topic includes, but is not limited to: advice from Hansen, Barnett & Maxwell; Cloward & Sorenson; Todd Anderson, Anderson Law Center, P.C., and/or Kenneth Birrell of Kirton McConkie.

32. RaPower-3's statements to any person and/or entity regarding federal tax consequences related to any Lens, System, and/or Component, including the federal tax consequences of the financial structure of any transaction Customers enter related to any Lens, System, and/or Component.

33. Statements made by IAS, Johnson, Shepard, Matthew Shepard, and/or Freeborn to any person and/or entity regarding federal tax consequences related to any Lens, System, and/or Component, including the federal tax consequences of the financial structure of any transaction Customers enter related to any Lens, System, and/or Component.

34. RaPower-3's gross receipts from any service it has performed and/or any product it has produced if such gross receipts are related to a Lens, System, and/or Component.

35. Statements RaPower-3 has made regarding this lawsuit and/or IRS audits of Customers, including the identity of the person or persons who provided information that supports such statements.

36. RaPower-3's responses to the United States' requests for production of documents to RaPower-3, with respect to the manner in which RaPower-3 searched for responsive documents, which (if any) of the documents produced in the "Ra3" Bates range are RaPower-3's documents, and the contents of any documents produced by RaPower-3.

37. The format of RaPower-3's responses to the United States' interrogatories to RaPower-3, specifically with respect to potentially mis-matched numbers. (*Compare, e.g.*, Pl. Ex. 414 (containing responses to Interrogatory Nos. 1 through 22) *with* U.S. 2d Interrogs. to RaPower-3 (containing Interrogatory Nos. 23 through 24) *and* RaPower-3's Resp. To U.S. 2d Interrogs. (responding to Interrogatory Nos. 23 and 24, but numbering them as Nos. 19 and 20).)

38. RaPower-3's role in paying for legal representation for Customers who are being audited or have been audited by the IRS and/or any state department of revenue.

39. RaPower-3's role in paying Defendants' and/or third-party witnesses' attorneys' fees and/or expenses in this lawsuit.

Dated: April 27, 2017

JOHN W. HUBER
United States Attorney

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CERTIFICATE OF SERVICE

I hereby certify that on April 27, 2017, the foregoing document and its exhibits were sent via electronic mail to the following counsel of record:

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Buy Solar Lenses

SITE PAGES
Home
Technology
Start Your Business
Opportunity Overvie
Tax Info
FAQ
Tours
News
Learning Center
Contact

Frequently Asked Questions

If you have a question that is not answered here please contact us through the contact page.

Categories:

Sponsoring Questions

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1. Why do I need a Sponsor to buy lenses?

First, your sponsor will receive a commission when you purchase systems.

Second, your sponsor can answer questions now and in the future. If not, then his or her sponsor.

2. How can I look at the contracts and agreements before I buy?

Go to our Buy Now page. There you can see all of the documents.

General Questions

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1. In a nutshell, what is the RaPower3 deal?

RaPower3 has solar energy lenses one can purchase. Benefits include rental income, bonuses and tax credit/depreciation benefits that give an impressive return. There are also sales commissions available.

2. Who owns the technology?

International Automated Systems (IAUS). They give RaPower3 the right to sell their lenses.

3. Are there any patents?

About 26 patents and 50 patent pendings covering a number of IAUS technologies as of September 2014. IAUS has both national and international patents.

4. Does RaPower3 have a business licence in my state?

Yes. RaPower3 has current business licences in all 50 states.

5. Does the RaPower3 Solar Project have permits?

Yes. You may view the permit here.

Plaintiff Exhibit 1

US-001716
US001716

A Deseret News article published in Dec 2013 stated that RaPower3 does not have required permits; this is not true. Please refer to our response to this article here for further information. You may also view the county's letter stating our compliance here.

6. Can you define all the different watt terms?

A thousand watts = one kilowatt.
A thousand kilowatts = one megawatt.
A thousand megawatts = one gigawatt.

In the United States, one megawatt of energy would roughly meet the needs of a town of one thousand people. The terms of the cost per kilowatt hour can be different.

For example, an agreement to get ten cents per kilowatt hour (kWh) means for every hour that we produce one kilowatt we would get ten cents. Therefore, if we were able to produce energy at the rate of 200 hours a month, then we would receive $20 per month per kilowatt or $20,000 per megawatt or $2M per month for a 100 megawatt project.

7. What are the British Thermal Units mentioned in the RaPower3 contract?

The British thermal unit (symbol Btu or sometimes BTU) is a traditional unit of energy equal to about 1055 joules. It is approximately the amount of energy needed to heat 1 pound (0.454 kg) of water from 39°F to 40°F (3.8°C to 4.4°C). The unit is most often used in the power and steam generation industries. And, so it is with RaPower3. The solar lenses will heat the water to a very hot temperature creating steam which makes the turbine turn. BTUs can be mathematically converted to kilowatts. This conversion equation is important in maintaining RaPower's agreement with purchasers.

8. What are the RaPower3 contracts?

When you sign up by filling out the Distributor Application Form to purchase your solar lenses, you also electronically sign three other contracts and/or agreements. These three contract/agreements are with three different entities.

a) Your Equipment Purchase Agreement is with RaPower3.
b) Your Operation and Maintenance Agreement is with LTB,LLC.
c) Your Bonus Referral Contract is with IAS (International Automated Systems).

This was done in order for you to receive the maximum benefits possible and to insure your ability to claim all of your tax credits and depreciation as outlined.

RaPower3 Team Members can look at and print out their agreements by going to rapower3.com and logging into the Back Office. You will need your USER NAME that you created when you signed up. We suggest you print out a physical copy for your file and another copy for your tax preparer.

Tax Questions

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1. What are the tax forms used for the solar energy tax credits?

You can access the solar energy tax forms 3468 and 3800 by going to irs.gov. In the upper right hand corner there is a search engine; just put in the form number. After the above forms are filled out correctly, then the tax credit number goes on line 53 of your 1040 form.

2. What tax forms are used for the depreciation?

IRS Form 4562 and Schedule C. The depreciation from 4562 becomes a Net Operating Loss (NOL) on Schedule C and then that figure goes on line 12 on your 1040 form.

3. How are the tax credits and depreciation calculated?

The purchase price per lens is $3,500 so you simply take 30% of that, which=$1,050 tax credit per system.

For depreciation, take half the tax credit ($525) and subtract that from the purchase price, which= $2,975 depreciation per system.

4. What are the depreciation requirements?

To be depreciable, the property must meet all of the following requirements: (Our RaPower3 solar thermal lenses easily meet these four requirements) 1. It must be property you own; 2. It must be used in your business or income-producing activity; 3. It must have a determinable useful life; 4. It must be expected to last more than one year after being placed in service.

5. When can I start claiming my depreciation?

A taxpayer can start claiming depreciation of an asset as soon as his or her property is placed in service. Property is placed in service when it is ready and available for a specific use, whether in a business activity, an income-producing activity, a tax-exempt activity, or a personal activity. This does not mean you have to be using the property; just that it is ready and available for its specific use. The Placed-In-Service letter and Bonus Referral Contract that you will receive after you purchase your systems verifies this.

If the equipment is ready and available for ANY income producing activity, including leasing it out for advertising purposes, the owner may start claiming depreciation on the asset. This is what we give you with the Bonus Referral Contract. Your solar thermal lenses qualify for the 50% bonus depreciation in 2012, 2013 and 2014 as the above standards have been met. You use the standard 5-year double declining balance depreciation method for 2014.

6. I know I have to materially participate in my solar energy business to be considered non-passive so I can claim the depreciation. Do I have to spend 500 hours a year to be considered active because I really can't do that?

No, you do not have to spend 500 hours to qualify for material participation. Here are the guidelines taken from irs.gov website: If the taxpayer and/or the spouse meet any of the following, he materially participates and income is non-passive and should not be on Form 8582, triggering passive losses:

1. Did taxpayer work more than 500 hours a year in business?
2. **Did taxpayer do most of the work?**
3. Did taxpayer work 100 hours and no one worked more?
4. Did taxpayer work 100-500 hours in several passive activities, the sum of which exceed 500 hours?
5. Did taxpayer materially participate in the activity any 5 of the prior 10 years?
6. If the business is a personal service activity, did he materially participate in any 3 prior years?

Most RaPower3 Team Members qualify under guideline #2. Almost all of our RaPower3 Team Members work by themselves in their solar energy business. They have no employees and therefore, they do all or most of the work involving their solar energy business. So these team members usually don't spend 500 hours on their business, but qualify anyway under guideline #2 because they do most of the work.

7. Will the lenses I purchased be Placed In Service?

Yes. You will get a Placed-In-Service letter e-mailed to you in late February 2015 stating that fact. We suggest you make a copy of the letter and give it to your CPA so it's on file for his/her records.

8. How and when did all these amazing tax benefits come about?

The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010 included provisions that allow businesses to elect 100 percent depreciation through 2011 and a 50 percent bonus depreciation through 2013. This bonus deprectiation is not available for tax year 2014 or later unless extended by congress.

On October 3, 2008, the House of Representatives passed H.R. 1424, the Emergency Economic Stabilization Act of 2008 by a vote of 263-171. Soon after, President Bush signed the bill into law. The U.S. Senate passed its own version of the bill on Oct. 1, 2008. In the bill are a number of provisions supporting energy efficiency and renewable energy, including all of the solar incentives advocated by SEIA (Solar Energy Industries Association).

This package includes an 8-year extension of the 30% commercial solar investment tax credit, completely eliminates the monetary cap for residential solar electric installations, and allows utilities and alternative minimum tax (AMT) filers to take the credit. Therefore, RaPower3 will offer the tax benefit program through the purchasing of its solar thermal lenses until the end of the year 2016.

9. What can I do with the Kirton-McConkie tax attorney memorandum? I noticed it referes to SOLCO1, so how can RaPower3 Team Members use this letter?

SOLCO1 is an entity that deals in bigger commercial projects but is owned by RaPower3. Thus, all our RaPower3 Team Members are allowed to use and rely on this tax attorney memorandum. You should make two copies: one for your file and one for your tax preparer. The letter gives a number of references stating why RaPower3 tax benefits as outlined are following IRS tax codes and law.

10. There is also the Anderson tax attorney opinion letter. Since the Kirton-McConkie memorandum is newer, should I just use that one or use both?

Use both. The Anderson tax attorney opinion letter is your best resource in claiming your depreciation. You let IAUS use your lenses for advertising purposes and did so by the Bonus Referral Contract with your compensation tied to the gross sales of IAUS (International Automated Systems). This means you were using your lenses for a money making purpose. Therefore, your lenses were "placed into service" under the guidelines for Depreciation, which are different than the "placed into service" guidlenlines for your tax credit.

11. What if I purchased before the tax attorney letters were written?

It doesn't matter. Both letters are considered retroactive.

12. What code do I use on Schedule C and what is the type of business?

Use the code number 532400 and the type of business is Equipment Rental Services.

Technology Questions

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1. What are the breakthrough technologies?

There are nine breakthrough technologies that should propel RaPower3 to the forefront of our nation's energy needs.

- Solar Thermal Lenses: These highly patented solar lenses are made of plastic and can be inexpensively mass produced. This Concentrated Solar Power (CSP) system is the only technology that uses the highly advantageous refractive approach rather that a reflective approach.
- Jet-Propulsion Turbines: These highly patented turbines can be inexpensively mass-produced. Our turbines are also scalable. This means projects can be built using many small turbines rather that one large one. Finally, our turbines are more efficient and can work with a lower grade of steam with a further advantage of being water tolerant.
- Dual-Axis Tracking System: Tracks the sun both horizontally and vertically creating greater efficiency. One laptop computer can regulate tracking the sun precisely with a thousand or more towers at the same time.
- Framing of the Solar Lenses: Able to withstand winds up to 90MPH. This is far more than our competition.
- Heat Concentrators: This boosts temperatures into the 2,500 degree range which is necessary in mass-producing inexpensive zinc batteries.
- Heat Exchangers: This highly patented technology reduces the size of current heat exchangers on the market by one thousand times thus reducing the cost exponentially.
- Biomass Burner: This patented technology burns any kind of biomass, waste or garbage with zero emissions. Our system is far more efficient and less costly than out competitors.
- Dynamic Voltage Controller (DVC): This highly patented and guarded technology efficiently and smoothly regulates different and fluxuating voltages. This control board can be mass-produced and will have multiple remarkable life-changing uses with a variety of industries. See **VIDEO**.
- Capacitors: This will revolutionize the electric car and energy storage industry. More on this later.

2. What is the significance of these combined technologies?

We have the answer to our nation's energy needs and this answer is available in 2015. Our answer includes all three essential dynamics for changing the energy equation. First, we have the lowest installation costs of any energy source. Second, we have the lowest cost of operation of any energy source. Third, we can mass- produce every component in practically limitless quantities. In a nutshell, our combined technologies have the potential of significantly changing the energy requirements of transportation, homes and businesses.

3. Why can RaPower3 members only buy solar lenses?

Buying only the solar lenses gives our members versatility in claiming their tax benefits. Also, the tax benefits are based on providing solar process heat. Only the solar lenses can do that.

4. Will there be other products for RaPower3 members to buy in the future?

Possibly. There are some really cool technologies and products that will be released by International Automated Systems in the future. Some of these may be a great fit with our RaPower3 marketing concepts. Stay tuned.

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Contract Questions

1. People electronically sign their contracts and agreements. Is this legally OK?

Yes. It is now done all the time in the United States.

2. Why so many contracts and agreements?

All are necessary to put the whole RaPower3 package together.

For example, The Equipment Purchase Agreement has important connections with the Operations and Maintenance Agreement. The Bonus Contract is important for our RaPower3 members in qualifying for the depreciation benefit.

3. How can I get a copy of my Contracts and Agreements?

Easy. Just Log-in to your back office member area. Look to the left hand greenish column. There are two places to get this info that you may also print. First, look for contracts and click. There you will see a list of some of your documents. Just click to see or print. Second, look down further and click View Personal Purchases. This page shows a list of your Personal Purchases. On the left, you will see a small box with a + in it. Click it. This will bring up a lot of info. Your Equipment Purchase Contract, your Operations and Maintenance Agreement. You can even print out your invoice; something your CPA might wish to have.

Network Marketing Questions

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1. I don't like Network Marketing (Multilevel Marketing). What do I have to do?

Nothing. Absolutely nothing. It's just one component of RaPower3. Your participation is completely voluntary.

2. What's the cost?

There is no cost. There is no administration start-up fee like other network marketing companies and also no monthly funds taken out of your account like other companies. You simply get commissions on everyone you sponsor and commissions on everyone they sponsor up to 6 levels deep.

3. What makes RaPower3 different?

Ninety-eight to ninety-nine percent of people who get into network marketing lose money because of the administration fee and having monthly funds withdrawn automatically from their checking account. Most people are unskilled in selling the products that are often times overpriced and, in addition, to being rejected over and over. Discouragement and loss of money leads to quitting with a bad taste.

With RaPower3 you only buy what you need and what you do buy makes you money and continues to make you money.

4. How do commissions work?

You work at your own pace. But the commissions are ten percent on the sales, ten percent on the rental income plus the bonus. It can mount up to a life-changing amount. You can sponsor as many people as you want. We call that going wide. And with each of those people you directly sponsor, you will also get a 1% commission for everyone they sponsor six levels deep. This means you can make commissions when your clients sell systems.

Example: Many people have purchased 100 systems or more. One hundred systems require a down payment of $105,000. That means a $10,500 commission. This also means the client will earn $15,000 a year in rental income. That means another $1,500 a year in commissions from the rental. The bonus would be at a maximum of $100,000.

5. Who would buy 100 systems?

One in ten households should purchase 100 systems. When you speak in terms of being able to go back one to two years, you really don't have to make that big of an income to justify a one hundred system purchase. You can purchase several lenses a month and by the end of the year, you can get it done. Your IRS refunds will be about &160,000. Do the math. What's even better this program is the federal government's program. RaPower3 just uses what was passed by congress and signed into law by two presidents to help make our country go green.

Negative Media (urgent)

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There is the appearance of a lot of negative information against RaPower3 and/or IAUS on the Internet. The truth is, nearly all negative media on the internet about RaPower3 and IAUS stems from an anonymous man whose main alias is TEDennis. This man's agenda is to do harm to RaPower3 and RaPower3 members. Please stay away from this dangerous man. If you know any information on this man, or if he has hurt you in any way, please send the information to info@rapower3.com so that it may be added to forthcoming action.

1. Who is TEDennis?

He is a man who hides behind the annonymity of the internet with the singular purpose to spread misleading and hurtful misinformation about RaPower3 and IAUS in order to disrupt progress by any means possible. His main website is called iausenergy.com. But he has many, many more sites with cleaver titles such as "Scamwatch" and "Fraud Alert", but they are nothing more than free blog sites filled with misleading information about IAUS and RaPower3.

His main site, iausenergy.com is regisered under godaddy. The following came from the registrar:

To see the report on iausenergy.com CLICK HERE

On this report you will see the phone and fax numbers are:
+1.4806242599 and +1.4806242598

And the address is listed as:
14747 N Northsight Blvd Suite 111, PMB 309
Scottsdale, Arizona 85260

The man is dangerous. Do an internet search on these phone numbers and address to see what this man is involved in. It is really scary stuff.

2. I read and article called "Pie in the Sky...", are the claims in the article true?

The answer is, absolutely not.

A detailed response from RaPower3 concerning this article and its wild claims may be read HERE.

Make Payments To:
RaPower3 LLC
4035 South 4000 West
Deseret, UT 84624

PR Contact:
Matthew Shepard
matt@rapower3.com
801-651-2183

Business Contact:
Greg Shepard
greg@rapower3.com
801-699-2284

Technology:
Technology Overview
Technology Videos
Disruptive Solutions
The Basics
Patents

Opportunity:
Opportunity Overview
Payback
Calculate Lenses
Buy Lenses and Join

Tax Info:
General Tax Information
Tax Forms
CPA Information
How Depreciation Works

AGREEMENTS

Lens Purchase Agreement | Operations & Maintenance | Commission Agreement | Policies & Procedures | Distributor Application

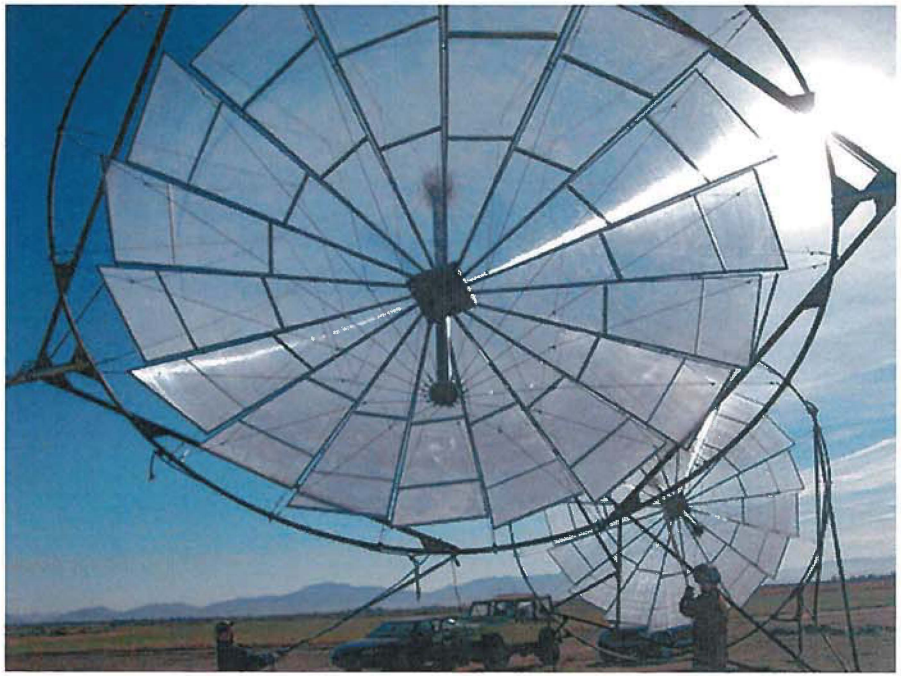
DOCUMENTS

IAUS Tech White Papers | Tax Opinion Letter | Tax Memorandum | RaPower3 History | Millard County Permit

Solar Panels

Solar Panels- IAUS's panel fabrication is a unique, patented, molding process never-before done with a radial Fresnel lens. This process allows for inexpensive, high-volume, mass production that can be expanded for ultra-high volumes in a comparatively short amount of time.

These thin solar panels focus the sun's energy to a small, high-temperature point. The energy generated can be used for both electricity production and thermal heat for manufacturing, water purification, chemical refinement, and other heat-based processes.



Plaintiff Exhibit 2

US002856

Solar
Solar Panels
Bladeless Turbine
Dynamic Voltage Controller (DVC)
DVC Prototype Videos
Instant Charge Batteries
Wind Turbines
PV Solar
CPV Solar
Ocean Wave Energy Generation
Electric Car Energy Capture
Electric Motors/Generators
Smart Grid
Lithium Batteries
News
About

SOLAR

IAUS expects its unique solar power technology to be the first to compete with gas and coal. Two primary issues have prevented solar power from replacing fossil fuels: the high cost of solar power equipment, and limited-volume manufacturing capabilities. In fact, even if today's solar power technologies were competitively priced, the manufacturing capabilities are so low it would take decades to barely make a dent in replacing fossil fuels.

IAUS's new solar technology presents a breakthrough on both fronts. The company has been achieving manufacturing costs competitive with fossil fuels, and its annual production scalability, both cost wise and time wise, is off the charts compared to today's technologies. These two

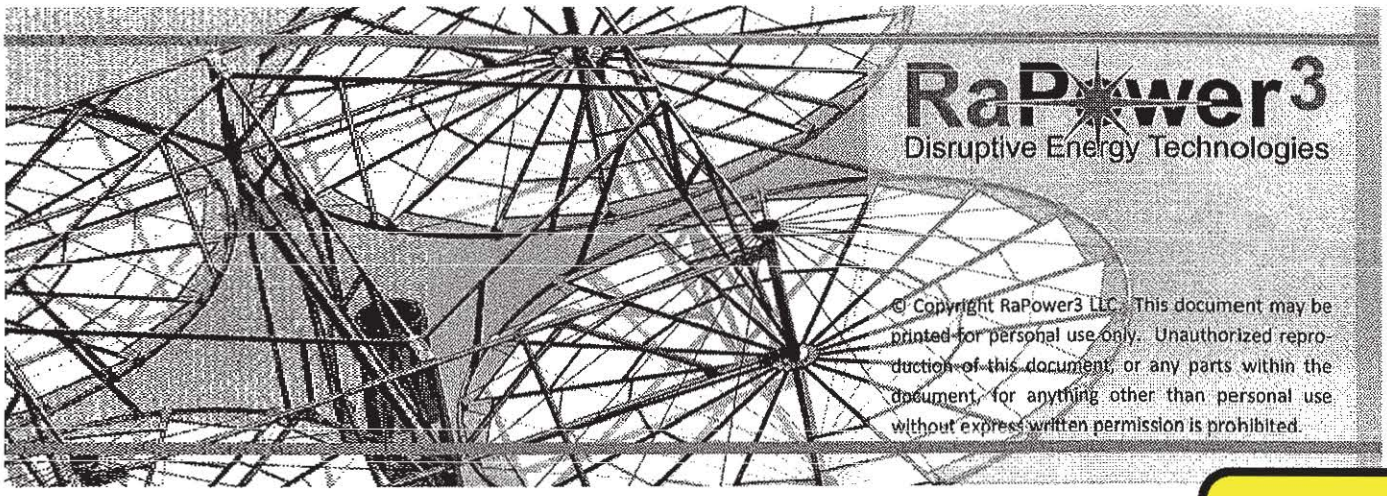
Because of IAUS's other proprietary components such as its bladeless turbine and dynamic voltage controller, the company's solar product can operate as both solar thermal and concentrated photo voltaic (CPV). Combining the two not only lowers the cost, and adds peak-power stability, but it creates a system that can potentially achieve efficiencies above 60%-70%.

Being a thermal based system also allows IAUS's solar plant to function as a hybrid with other fuels such as biomass, and natural gas. In addition, it is capable of producing electricity and desalinated water simultaneously. So coastal areas that are short of fresh water can produce both electricity and desalinated water from the sun.

Plaintiff Exhibit 3

US002858

elements make it perhaps, the energy sector's holy grail in a market currently grossing more than $3 trillion annually, but fueled by less than 1% solar.



Plaintiff Exhibit 8

HISTORY of RAPOWER3

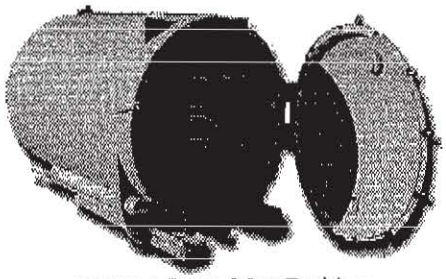
By Greg Shepard

This treatise is not meant to be a complete history. It is based on my memory, as feeble as it may be. The opinions and reflections are mine and mine alone. It will cover a time span from 2003 through 2014 and then give a glimpse into the future.

1. EARLY YEARS

Proof of Concept: The Early Years through 2007

Parameters: RaPower3 uses the technology developed by IAS (International Automated Systems). Thus, any historical writings of RaPower3 must include IAS. Founded in 1987, International Automated Systems, Inc. (IAUS:OB) develops and markets high-technology products. The company, which has been publicly traded since 1988, has patented and patent- pending technology for diverse markets such as renewable energy production, wireless communications, self-service consumer purchasing and secured financial transactions. The company, founded by a former AT&T communications engineer, is based in Utah. Its stock symbol is IAUS and its website is iaus.com.



IAUS Jet-Propulsion Turbine

RaPower3 was started in 2010. Therefore, in this historical section dealing with the early years through 2007, I will focus on two breakthrough technologies developed during this proof of concept time period that involve RaPower3.

THE IAS BLADELESS TURBINE

International Automated Systems, Inc. developed a new breakthrough bladeless turbine technology. It is a patented propulsion turbine, which some believe may revolutionize electrical power generation and low-cost hydrogen fuel production. (From iaus.com)

Most of the following is from the IAS website

Propulsion Turbine

IAUS's unique turbine has many advantages over traditional turbine designs. Rather than relying on turbine blades to spin the turbine cylinder, IAUS's Propulsion Turbine is designed to turn the cylinder without blades. IAUS's turbine efficiencies are very similar to expensive, high-end, multi-stage turbines; however, IAUS's turbine is low-cost and operates minus most of the expensive surrounding components and maintenance issues.

Traditional turbine performance relies upon the environment within its blade chambers. Superheated, high-velocity steam particles are continuously striking the titanium turbine blades to turn the shaft. If steam condenses on the blades, a sharp drop in efficiency and damage to the turbine can result. Traditional multi-stage turbines require dry, high-quality steam.

IAUS's new turbine is structurally unaffected by low quality steam. It blows the energy away from its components instead of on them to turn the shaft. It is smaller than traditional turbines, less expensive, and requires very little maintenance. Unlike traditional turbines, IAUS's turbine can operate without corrosion or system failure on both high quality and low quality steam. It has bi-phase flow capability.

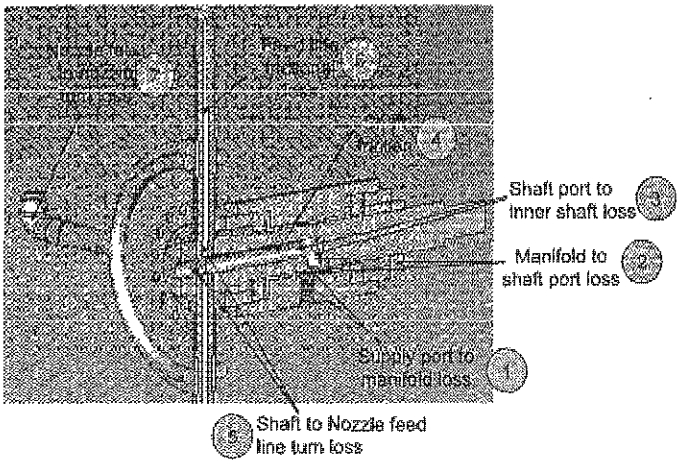
IAUS Turbine Eliminates Need for Boiler

IAUS's proprietary turbine steam cycle does not need an expensive, sophisticated, high-maintenance boiler. Instead IAUS's turbine operates on high-pressure, super-heated water (supercritical fluid) from a series of smaller, high-pressure tubing, which is much safer, less expensive and easier to manage. The expansion or phase change (flashing) from water to steam happens right in the working chamber of IAUS's turbine. It makes the Balance of Plant (BOP) steam production and monitoring equipment less complicated. These are significant advantages over traditional boiler systems required by conventional turbines.

Modular

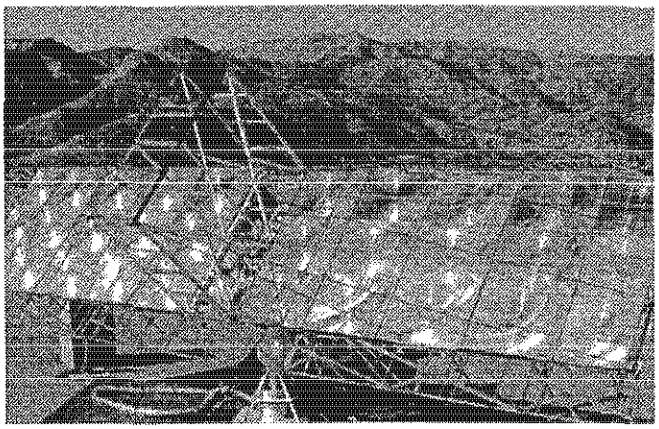
IAUS's turbine can be custom designed for smaller to medium size applications. This allows for staging power in and out and inexpensively segmenting a power plant into smaller sectors which improves issues of downtime while offering low-cost redundancy.(2003 News Release) Jack Dean, who has spent more than 35 years in the energy industry, is well known in connection with renewable energy production and an author and co-author of several publications covering subjects ranging from steam turbine principles and water induction, to power plant principles for plant operators and engineers.

"There are two unique features that give this turbine an unmatched versatility: its physical construction and its use of multiple-phase fluid," said Dean. "Use of this new Propulsion Turbine technology will offer many cost and energy saving opportunities for the people of Hawaii, and thus, move Hawaii closer to a goal of energy self-sufficiency based upon renewable energy and hydrogen."



SOLAR LENS DEVELOPMENT

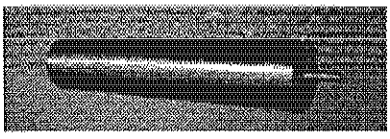
Neldon Johnson, inventor of the IAS technologies, developed his patented bladeless turbine over a decade ago. He thought his turbine would match up well with concentrated solar power energy, but found that conventional polished glass mirror technology that reflected the sun's rays to a tiny focal point was expensive, inefficient and used too much water. He turned to a Fresnel lens where the sun's rays would refract while bending the sun's rays to a much larger focal point. He hooked up Fresnel lenses to his turbine and produced electricity. Thus, he had proof of concept. The problem was that the Fresnel lenses were extremely expensive.



The photo above shows the Fresnel Lenses used in 2004 in Mesquite, Nevada. The Fresnel Lenses captured the heat from the sun which, in turn, created steam as water was heated past its boiling point. The steam then propelled the IAS patented Bladeless Turbine. A special heat exchanger was designed by IAS along with a generator which was "bought off the shelf."

The Result: Electricity was produced! The proof was that a series of truck headlights were brightly illuminated. Twenty-four in all. Many people witnessed this historic event, including myself. (Greg Shepard)

The generous tax benefits that we have today did not exist when Mr. Johnson discovered his proof of concept. Therefore, he set out to produce solar power that would be as affordable as coal. How could this be done? The inspiration to solve this challenge came with an idea of replacing the polished glass mirrors with a plastic/acrylic material using the Fresnel lens.


8-foot Copper Roller Mold

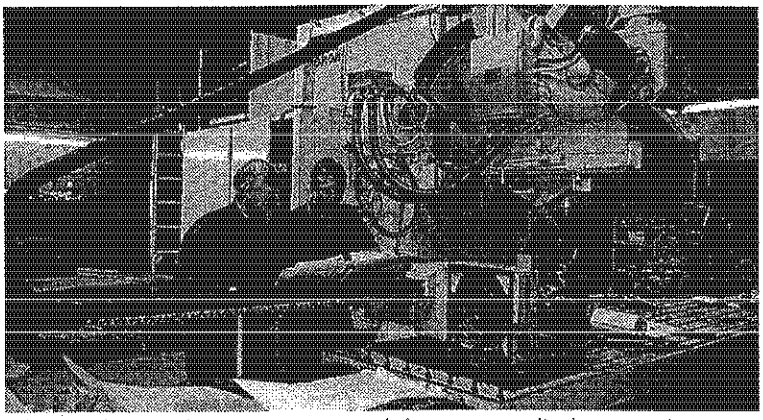
He went to Canada to enlist the help of the scientists who developed the Hubble Space Telescope. After a year of delays and little progress, Neldon and his team took over and finished a roller/mold. They approached Lucite who agreed to let them try the roller on one of their lines. After several months of trial an error, the first plastic/acrylic lenses were successfully produced.

It all starts with the eight-foot copper cylinder and the 89,000 pound mold-making machine. Concrete, four feet in depth, had to be poured to support the heavy mold making

THIN-FILM SOLAR LENS

IAUS's unique thin-film solar panels have a solar insolence transmittance efficiency of nearly 92% - virtually the highest transmittance physically possible of any material. These breakthrough solar panels have shown a conversion of solar energy from the sun into temperatures of over 1,300 degrees F.

machine and to keep it absolutely stationary. The copper cylinder, 22-inches in diameter, is secured by tightly fitted mandrels to make sure it too, is absolutely stationary.



This machine etches grooves around the copper cylinder to make a highly complex roller-mold used to make our thin-film solar lenses.

Highly complex patented software programs the mold-making machine to etch grooves around the cylinder. Many hundreds of grooves are etched into the mold and each groove has six different measurements. The intricacy of making our solar lenses is done here. The intricacy of our competition is done out in the solar field.

It takes three months to etch all of the grooves around the cylinder which is then shipped to Lucite. Each mold/roller/cylinder produces about 700,000 lenses which equates to about 400 Megawatts. We have the capability of making many molds per year and Lucite has no limitations on the number of molds that can go on their production lines. Specifically, the Lucite panels are made up of a very durable, engineering grade-monomer material that has been known to last more than 60 years. These panels are also 100% recyclable.

With the success of the first Lucite run, it became apparent that we could mass produce solar lenses at a tiny fraction of the cost of our competition. Later, we would also prove that it was also far more efficient than the polished glass mirrors, would use very little water, would not disturb the land and considerably decrease the cost of operation.

2007: IAUS Believes New Breakthrough Solar Panel Can Change the World

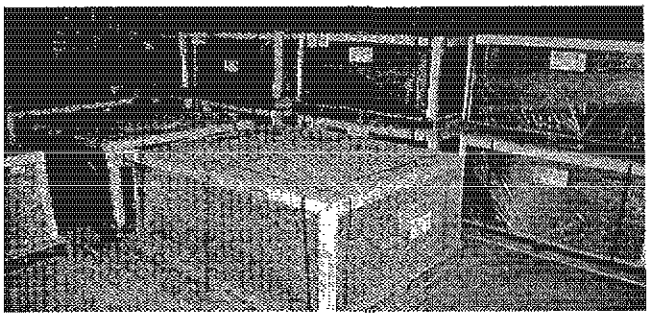
Following a successful high-volume run of its new breakthrough solar panels, IAUS has been conducting tests to identify the parameters of its new product. The new panels have delivered an exciting performance that is in line with preliminary expectations.

IAUS's unique thin-film solar lenses have a solar insolence transmittance efficiency of nearly 92% - virtually the highest transmittance physically possible of any material. These breakthrough solar panels have shown a conversion of solar energy from the sun into temperatures of over 1,300 degrees F.

Initial IAUS data has demonstrated that IAUS's new solar panels focus as high as 30% more solar energy onto its receiver than traditional solar power trough systems typically achieve. Recent advancements will likely increase this number again to more than 50%. IAUS's solar panels

have an estimated life-span of greater than fifty years when properly maintained, and are inexpensive to replace.

IAUS's unique thin-film solar panel can be produced at a fraction of the cost of today's traditional photovoltaic solar panels. IAUS believes its new product is the first solar power technology with legitimate potential to compete with gas and other fossil fuels. Low-cost energy produced by IAUS's new patented and patent-pending solar technology can be used to generate electricity or produce clean fuels such as hydrogen and green methanol (gasoline replacements) at a competitive price. Many experts had predicted that no solar power technology would likely accomplish this milestone before the year 2025.



Shown is a shipment of solar lenses from Lucite.

During its first high-volume run, nearly 1,000 Kilowatts of IAUS's solar panels were manufactured in a short 24-hour period. On a 24/7 operating schedule, an estimated 350 Megawatts of IAUS panels can be produced annually at a cost of less than $500,000. In comparison, a traditional photovoltaic (PV) solar module manufacturing plant with a yearly capacity equal to IAUS would cost an estimated $840 Million to construct. The world's energy market is a staggering $3 trillion per year. This is two times larger than the world's agricultural market. Less than 1% of this energy comes from solar power. Yet, every hour the sun radiates more free energy than the entire human population uses in a whole year.

IAUS Signs Supply Agreement with Lucite International for Production of IAUS's New Breakthrough Solar Power Panels SALEM, UTAH- (2007)

International Automated Systems, Inc. [IAUS.OB] has announced today that it has signed a supply agreement with Lucite International, a global leader in the design, development and manufacture of acrylic-based products. Lucite International generates over $1 billion in annual revenue. It is the world's leading supplier of Methyl Methacrylate (MMA), and the only organization with production, R&D, sales and marketing facilities in all three major geo-economic regions – the Americas, Europe and Asia.

"Solar energy runs consistent with Lucite's commitment to develop and advance "Green" products which promote environmental sustainability," said Wyndham Draper, Vice President – Sales and Marketing for Lucite International, Inc. "We are looking forward to working with IAUS in the production of this exciting new product."

Lucite is a solid company with a global presence and will facilitate high-volume production of IAUS's new solar panels. The personnel and management at Lucite have been exceptional and forward-thinking at every level," said Neldon Johnson, President and CEO of International Automated Systems, Inc. "We are very pleased with IAUS's new relationship with Lucite International.

About Lucite International

Lucite International, the world's largest producer of Methacrylates, is successor to the acrylic business of DuPont and ICI. It is the only vertically integrated acrylics producer with manufacturing facilities in every region of the globe, and employs 2,000 people in sales, marketing, R&D, manufacturing, engineering, technology and business support at 16 manufacturing sites and 35 sales offices worldwide. Lucite serves and supports customers in more than 100 different countries.

Solar Power Breakthrough: IAUS Hits Milestone Previously Thought to be Impossible SALEM, UTAH-

International Automated Systems, Inc. [IAUS.OB] [IAUS: OTCBB] announced today that it has successfully finished its first high-volume run of its new breakthrough solar panels. IAUS plans to quickly expand its annual solar panel production capacity this year to one Gigawatt which is enough to supply an estimated $2 Billion is sales per year.

"The discovery of economical solar energy is more valuable than oil," said Neldon Johnson, President and CEO of International Automated Systems, Inc. "The sun's energy is free, clean and virtually unlimited. IAUS's new solar technology is a discovery of historic proportions that we hope will revolutionize energy production throughout the world."

Witnesses

"I have witnessed the bladeless turbine running on geothermal water at Sulferdale a number of years ago. At that time I had an engineer with Utah Power and Light with me. At various times I have seen the turbine running with natural gas being used. This has been at Salem and in the Delta area. I have had engineers with me on some of these occasions. I have no doubt of the turbine working as I have personally witnessed it many times and with many others being present." Monty Hamilton

"I and the following friends have seen Neldon's turbine engine working at different times: Joseph Anderson (ex Sr. VP Bechtel), Jack Edwards (engineer. ex Saudi ARAMCO), Ron Hadley, Leon Davies (ex engineer Lockheed) and Gordon Larsen (ex United 747 pilot), etc." Sterling Rigby

A Significant 2004 Financial Occurrence

IAUS, through Neldon Johnson, invented the self-checkout system used today by grocery stores. This technology was stolen by

Optimal Robotics from Canada. Mr. Johnson sued but later decided to settle out of court for $1.7 million. He rationalized that more money could be made with solar energy and the settlement money could finance its development.

A press release by Optimal Robotics on January 24, 2004 states: "Optimal Robotics Corp. (NASDAQ: OPMR), today announced that it has entered into a settlement agreement with International Automated Systems, Inc. (IAS), which brings to a close the patent lawsuit between the parties. In accordance with the agreement, IAS will receive a sum that is not considered to be material to Optimal."

This experience would later prove to be valuable. Mr. Johnson became much more wary and steps were taken to always thoroughly protect his technologies. This wariness has now produced over 60 patents and patents-pending in the complex arena of renewable energy.

2. R & D

Research and Development 2008-2010

TURBINE CHALLENGES

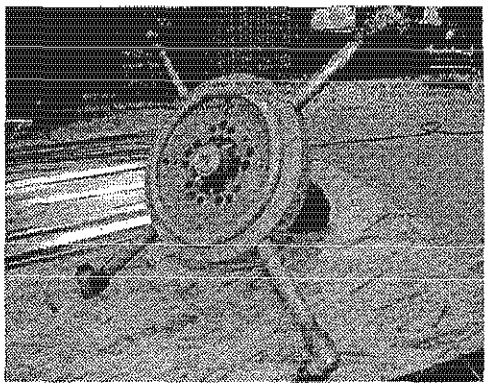
Salem, Utah was the scene for the R & D work on the bladeless turbine. Natural gas was used to heat the water to create steam which, in turn, propelled the bladeless turbine. Visiting engineers were always impressed at how little time it took to start the turbine. This was vastly different from conventional turbines.

A Major Problem

The Johnson Bladeless Turbine reached an incredible 17,000 revolutions Per Minute (RPM). This kind of velocity created intense vibrations within the turbine. It was theorized this extreme wobbling effect could be extremely dangerous. If a steel part were to come loose, nothing could stop it at that rate of speed. The R & D work centered on creating a smooth running turbine.

The Breakthrough Solution

Simple. Inexpensive. Totally effective. Neldon Johnson quickly started the process of getting a patent for his ingenious discovery. See the photo:



Can you see what it was? Look at the circular ring attached to the turbine. Inside the ring are small ceramic beads similar to ball bearings. They roll around inside the ring and will never wear out. This simple solution completely stabilized the turbine and totally eliminated the vibrations.

The Result

This discovery completed the turbine's research and development stage. So now we had the solar lenses and the turbine ready to go.

SOLAR CHALLENGES

Lucite and IAUS did make one tweak on the 2nd run. That was successful and it did increase the efficiency some. Therefore, this technology was completed. All we have to do now is place an order in quantities of at least 100,000 solar lenses. Inquiries were successfully made on where and how to acquire more mold-making machines. Each machine can increase our annual output by about 1,600 megawatts. However, the manufacturing of the solar lenses was just the beginning.

Tracking the Sun

Photovoltaic (PV) systems didn't track the sun because the parasitic load was too great. Some Concentrated Solar Power (CSP) systems used single-axis tracking. Mr. Johnson surmised that if a dual-axis tracking system could be designed with low parasitic loads that a 30% advantage could be attained over PV systems. Meaning that 2,000 annual PV production hours could be boosted to 2,600 annual production hours with a dual-axis tracking system.

Massive Use of Clean Water

Some CSP systems used massive amounts of water through the act of cleaning plus the cooling towers/heat exchanger systems. We also observed if a water-saving closed-loop system was used, costs would escalate. In addition, that clean water had to be used as opposed to brackish water for example.

Wind Damage to Solar Lenses

We observed replacement of expensive mirror lenses were a constant problem. Breakage would occur even a 35 MPH. Also, if a rock chipped a lens with even a small mark, the entire lens needed to be replaced. Could this big cost of operation expense be significantly reduced?

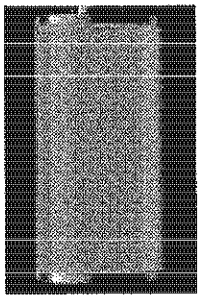
Expensive Batteries

We observed the great need to have power on cloudy days and at night. Photovoltaic projects would sometimes charge batteries by installing extra PV panels in order to achieve this objective.

The problem was in the huge expense. We also noticed lithium batteries being used in automobiles. The rarity of lithium and its volatility were noted. Could a complete paradigm shift in approach overcome the above issues? What about a zinc battery or combining biomass or natural gas with solar technologies?

The Lengthy Battery Recharge Time

Whether one is dealing with electric cars or energy storage, lengthy battery recharge time has severely limited the practical feasibility of wide-spread use.
Could this recharge time be significantly reduced along with its high costs?



Heat Exchangers and Cooling Towers

The installation costs of lengthy pipes connected to heat exchangers and their cooling towers were a significant expense. This expense was not just with Concentrated Solar Power projects but with coal and nuclear projects as well.
In addition, a major part of the cost of operation was connected to the cleaning and maintenance of pipes, cooling towers and heat exchangers. Could these costs be dramatically reduced?

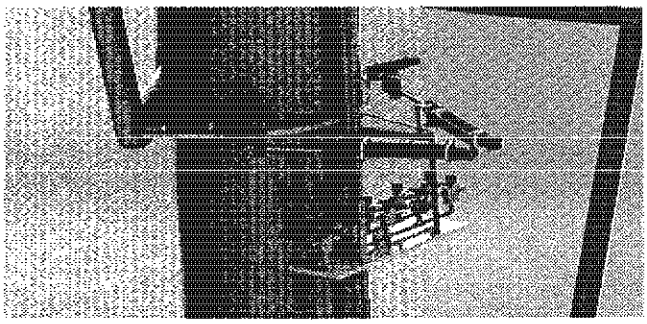
Costly Inverters:

A major expense of photovoltaic systems and wind energy is the inverters, which are electronic devices or circuitry that changes direct current (DC) to alternating current (AC). To bring the cost down to compete with coal power, costs associated with inverters had to be overcome.

SOLUTIONS

Identification of existing challenges and problems is the first step towards innovation. Neldon Johnson's creative mind worked non-stop on all these issues. Inspiration came frequently and in abundance. Patent after patent was applied for as the ideas multiplied.

The Dual-Axis Tracking System



The principle behind the dual-axis tracking system is that the solar lenses can follow the sun in two ways. Basically, up & down and side-to-side. The payoff is 30% more efficiency in production hours. There were about five different designs that were tested in this research and development phase. Each design improvement increased the probability of success.

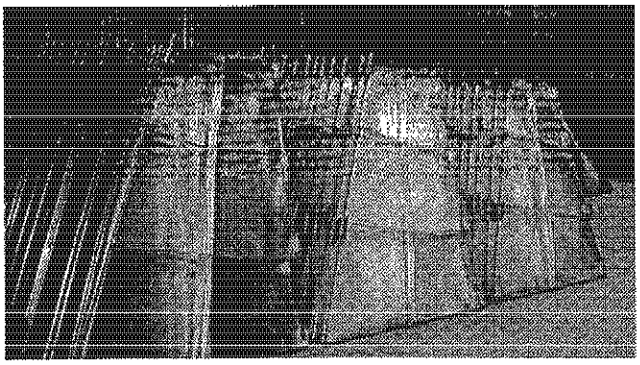
Reducing Water Consumption

Sometimes discoveries happen by accident. Such was the case with our solar lenses and the amount of heat produced without any cleaning. Since we were still in the R&D phase, there was no need to clean the lenses. To our delight, very little loss in heat was experienced, even after months of being installed on a tower. Our competition, like the big CSP plant in Ivanpah, California must clean their 350,000 mirrored lenses every day. We don't. This is a staggering difference in water consumption. We also found that we could easily implement a closed loop system. This means that we can keep reusing our water for steam. Our cost turned out to be negligible, while our competition's cost is significant.

Finally, we found out that we could heat any kind of water and run it through our turbine. Our competition must use clean water. We can smoothly and efficiently use brackish water, contaminated water with arsenic or even salt water to create steam for our turbine. A truly breakthrough discovery was that after these kinds of water were flashed into steam at the jet nozzle, any contaminants, particulates or salt fell to the bottom. We were left with pure distilled water. This meant we could either reuse the water in a closed system or release this pure water into the environment for other uses.

Reducing Wind Damage

Another delightful unplanned discovery was that as rocks and debris chipped away at our solar lenses, they still kept producing extreme temperatures. There was no need for replacement. Further study showed the rock chip only affected the small area of the chip and not the entire lens like our competition.



Solar Lenses with Wind-Resistant Bracing

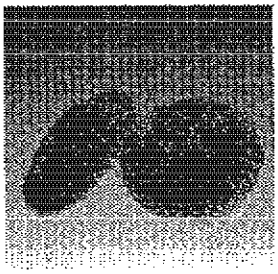
The R&D phase for increasing our wind tolerance was frustrating. A number of designs were tried. Improvements came at a slow and steady pace. At the end of 2010, our wind tolerance was better than our competition, but still

needed further R&D and refinement.

Our Concentrators and Batteries

Mr. Johnson came up with the idea of funneling the sun's rays down to a heat collector using parabolic reflection. This increased focal point temperatures to over 2,500 degrees F. It was aptly called a Concentrator. This inexpensive method of producing these extreme temperatures can make it possible to produce a zinc-air battery and/or zinc fuel cells. Zinc is 100 times more plentiful than lithium. It is well known that possible future applications of a zinc battery include its deployment as an electric vehicle battery and as a utility-scale energy storage system. This idea was so tantalizing to contemplate that Mr. Johnson decided to keep this innovation going for further refinement.

Reducing the Cost of Heat Exchangers and Cooling Towers



The following is absolutely true. Mr. Johnson was at a supermarket looking at copper mesh for cleaning. All of a sudden it hit him. Could copper mesh be used as a three-dimensional avenue for conducting heat through a heat exchanger? He was so excited that he raced home and made a makeshift heat exchanger with copper mesh out of things around the house. He was breathless as it appeared this would actually work.

R&D on this remarkable development immediately took place. Several patents were applied for with this technology. The results were ever so startling. The ramifications of the increased three-dimensional surface area were gigantic. Johnson's new heat exchanger eliminated the need for cooling towers. If that wasn't enough, it also reduced the size, weight and cost of conventional heat exchangers by a thousand times. This had breakthrough written all over it. Stunning even.

Eliminating Inverters with CSP

Concentrated Solar Power, such as the solar technology we use, does not use inverters. However, other renewable energy technologies such as photovoltaic solar panels and wind require inverters. There was this feeling that current inverter technology that had been around for years could be replaced by something better. Several years later this feeling would evolve into another truly breakthrough technology.

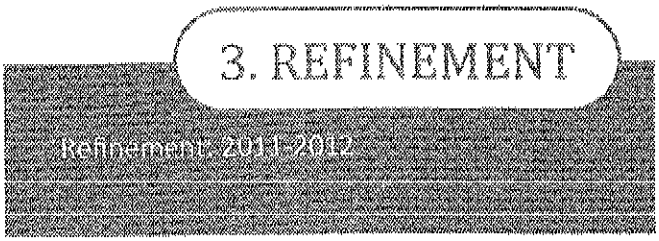
MARKETING AND SALES

There was a small pilot program launched in 2006 that sold solar lenses to a few individuals. It was a precursor to the RaPower3 program that began in 2010. Testing the market in those early years proved to be a successful marketing approach. Neldon Johnson created the program with some extremely bright attorneys. Neldon wanted to combine his low-cost technology and expected low-cost of operation with his modular capabilities so that everyday people could take advantage of all the generous tax benefits. This meant just not receiving solar tax credits, but also getting the depreciation benefit. He combined the tax benefits with a generous bonus and rental income.

The number three in RaPower3 would stand for the three different ways income could be generated. An optional network marketing component was also added as RaPower3 was launched in 2010. Commissions were generous and RaPower3 grew by leaps and bounds.

CONCLUSION

The research and development of these products and technologies from A to Z has been no small task. In fact, it has been nothing short of monumental. There have been inventions within inventions. The development of these devices, components and processes had never been done before. The results were revolutionary! Now it was time for the refinement of the R&D work which would also include manufacturing, marketability and putting all these remarkable components into one workable package.



MAKING IT A REALITY

The successful research and development period gave us confidence that we could take over the renewable energy business in a big way. Some of the breakthrough technologies needed refinement to make this bold assertion a reality. All research and development with its refinement centered around three driving forces.

First, manufacturing and installation costs had to be significantly lower than any energy provider including coal plants. Second, the cost of operation had to be significantly lower than any other energy provider. Third, we had to be able to mass produce every component; enough to produce over a thousand megawatts of energy per year.

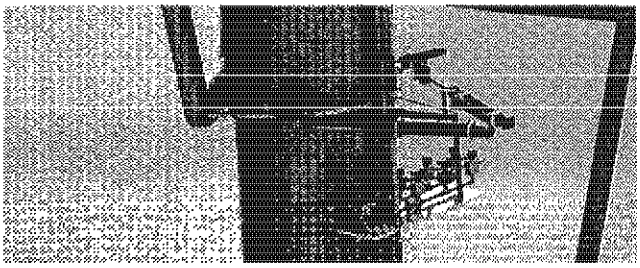
COMPLETED TECHNOLOGIES

Both the solar lenses and turbine were completed. Also, the batteries were just a matter of producing intense heat and we could do that.

TECHNOLOGIES NEEDING REFINEMENT

The Dual-Axis Tracking System

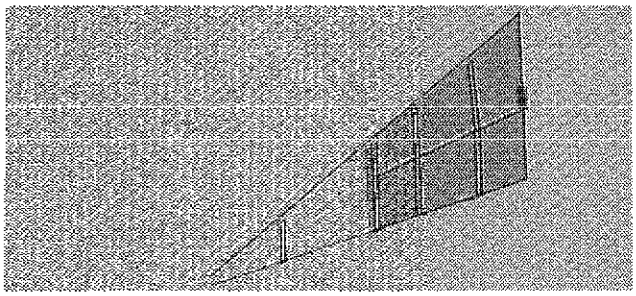
Several methods were tested. Some tests led to a better idea. Some methods failed while some were successful. The challenge was to get the parasitic load significantly under the energy cost that tracked the sun. The four solar discs with the steel pipes and trusses weigh hundreds of pounds. This factor coupled with wind loads exacerbated the challenge. Slowly headway was achieved. Our dual-axis hydraulic system operation became smoother running. As the year 2012 ran down, we were convinced that with even more refinement we could eventually create a tracking system with a remarkably low parasitic load.



Hydraulic dual-axis solar tracking system mounted to tower to add 30% more operating sun-hours.

The Solar Frames for Wind Resistance

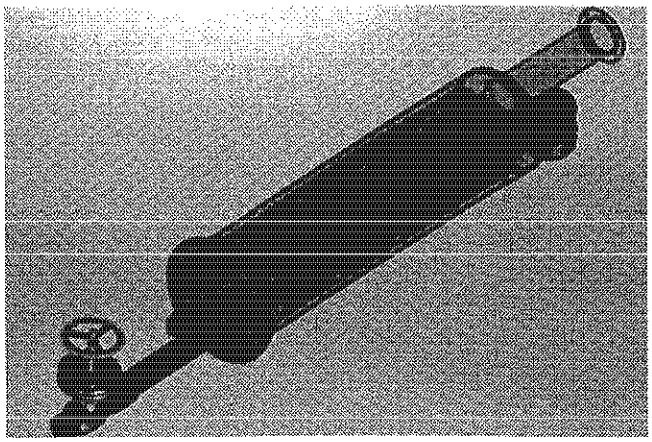
Balancing the need for mass production of the framing process and increasing the wind resistance of the solar lenses became the biggest refinement challenge. We tried screwing the frames and braces to the frames and sometimes the lenses would crack. We were told by a glue manufacturer that their glue would work perfectly under our conditional parameters. It didn't. We tried a variety of methods. By the end of 2012, our research was full of workable data, but we weren't fully satisfied. More refinement seemed to be necessary.



Harmonic bracing added to the solar lenses to reduce vibrations and wind-resistance.

The Heat Exchanger and the Molten Salt Container

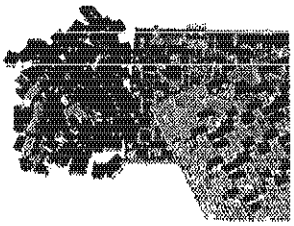
Continued to be refined along with manufacturing and installation development.



Rendering of the Heat Exchanger

The Circuit

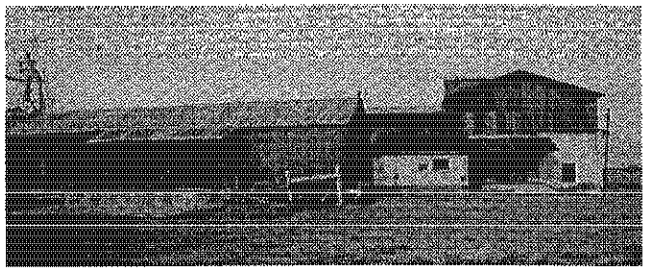
This potentially disruptive technology showed so much promise that it was given a high R&D priority. At the completion of the prototype and white papers in 2014 it would be named the Dynamic Voltage Controller.



The Manufacturing Process

Manufacturing companies attempted to make various needed components. After delays and lack of real success, it was decided to get completely into the manufacturing business. This gave us two distinct advantages. First, we would have complete control over every component. Second, needed refinement could more easily be accomplished.

A large building in the Delta area was purchased in early 2012. Extra land was also purchased in order to meet future expansion manufacturing needs.



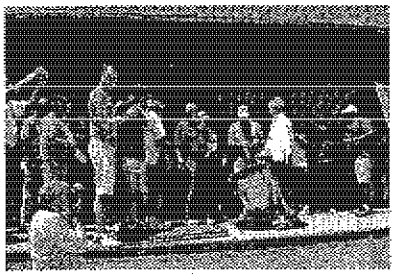
The 2012 Installation/Construction Process

It was also decided to form our own construction company for control and R&D purposes at the project site. Compo-

nents were delivered from the manufacturing plant: some completed components were stacked in the field ready for construction, while other components needed to be tested over and over many times.

Marketing & Sales

The program provided by RaPower3 proved to quite effective in the years of 2011 & 2012. Hundreds of people across the nation purchased solar lenses. Many came to see the manufacturing and construction sites. Word spread through the RaPower3 network marketing component.



One of the many tours of the solar site and manufacturing plant in 2012.

People were attracted by the generous bonus program contracted through International Automated Systems and the long-term rental program offered by LTB, LLC, an Operations and Maintenance Company. In addition, the tax benefits offered to solar companies producing heat were also attractive.

The RaPower3 sales gave Neldon Johnson and his staff much needed revenue to achieve our three-fold objective: (1) To have the lowest manufacturing and installation cost of any energy company; (2) To have the lowest cost of operation of any energy company; (3) To have mass production capability.

4. PREPARATION

Preparation & Production 2013

GETTING IT DONE

The year of 2013 mostly centered on the manufacturing plant with testing of the various components at the project site. A full-time engineer was hired to hasten the work. His office is conveniently located at the manufacturing plant.

The three-fold objective of having the lowest manufacturing and installation costs combined with the lowest cost of operation while creating mass production was always uppermost in everyone's mind.

Our engineer wore several hats. He was in charge of lining up vendors to supply all parts and components. Prices were negotiated while attaining volume discounts. At least three suppliers were found for each part and component. All parts and components were diligently put into our computer system complete with computer drawings and 3-D cad renderings. An extensive flow chart was also created.

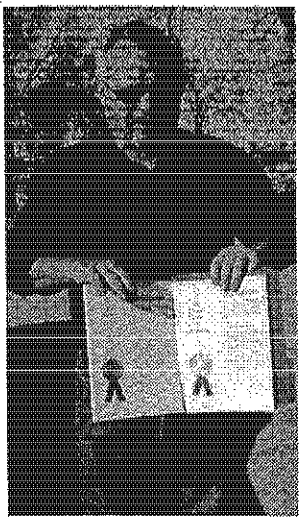
Greg Shepard (L) talking with head engineer Jeremy.

Jeremy, our engineer, calls his job with us his "dream job." Neldon Johnson would come to Jeremy with an idea and then Jeremy was able to put the idea into motion. First, on the computer and then Jeremy would actually build the component. Jeremy thrived on this kind of arrangement. He also supervised the work both at the manufacturing plant and project site.

HIGHLIGHTS

There were a number of highlights that made 2013 a special year. Here are some of the more important achievements:

- More patents and patents pending were filed.
- The elevated turbine/heat exchanger system on the tower was moved to two ground-level containers: One for solar and the other for biomass.
- An insulation supplier from California was found that lowered our insulation costs by over 80 percent.
- The wind resistant solar frames were improved to withstand 100 mile per hour winds.



New patents issued.

- The dual-axis tracking system improved substantially through extensive testing at the manufacturing plant.
- Our two CNC lathes were programmed successfully and certified ready by an outside engineering expert.
- The 89,000 pound mold-making machine was moved into its proper place at the manufacturing plant
- Fully-insulated pipes were installed at the project site connecting all eleven towers.
- Great progress was made on the circuit board, which would later be called a Dynamic Voltage Controller on the patents and marketing in 2014.
- Many more RaPower3 team members added.
- The addition of the "Grid Home" and surrounding property connecting to the project site.
- Transformers purchased connecting the project site and the grid home through about 400 yards of electric cable.
- Many millions of dollars in inventory acquired and completed.
- Additional employees hired

5. IMPLEMENTATION

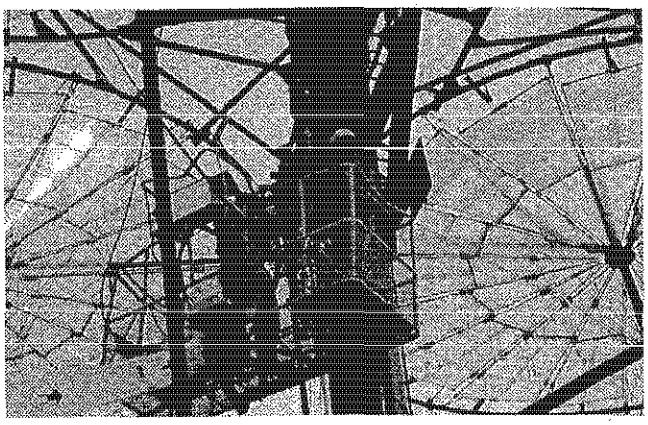
Implementation - From January 1, 2014 through June 21, 2014

COMING TOGETHER

Everything began to come together during the first half of 2014. We called it the period of implementation. All cylinders of our three-fold objective began accelerating in 2014.

The manufacturing plant kept adding and improving in ways to increase production while decreasing costs. Millard County granted a conditional use permit for the manufacturing plant. Automation procedures and even more equipment were put into place. Every manufacturing station was thoroughly analyzed to meet production levels of at least two megawatts per shift per day. Plans for robotic machines are also in the works to further increase future production levels as work will commence 24-hours per day.

Installation of components continued. The dual-axis tracking system was installed on two towers. The initial tests passed with flying colors. Crane operators were certified. Huge portable construction tents were erected with the purpose of protecting the workers from searing heat in the summer, frigid cold in the winter and frequent high velocity winds. Procedures were calculated to also meet demands of at least two megawatts per day per shift.



Installing the dual-axis tracking system.

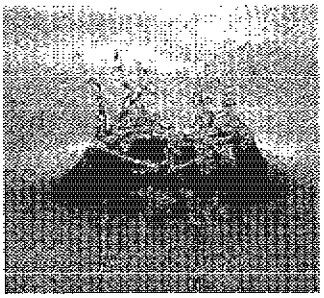
Elaborate testing was completed by Jeremy, our engineer, and Neldon Johnson. The turbine, heat exchanger and molten salt container worked perfectly. This helped confirm our cost of operation calculations of a half a cent per kilowatt hour. Coal plants normally have a cost of operation nine times more than our half-a-cent mark. This more than met our goal to be disruptive in the energy business.

Extensive plans were formulated to mass produce all of our components coupled with the construction of projects worldwide that were, frankly, on an unprecedented scale. The basic game plan to shatter the competition was to combine the dual-axis solar tracking system with our biomass system. Both systems would use the same turbine.

The solar energy system would give us 30% more annual production hours than non-tracking systems and 15% more annual production hours than single-tracking systems. In addition, the biomass system would give 8,600 annual production hours. The combination of these two systems gives us operation capabilities of running 24-hours a day with over five times the annual production hours over other solar companies.

Furthermore, our installation costs are far less as is our cost of operation and we can complete installation of any size project far quicker than our competition. Also, we are modular, meaning we can produce revenue as we are in the construction process.

Finally, our turbine can use any kind of water including salt water. This means we can produce prodigious amounts of pure distilled water from salt water, brackish water or most kinds of contaminated water as we are producing massive amounts of clean affordable renewable energy.

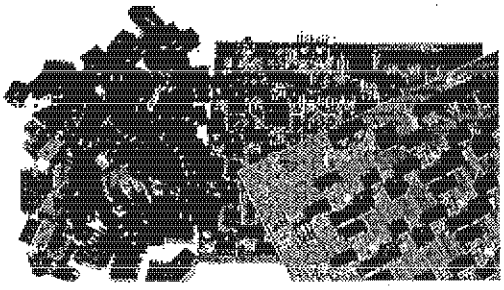


In conclusion, International Automated Systems (IAS), the owners of a number of our technologies, began issuing press releases and completely revamped their iaus.com website. The implications of the technologies presented for the first time were jaw dropping. The future of RaPower3 and IAS will be fantastic as they seem destined to emerge as the world energy leader with their disruptive technologies.

IAS TECHNOLOGIES
PRESS RELEASE IN JUNE OF 2014

Dynamic Voltage Controller- What if electric cars, cell phones, laptops, and power tools could recharge within seconds, or renewable energy suddenly became less expensive than coal? IAUS believes that with its new voltage controller, these possibilities will quickly become a reality.

The patented, Dynamic Voltage Controller (DVC) is the first technology capable of handling and converting a full range of variable input voltage on the fly to a constant DC or AC voltage and frequency output. It can also convert a constant input voltage to a variable output. This new device operates without transformers or coils, making it much lighter and significantly more compact than today's transformers and inverters. For many uses, it can be reduced to the size of a silicon chip.

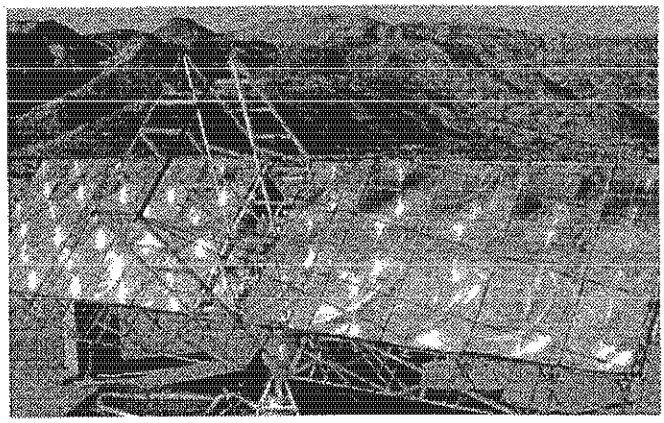


Dynamic Voltage Controller

PHOTOS

Photography History

2004

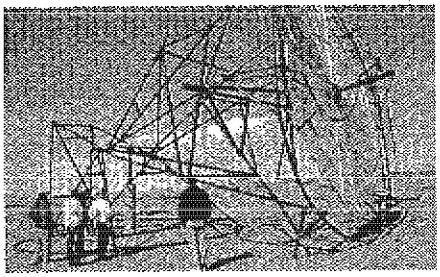


Proof of Concept: To prove the jet-propulsion turbine could be driven by steam created from Fresnel lenses to produce electricity a prototype was built and installed in Mesquite, Neveda. This prototype continuously powered 24 truck lights. The following two years were spent on developing a new type of Fresnel lens that could be easily and inexpensively mass produced.

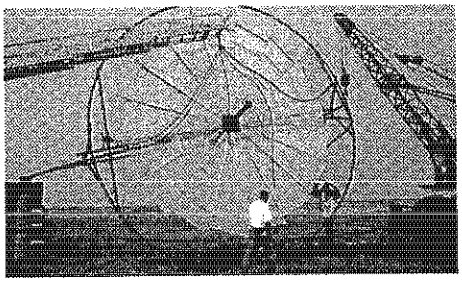
2005

Turbine Field Testing: Hundreds saw the jet-propulsion turbine working with natural-gas at the old Salem, Utah building. The turbine was also tested on geothermal and solar. Independent Engineering White Papers from industry experts were completed. These engineers rated the turbine at 43.5% efficient and good for an unprecedented 1,000,000 hours of continuous use.

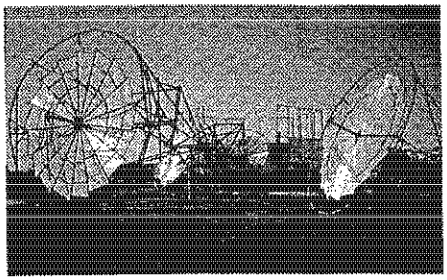
2006



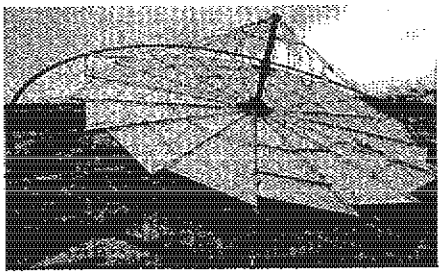
First Solar Tower Concept: R&D on IAUS Acrylic Fresnel Lenses. This was our first solar tower concept design.



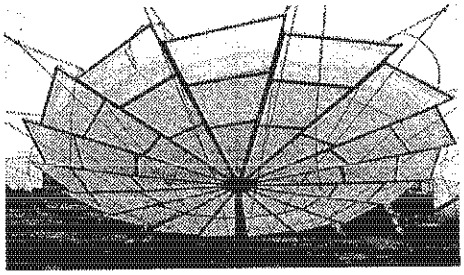
First Solar Tower Concept: Independent Engineering White Papers done by NASA engineers show the lenses at 90% efficient in the field.



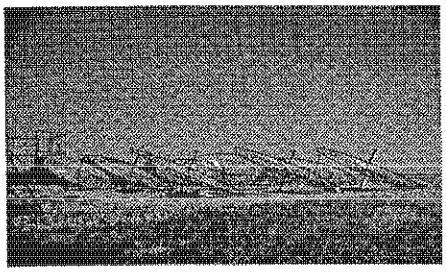
First Solar Tower Concept: Construction on the original single-disc tower design.



Solar Disc Design: Top view of the original solar disc design.

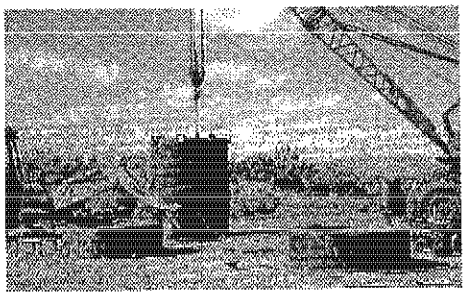


Solar Disc Design: Bottom view of the original solar disc design.

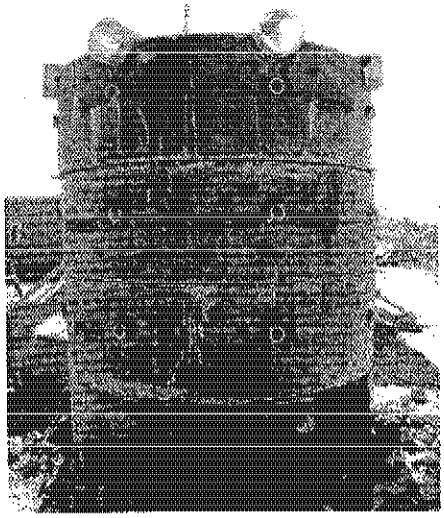


Solar Lens Field Testing: Original R&D solar field.

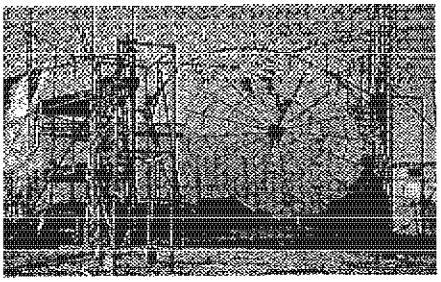
Biomass Testing: This R&D Biomass Burner was built to work in tandem with our solar towers for 24-hour operation with power generation and water distillation.



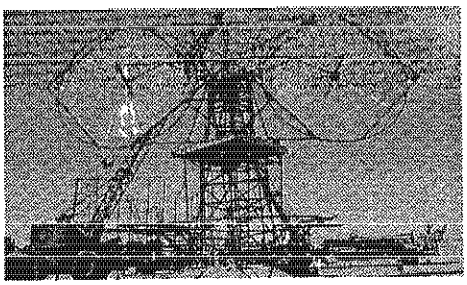
Biomass Testing: The Burner includes a cyclone in the upper chamber that burns off all toxins. The only emission is CO2. It doesn't need a boiler and works with our pipe-less heat exchanger.



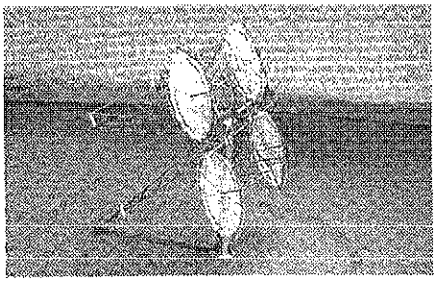
2007



Second Tower Design: A two-disc solar tower concept was constructed with idea of lowering construction costs over the single-disc concept.

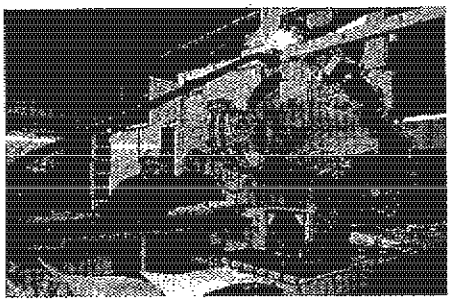


Second Tower Design: The two-disc tower concept required a gantry crane. Today, the disc-assembly and hydraulic tracking systems are installed at ground level and raised as a complete unit saving time and money.



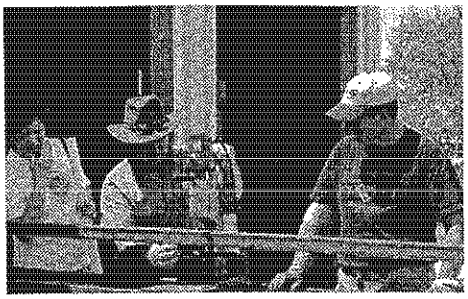
Four-Disc Concept: After successfully proving the tower concept many configuration designs were considered. The four-disc designed was adopted because it gave the greatest cost and assembly advantage.

2008—2010



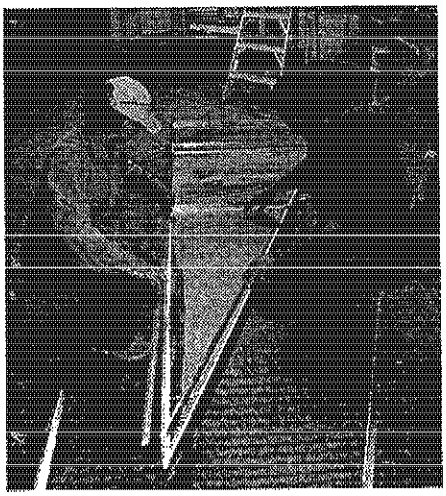
Solar Lens Manufacturing: Our mold-making machine was delivered in 2008. This machine takes 3 months to etch the thousands of intricate grooves into our lens molds.

Field Testing: On a visit to our site in 2008, Murray City Mayor, Dan Snarr, tests the heat coming off this unfocused lens. Even unfocused the lenses produce a substantial amount heat.



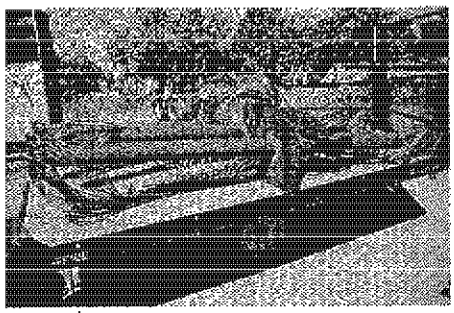
R&D Fabrication: Inventor Neldon Johnson at the first small fabrication shop in Delta, Utah.

R&D Fabrication: Greg Shepard holding the first solar heat collector nicknamed the "Magic Ball". Each solar disc focuses heat to a 2" focal point on this rotating ball. Heat-transfer fluid collects the heat and carries it to a central heat-storage system.

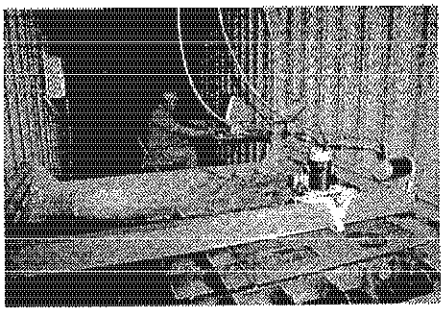


R&D Fabrication: Here are workers assembling the first solar-lens frame. Currently, we are on our 5th solar-frame design. The current design can withstand winds up to 100 mph.

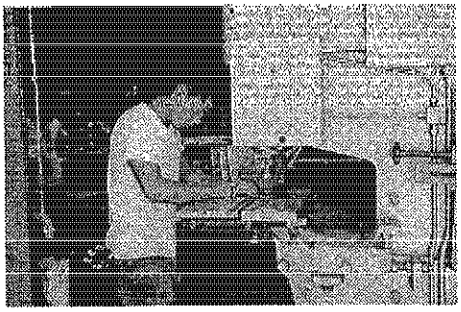
R&D Fabrication: Here is a picture of our first solar heat concentrator. The parabolic design in this heat concentrator allows us to reach temperatures nearing 3,000 degrees F.



R&D Fabrication: Original cores for the solar lens disc assembly ready to be delivered to the R&D site.

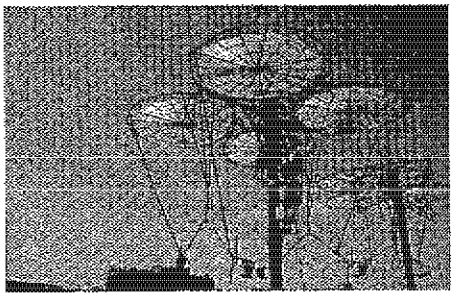


Field Testing: Neldon at the computer at the project site in Delta, Utah.

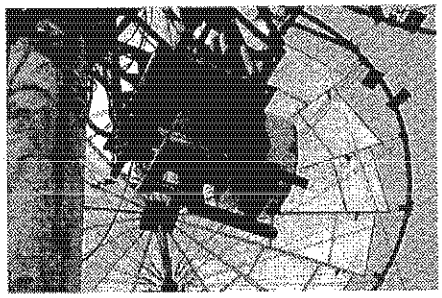


R&D Fabrication: Worker at the first small fabrication shop in Delta, Utah.

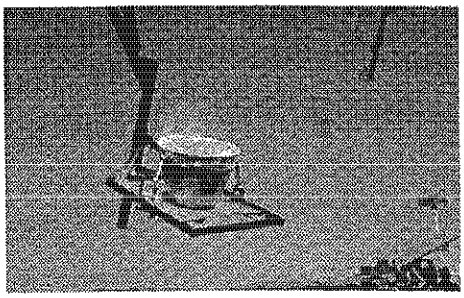
2011—2012



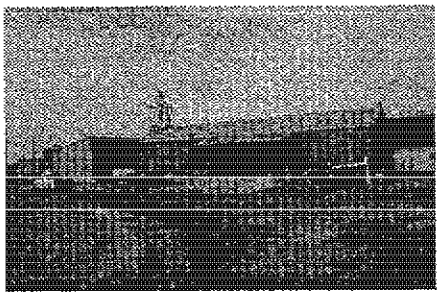
Field Testing: The original design had multiple solar towers in series connected driving a single turbine on the ground. In an effort to drive down construction costs a turbine was mounted directly to a single tower for use by only that tower.



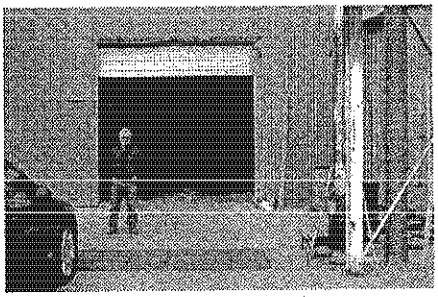
Field Testing: The tower-mounted concept worked but did not end up saving any time or money on construction so we went back to the original in-series model.



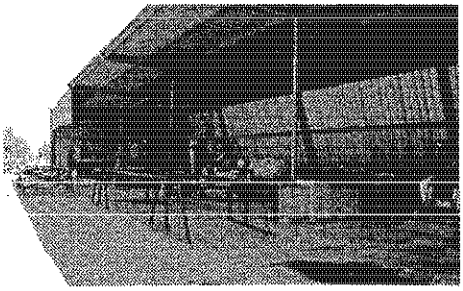
Field Testing: By adding the parabolic heat concentrator, we were able to achieve focal point temperatures nearing 3,000 degrees F.



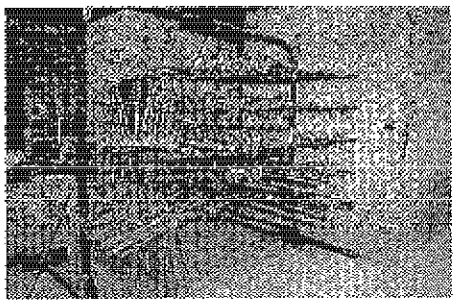
Early Manufacturing: In early 2012 an old warehouse was purchase in Delta, Utah near the solar site.



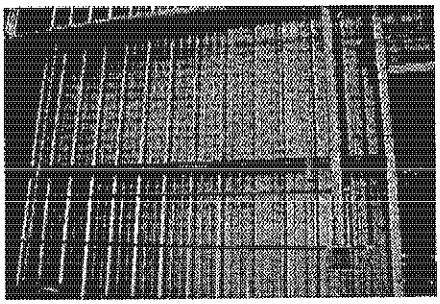
Early Manufacturing: The warehouse's electrical system was upgraded to accommodate all of the machinery that would be added to convert it into a manufacturing plant. Shown is Neldon Johnson at one of the truck doors.



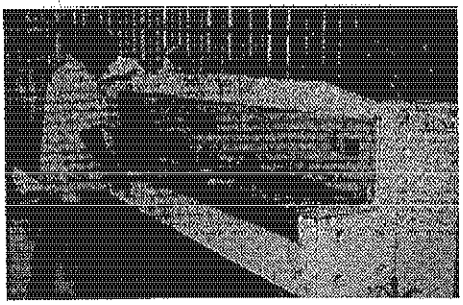
Early Manufacturing: The outside 3-walled building would later be converted into a pipe-cutting and pipe-bending operation.



Early Manufacturing: Light fabrication completed on one of several R&D phases on solar lens framing.

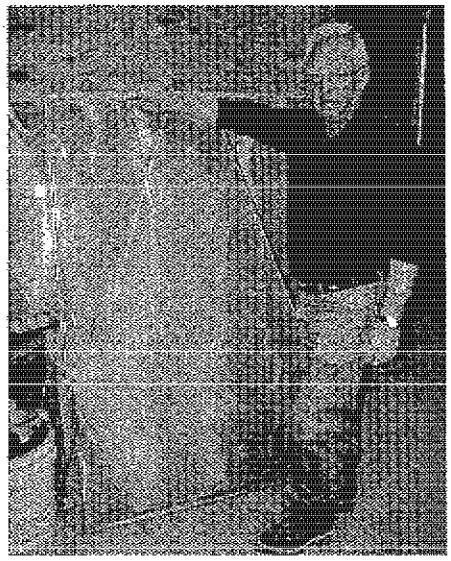


Early Manufacturing: The walls had to be outfitted with welding stations along with electrical and compressed air outlets.

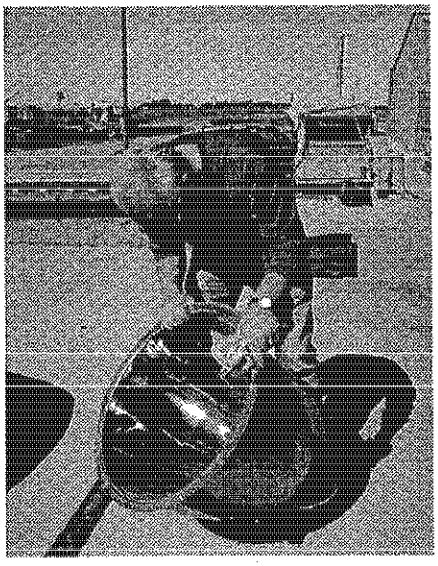


Early Manufacturing: A worker cutting metal in the new manufacturing plant.

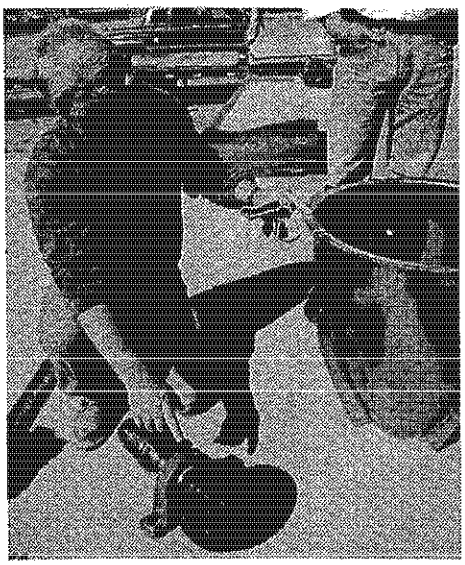
2011-2012



Early Manufacturing: Neldon with one of the earlier versions of a framed solar lens.

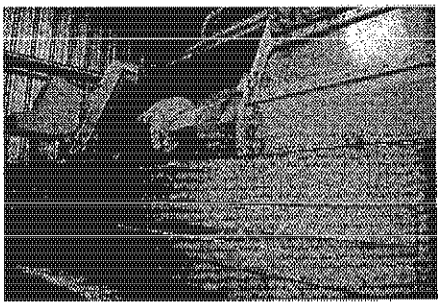


Early Manufacturing: Neldon demonstrating how the heat concentrator focuses the suns heat.

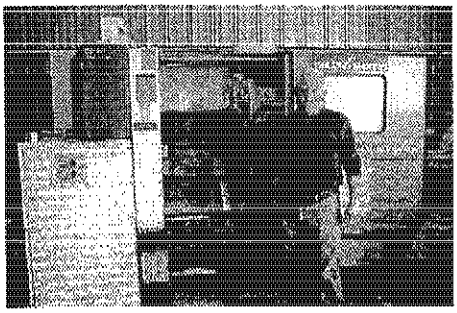


Early Manufacturing: Neldon Johnson with the parabolic heat concentrator and heat collector.

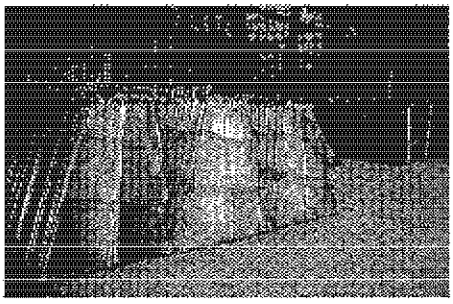
Early Manufacturing: Neldon with a workman on designing a framing procedure.



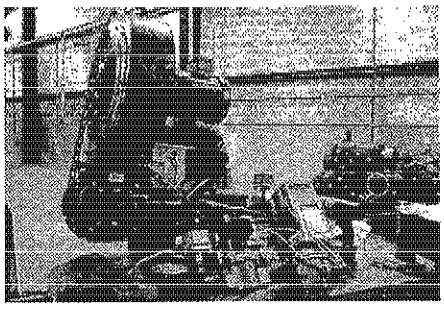
Early Manufacturing: Many pieces of automated heavy machinery was purchased and delivered to the manufacturing plant. Shown is a CNC Lathe for manufacturing heat exchangers.



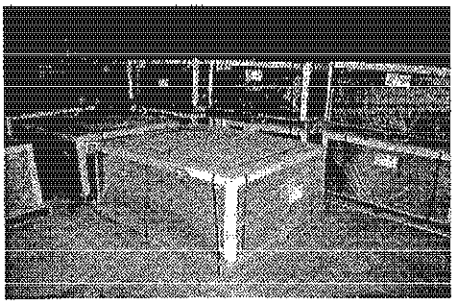
Early Manufacturing: Neldon Johnson with the newly acquired CNC Lathe for manufacturing the jet-propulsion turbine.



Early Manufacturing: This is the November 2012 model of framed lenses during the R&D phase.

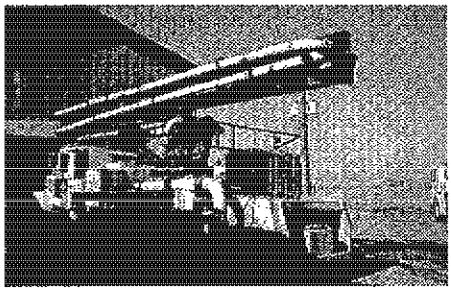
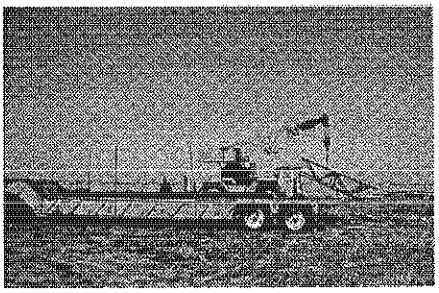
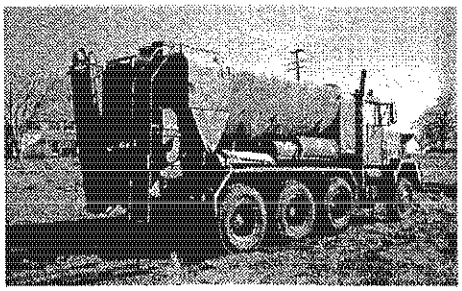
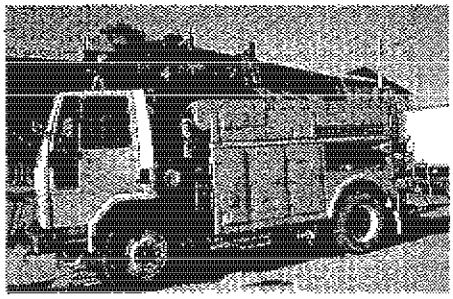
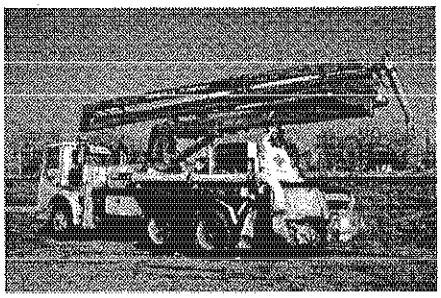
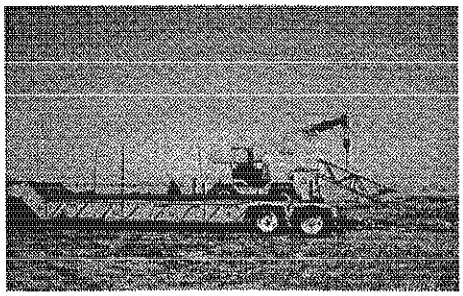


Early Manufacturing: The turbines are designed to run off of solar heat and any other heat source. Shown is a biomass burner.

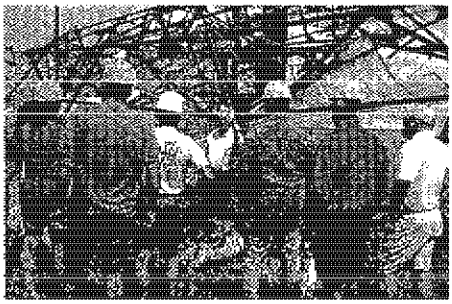


Early Manufacturing: Pallets of solar lenses shipped by Lucite International to the Delta manufacturing plant.

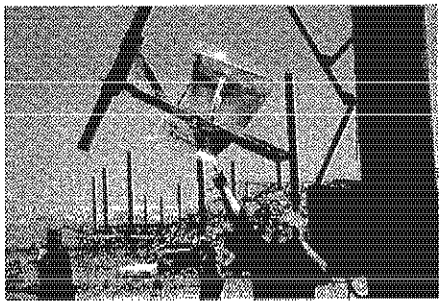
2011-2012

Construction Equipment was purchased.

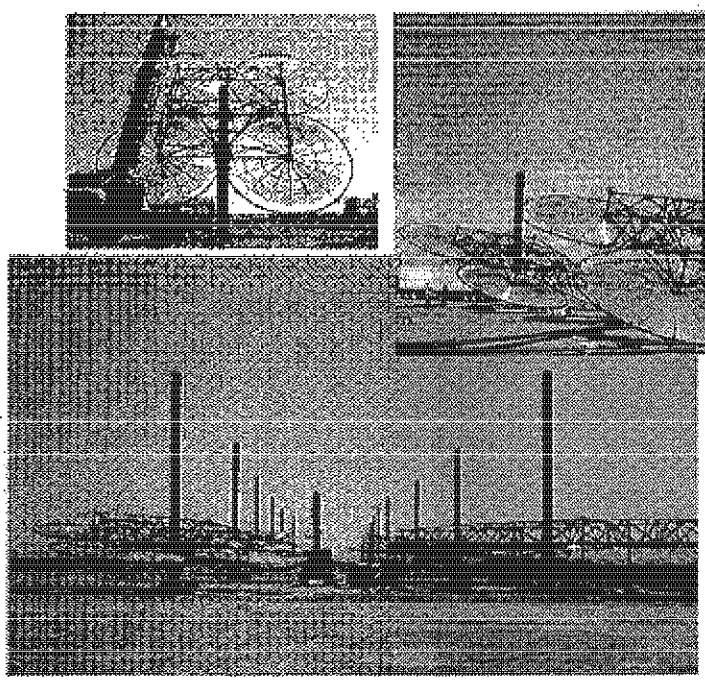
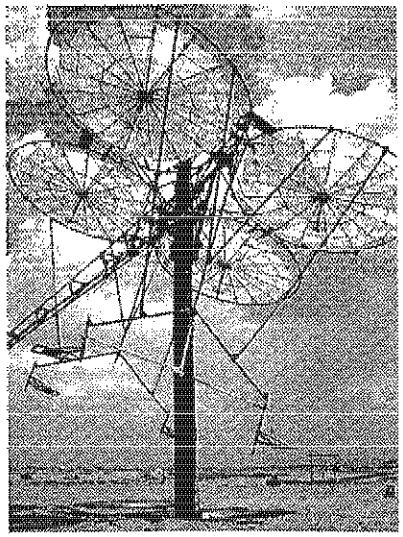


Tours: Neldon Johnson showing a 2011 tour group the R&D development stage of the solar towers.



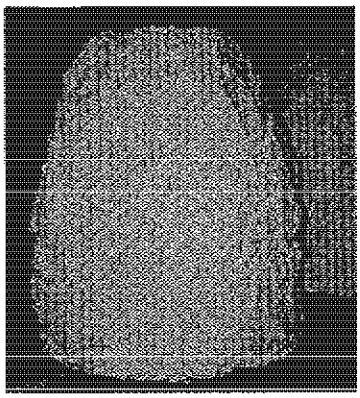
Field Testing: Neldon Johnson demonstrating the intense heat at the heat concentrator.

Field Construction: Manufactured components being delivered and stacked.

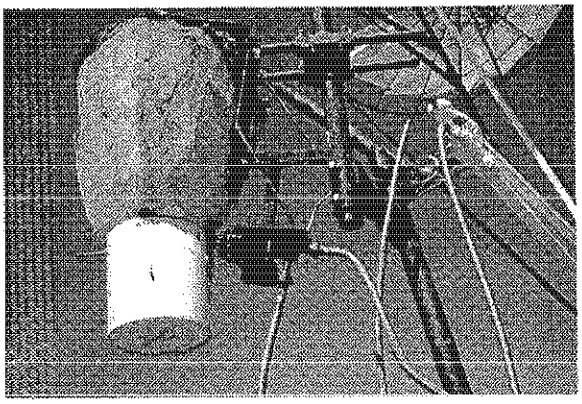



Constructing an IAUS Solar Field

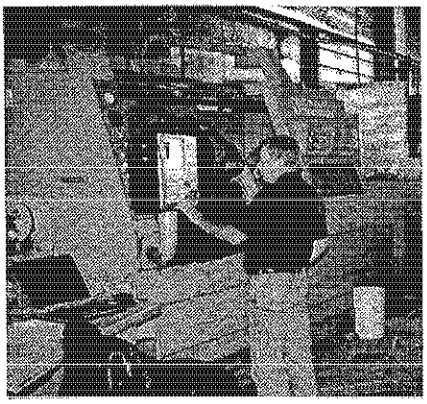
2013



Manufacturing: Insulated heat concentrator.



Installation: Mounted insulated heat concentrator with protected heat collector.

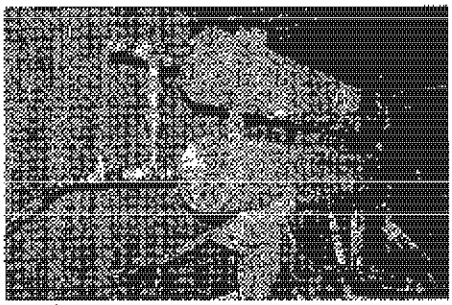


Manufacturing: Outside engineer certifying one of our CNC lathes .

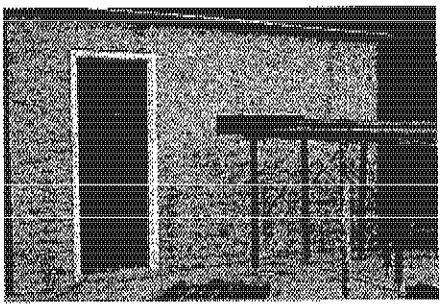
Prototyping: Early prototype of the hydraulic dual-axis tracking system.

Installation: Delivering insulated pipes from the manufacturing plant.

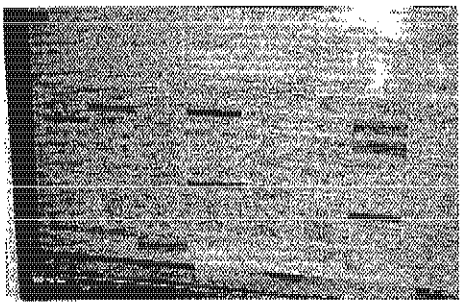
Installation: The biomass container is on the left and the solar energy container on the right.



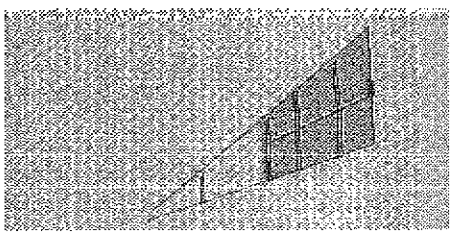
Prototyping: Prototype of our breakthrough heat exchanger.



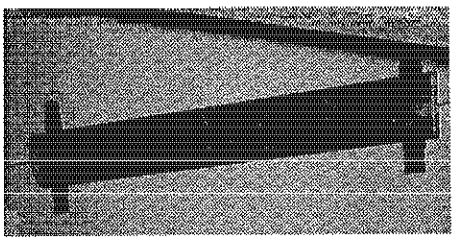
Manufacturing: Installed pipe-bender with insulated housing.



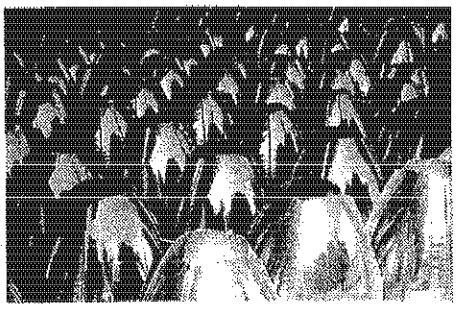
Manufacturing: Detailed engineering data of the heat-exchanger.



Manufacturing: 3D CAD design for our harmonics bracing for solar lenses.

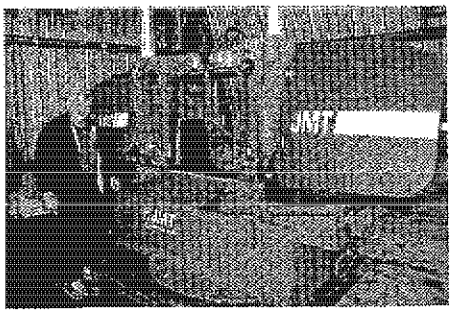


Manufacturing: 3D CAD design for pipeless heat exchanger.

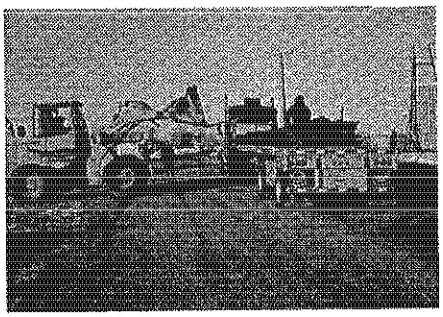


Manufacturing: Mass producing the heat concentrators.

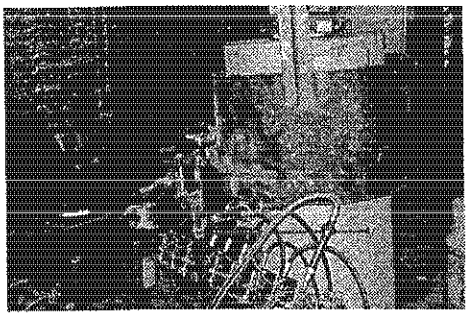
2014



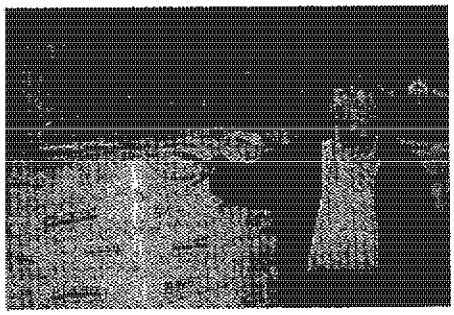
Manufacturing: New robust pipe cutter delivered and installed can cut through 5 pipes at a time.



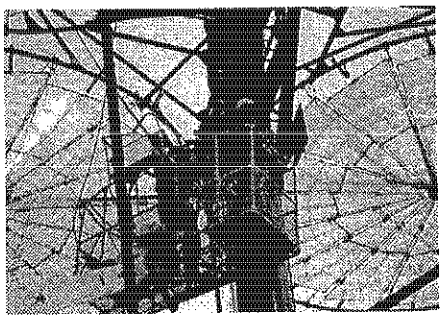
Manufacturing: Truckloads of pipe were bought at auction and shipped to the manufacturing plant.



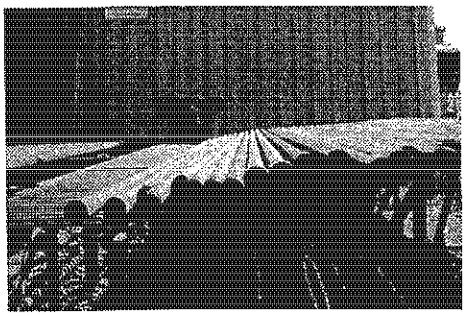
Manufacturing: The dual axis R&D station at the manufacturing plant.



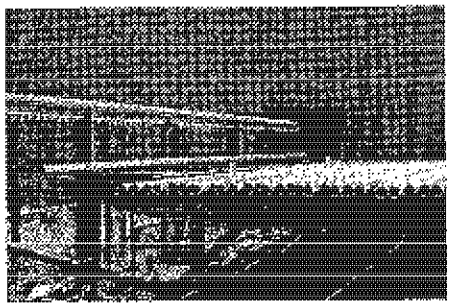
Manufacturing: Many tours were conducted by Greg Shepard in 2014. Here Greg Shepard is explaining the insulation material imported from Turkey.



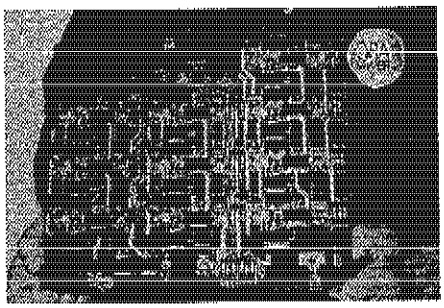
Manufacturing: Jeremy installing the new and final ram for the dual-axis solar tracking system.



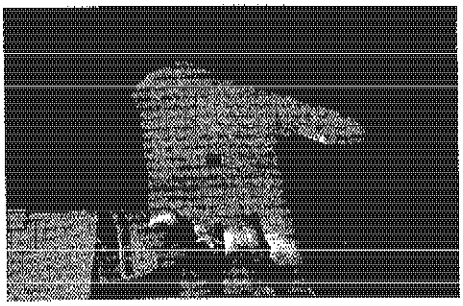
Manufacturing: The automated system for feeding pipe to the cutting machine.



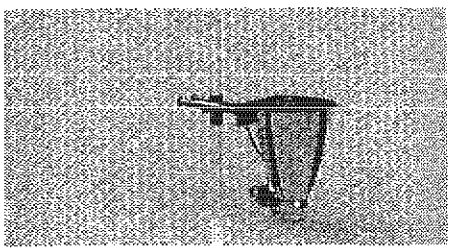
Manufacturing: The automated system for feeding cut pipe to the pipe bender. They red rams underneath lift the pipes up to the feed system.



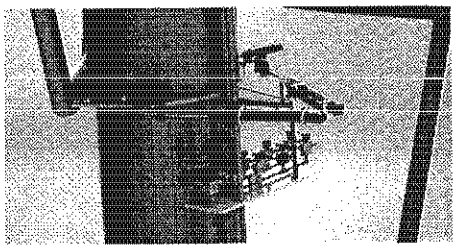
Supporting Technology: Our dynamic voltage controller was designed to eliminate the need for expensive coils and inverters. A chipset and circuits can receive a fluctuating voltage and output one, or multiple, designated set voltages.



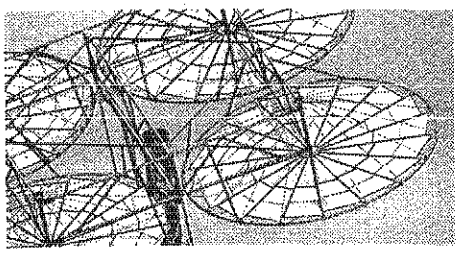
Prototyping: Prototyping began on concentrated photovoltaic (CSP) designs using our solar lenses in conjunction with our dynamic voltage controller and gallium photovoltaic chips.



Manufacturing: Completed 3D CAD design for our heat collection assembly.

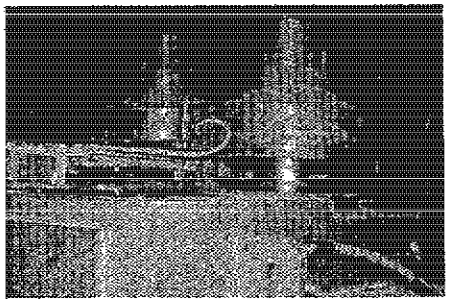


Manufacturing: Completed 3D CAD design for our hydraulic dual-axis solar tracking system.

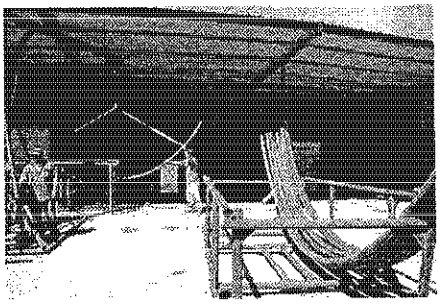


Manufacturing: Completed 3D CAD designs for our solar towers.

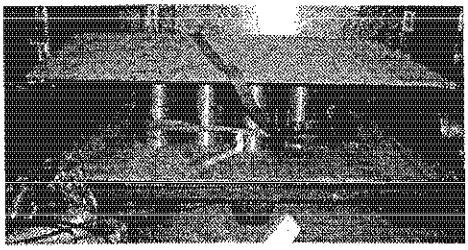
2014



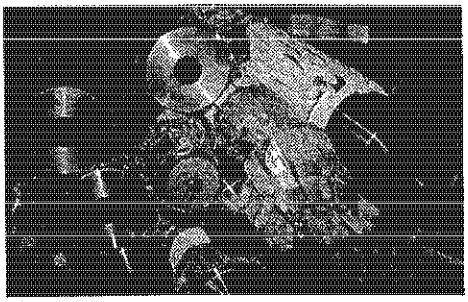
Manufacturing: Our pipe bender has been programed and an automatic feeding system has been added to increase productivity.



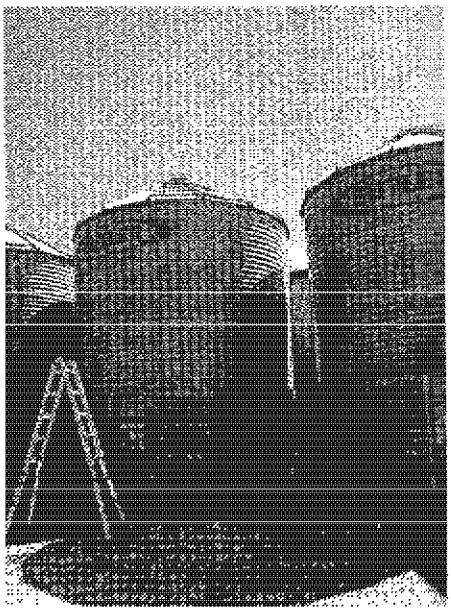
Manufacturing: Bent pipe hoisted by a crane to be put into a container for delivery.



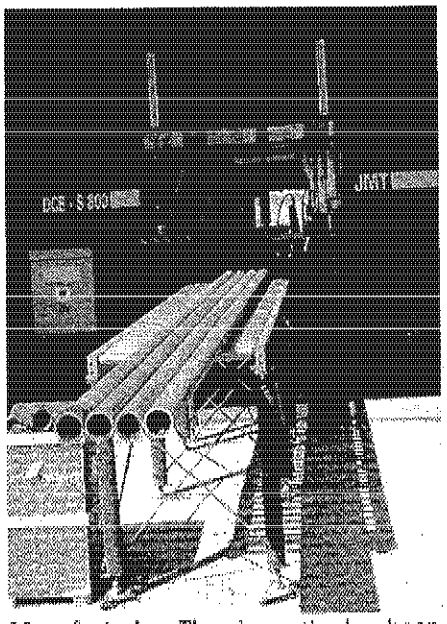
Manufacturing: Jet-Propulsion Turbines are now in inventory. Shown are the outer casings of the turbine.



Manufacturing: Shown are inner casings of our Jet-Propulsion Turbines. There are now 25 turbines in inventory.

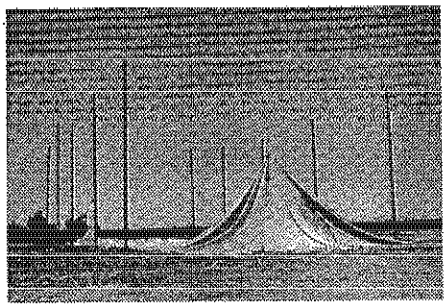


Manufacturing: Three silos at the manufacturing plant are now connected to become clean rooms that will produce the world's first commercially-viable concentrated photovoltaic (CPV) technology.

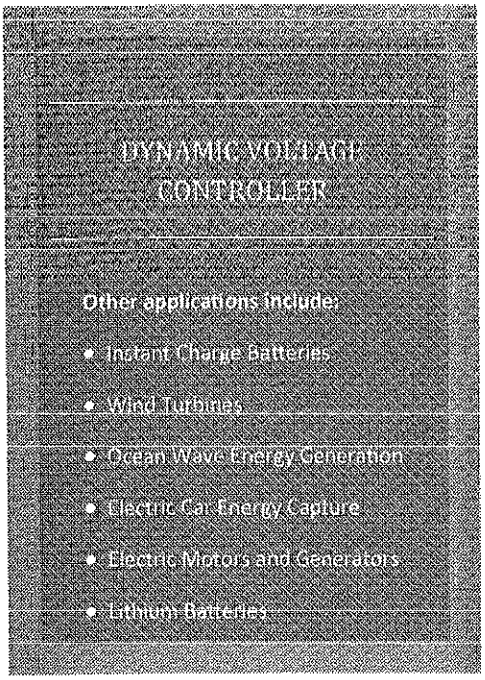


Manufacturing: The pipe cutter has been programed and an automatic feeding system has been added to increase productivity.

Installation: Our R&D towers being converted to commercial spec units.



Installation: These two canvas buildings will add 20,000 square feet of construction space at the Delta, Utah project site. Twenty-five construction workers will be employed to install twenty towers a day or close to two megawatts a day. To install that many towers/megawatts per day with only 25 workers is unprecedented in the history of energy construction. Target date to begin is before summer's end in 2014.



RaPower-3 Equipment Purchase Agreement

This Equipment Purchase Agreement (the "Agreement") is entered into this day 12/20/2012 4:57:46 PM by and between RaPower-3 LLC (the "Operator"), with principal offices at 4035 South 4000 West, Deseret, UT 84624, hereinafter referred to as "Seller", and Preston Olsen on behalf of PFO Solar LLC whose address is ~~957 Bryanston Cv Murray, UT. 123456~~ 5819 S. Meadowcrest Dr, Murray UT 84107 hereinafter referred to as "Purchaser".

BACKGROUND

1. Seller is the licensee of certain proprietary alternative energy technology, which technology relates to solar energy collection and which technology is utilized for the design and fabrication of certain components which are identified below and which are hereinafter collectively referred to as the "Alternative Energy System(s)".

2. Seller and Purchaser now desire to enter into an agreement whereby Seller will sell Purchaser the Alternative Energy System specifically described below.

AGREEMENT

NOW, THEREFORE, the parties hereto agree as follows:

1. Systems Purchased. Seller hereby sells to Purchaser and Purchaser hereby purchases from Seller the Alternative Energy System(s). The number of Alternative Energy Systems purchased by Purchaser from Seller under this Agreement shall be

13

Seller shall furnish, deliver, install and startup the Alternative Energy System(s), at a site yet to be determined. When a site is selected, it shall be referred to as the "Installation Site".

2. Documentation for Potential Tax Benefits. Seller shall provide to Purchaser all required documentation relating to the Alternative Energy System and its components as requested by Purchaser for federal, state and local review of the Alternative Energy System for

EXHIBIT 119
WIT: Olsen
DATE: 8-10-16
Denise M. Thomas, CRR/RPR

potential tax benefits. However, Purchaser hereby expressly acknowledges that neither Seller nor any other person or entity affiliated with Seller has made representations to Purchaser regarding potential tax benefits of this Agreement to Purchaser and Purchaser has relied entirely on hi/her own analysis of potential tax benefits. Purchaser hereby waives any and all claims against Seller and its employees, agents, officers, affiliates and representatives relating to Purchaser's failure to receive any anticipated tax benefit.

3. **Payment Terms.** Purchaser shall pay to Seller the sum of $3,500 for each Alternative Energy System purchased, hereinafter referred to as the "Purchase Amount" for the purchase of the Alternative Energy System. This includes the cost of delivery, installation and startup, as well as the cost of warranty work performed during the warranty period described below. The Total Purchase Amount shall be paid in accordance with the following schedule:

Option1:

Initial Down Payment in the amount of $1,050 (one thousand fifty dollars) for each Alternative Energy System purchased, which shall be paid at the time this agreement is entered into.

Option 2:

Initial Down Payment in the amount of $1,050 (one thousand fifty dollars) for each Alternative Energy System purchased, which shall be paid with a one-time payment of $105 (equal to 10% of the down payment) at the time this Agreement is entered into. The balance of $945 for each Alternative Energy System is to be paid on or before June 30, 2012.

Option 3:

Initial Down Payment in the amount of $1200 (One Thousand Two Hundred Dollars) for each Alternative Energy Systems purchased, which shall be paid in monthly installments of $100 (One Hundred Dollars) per system purchased.

The Installation Date shall be defined as the date the Alternative Energy Equipment has been installed and begins to produce revenue. After the Alternative Energy Equipment has been installed and producing revenue for a five (5) year period, annual payments will begin. The annual payment will be as follows. Thirty Annual Installments in the amount of $82.00 (Eighty-two dollars) for each Alternative Energy System purchased, hereinafter referred to as "Annual Installments," shall be paid to Seller, the first Installment being due five years following the Installation Date and the last Installment being due Twenty-Nine years thereafter,

the Thirty-Five year period from the Installation Date to a date one year following the due date of the last Installment, shall be referred to hereinafter as the "Installment Period" and the schedule of Installment payments shall be referred to hereafter as the "Installment Schedule."

4. Operations and Management Company. The Alternative Energy System shall be placed in operation only at and operated only at the Installation Site, and shall be operated and managed for the Installment Period by an independent Operations and Management Company hereinafter referred to as "Operations and Management Company". In the event that Operations and Management Company shall cease to operate and manage the Alternative Energy System for any reason during the Installment Period, a Substitute Operations and Management Company approved by Buyer shall be employed to operate and manage the Alternative Energy System. The Substitute Operations and Management Company must be expressly approved by Buyer.

5. Failure to Pay. In the event that Purchaser fails to pay any of the Annual Installments or any portion thereof, when due, interest shall accrue on the overdue amount at the rate of one and one-half percent (1-1/2%) per month until paid. If Purchaser fails to pay any Annual Installment or any portion thereof when due or within a thirty (30) day grace period thereafter, Seller may immediately, upon written notice to Purchaser, enter the Installation Site and repossess the Alternative Energy System and any and all of the components thereof. In such event, Seller shall be entitled to recover its attorney fees, court costs, arbitration costs, collection costs, repossession fees and expenses incurred in repossessing the Alternative Energy System and any components thereof. In the event that Purchaser voluntarily relinquishes the Alternative Energy System to Seller, and thereby minimizes the expense to Seller in repossessing the Alternative Energy System, Seller agrees not to report Purchaser to any credit agencies for Purchaser's default, and Purchaser shall receive a credit against the balance owed under the Installment Schedule in an amount equal to the value of the Alternative Energy System as established by an independent, qualified appraiser approved by Purchaser and Seller. The credit for the value of the Alternative Energy System shall be given if Purchaser voluntarily relinquishes the Alternative Energy System, whether the Alternative Energy System is re-sold by Seller or not.

6. Seller's Rights upon Default. If Purchaser fails to pay any Annual Installment or any portion thereof when due or within the thirty (30) days grace period thereafter, or if Purchaser becomes subject to any state or federal insolvency, bankruptcy, receivership, trusteeship or similar proceeding, or if Purchaser shall default in any other term of this Agreement, Seller may immediately terminate this Agreement by notice in writing to Purchaser and repossess the Alternative Energy System and all of the components thereof as stated above. In such event, Purchaser shall remain liable for all sums then due and unpaid, less the credit for the value of the repossessed Alternative Energy System as described above, plus a reasonable amount for attorneys' fees and such expenses as may be expended in the repossession of the

Alternative Energy System.

7. **Right to Reduce Purchase Amount.** If changes are made to the Internal Revenue Code after the date of this Agreement and prior to January 31, 2012, which materially reduce any tax benefit of this agreement anticipated by the Purchaser, Purchaser may elect to reduce the number of Alternative Energy Systems purchased and the Seller agrees to accept the reduced amount, provided that the reduced amount is not less than the total amount already paid as a down payment or one-time payment. Any notice stating that Buyer wishes to elect a reduction must be emailed (with confirmation of delivery) or must arrive to the Seller via hand delivery, as set forth in this paragraph, on or before Jan 31, 2012.

8. **Warranty.** Seller hereby warrants, for the thirty five (35) year period from the Installation Date to the end of the Installment Period, hereinafter referred to as the "Warranty Period" that the Alternative Energy System shall remain in good operating condition. Seller shall initiate, within five (5) business days following the receipt of written notice that the Alternative Energy System is not operating properly or is not in good operating condition, either directly or through the use of one or more independent maintenance or repair entities, maintenance or repair of the malfunctioning or non-operating components of the Alternative Energy System. Seller shall complete such maintenance or repair work within a reasonable time thereafter. Seller shall be responsible for all material, equipment and labor costs incurred to complete such maintenance and repair work. Seller shall not be responsible for or liable for loss of revenue or other consequential damages sustained by Purchaser due to the failure of the Alternative Energy System to remain in good operating condition. Seller's obligations shall be limited to the maintenance and repair obligations stated herein.

9. **Seller's Warranty Obligations.** Seller hereby warrants, for the thirty five (35) year Warranty Period, the Alternative Energy System and each of the components thereof, from defects in materials and workmanship. Within five (5) business days following the receipt of written notice from Purchaser, Seller shall initiate reasonable efforts to ascertain repair or replacement requirements, to order replacement parts and equipment needed for repair, and to deploy qualified maintenance personnel. The cost of warranty parts, replacement equipment and labor shall be borne by Seller. Seller shall not be responsible for or liable for loss of revenue or other consequential damages sustained by Purchaser due to defects in materials or workmanship. Seller's obligations shall be limited to the parts, equipment replacement, and repair obligations stated herein.

10. **Target Production Rate.** Seller and Purchaser acknowledge that the Target Production Rate from one Alternative Energy System is 600 peak watts, rated for clear sky conditions at noon, local time, June 21, at a latitude of forty degrees (40 degrees) North (the "Rating Conditions"), and the Warranty Production Rate is ninety-five percent (95%) of the Target Production Rate. Seller hereby warrants that for the initial five year period from the Installation Date to a date five years following the Installation Date, the Warranty Energy

Production for the Alternative Energy system, shall be no less than 570 peak watts, at the Rating Conditions.

In the event that the actual peak energy production, at the Rating Conditions, from the Alternative Energy System during the initial five year period is less than the Warranty Energy Production, Purchaser shall have the option to terminate this Agreement and relinquish the Alternative Energy System to Seller. Purchaser shall thereafter have no further obligation under this Agreement to make any further payment or to perform any other obligation to Seller arising under this Agreement, except to cooperate with and assist Seller in obtaining possession of the Alternative Energy System. If Purchaser elects to terminate this Agreement as provided above, Purchaser shall not be entitled to a reimbursement of any portion of the Initial Down Payment. The foregoing option to terminate must be exercised within sixty (60) calendar days following the expiration of the initial five year period and must be exercised by Purchaser providing written notice to Seller.

11. Waiver for Delays. Purchaser hereby waives any and all claims against Seller for delays, including but not limited to claims for damages due to delays in preparing plans; delays in applying for or obtaining approvals or permits; delays in the delivery, installation, or start-up; or delays in performing warranty work. This waiver includes any and all direct, indirect or consequential damages.

12. Limitation of Liability. Neither of the parties shall have liability for consequential damages to the other arising out of this agreement or the transactions, events or occurrences related thereto and each hereby waives any and all such claims for consequential damages against the other. Seller's liability for any breach under this agreement shall be limited to any amounts actually paid by Purchaser and received by Seller under this Agreement.

13. Property Insurance. Purchaser agrees to require Operations and Management Company to maintain property damage insurance on the Alternative Energy System.

14. Liability Insurance. Purchaser agrees to require Operations and Management Company to maintain liability insurance to insure against bodily injury, property damage, product liability or other claims related to the design, manufacture, delivery, installation, start-up, operation or maintenance of the Alternative Energy System.

15. Assignment of Agreement. This Agreement shall not be assigned by Purchaser without the express written consent of Seller. Seller may assign its rights and obligations under this Agreement but Seller shall remain liable to Purchaser for the failure of its assignee to perform the obligations of Seller under this Agreement.

16. Binding Agreement. This Agreement shall be binding upon the successors and assigns of each of the parties.

17. No Additional Warranties. Seller makes no representations or warranties,

expressed or implied, including the implied warranty of merchantability and fitness, except as expressly stated in this Agreement.

18. Authorized Personnel. Purchaser shall not repair, modify or adjust the Alternative Energy System or any component thereof and Purchaser agrees to prohibit anyone other than Seller's authorized personnel to repair, modify or adjust the Alternative Energy System or any component thereof.

19. Notification to Seller. Purchaser shall notify Seller immediately of accidents, disabilities, failures or like information concerning the Alternative Energy System.

20. Warranty Limitations. In the event the Alternative Energy System becomes inoperable for any reason, except as otherwise provided under the warranty during the Warranty Period, Seller shall not be obligated to furnish a substitute Alternative Energy System or any component thereof. In any event, Seller shall not be liable for any special or consequential damages of any nature resulting from such inoperability.

21. Operating Site and Guidelines. Purchaser agrees that the Alternative Energy System shall be used and operated only at the Installation Site and in accordance with the "Safety and Operating Guidelines" which shall be written and set forth by Seller. Purchaser agrees that the Alternative Energy System shall not be relocated by Purchaser without the written consent of Seller.

22. Written Notice. Any notice under this Agreement shall be deemed sufficient if it is in writing and it is delivered to Purchaser, personally or sent by mail addressed to Purchaser at the address set forth above.

23. Rights, Liens, Title, and Interest. Nothing herein conveys to Purchaser any right, title or interest in or to the Alternative Energy System or any component thereof, except as a Purchaser. Seller reserves the right to file or record such documents and instruments as it may deem necessary from time to time to protect its rights, liens, title and interest in the Alternative Energy System. Purchaser agrees to cooperate with Seller and to execute such documents as may be required or requested by Purchaser to assist Seller in protecting its rights, liens, title and interest in the Alternative Energy System.

24. Breach of Agreement. In the event of the breach of this Agreement by either party, the injured party shall be entitled to recover its costs, attorney fees, arbitration costs and arbitration fees incurred in enforcing the agreement and in pursuing appropriate remedies.

25. Potential Tax Benefits Responsibility of Purchaser. Seller and Purchaser acknowledge that they each understand that the Alternative Energy System may qualify for certain tax incentives and benefits under the 2005 Energy Policy Act and other statutes. Purchaser agrees to obtain the evaluation and opinion of its own tax attorney or accountant as to

any tax matters relating to this Agreement and to the Alternative Energy System. Seller does not guarantee any tax incentive or benefit to Purchaser. Seller hereby transfers to Purchaser any and all energy tax credits, if any, related to the Alternative Energy System. Seller shall not claim any such energy tax credits. Seller and Purchaser agree to the respective initial values of the components of the Alternative Energy System.

26. Dispute Resolution. In the event of a dispute arising out of this Agreement or the transactions, events or occurrences related thereto, Seller shall have the sole option of electing to have such disputes resolved by binding arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association with all hearings and other proceedings in that arbitration being conducted in Salt Lake City, State of Utah. Seller shall have the right to elect arbitration at any time up to and including the time that either party files an Answer in pending litigation between the parties relating to such disputes.

27. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Utah.

28. Entire Agreement. This is the entire agreement between the parties. This agreement shall not be modified except by written amendment signed by Purchaser and Seller.

RaPower-3 Equipment Purchase Agreement

29. Right of Revocation. Purchaser understands and acknowledges that s/he may revoke this Agreement for a period of up to 14 days after s/he signs it and delivers payment (counting the day it was signed and/or payment received) and that the Agreement will not become effective or enforceable until the 14-day revocation period has expired. To revoke this Agreement, Purchaser must give written notice stating that s/he wishes to revoke to the Seller's authorized sales representative or to the Seller via email to "cancel@rapower-3.com <mailto:cancel@rapower-3.com>". Any notice stating that Purchaser wishes to revoke this Agreement must be emailed (with confirmation of delivery) or must arrive to the Seller via hand delivery, as set forth in this paragraph, on or before the expiration of the 14-day revocation period.

PRESTON OLSEN, for PFO Solar LLC

Signature

RaPower3 Windows Utility

IP Digital Signal

Seller

By: Neldon Johnson - RaPower-3

Neldon Johnson - Director 12/20/2012 4:57:46 PM

Signature

RaPower3

OPERATION AND MAINTENANCE AGREEMENT

Alternative Energy Systems

This Operation and Maintenance Agreement (the **"Agreement"**) is entered into this day

04/18/2016
(the **"Effective Date"**) by and between **LTB, LLC** (the **"Operator"**), a Nevada Limited Liability Company with principal offices at 3838 Raymert Drive, Suite #10, Las Vegas, Nevada 89121, and

PRESTON OLSEN, 9351 S. DUTCH VALLEY DRIVE, SOUTH JORDAN 84095, Utah United States (the **"Owner"**).

RECITALS

WHEREAS pursuant to an Equipment Purchase Agreement (the **"Purchase Agreement"**) between the Owner and **RaPower-3, LLC** (**"RaPower"**), a copy of which is attached as Attachment A, the Owner has purchased certain solar thermal energy equipment which consists of

90% Lens Purchase

(The **"Number of Owner's Alternative Energy Systems"**) **Alternative Energy Systems** (the **"Owner's Alternative Energy Systems"**) which are particularly described in the Purchase Agreement that will be installed at a Power Plant and/or other facilities hereafter associated therewith (collectively, the **"Project"**) at a location designated by the Equipment Purchase Agreement (the **"Installation Site"**).

WHEREAS, the Owner desires to rent to Operator and Operator desires to rent from Owner, the Owner's Alternate Energy Systems.

WHEREAS, the Owner desires to contract with the Operator for Operator to provide operation and maintenance services in respect of the Project.

WHEREAS, the Operator, at the Operator's sole discretion, may also be operating and maintaining solar thermal energy equipment other than the Alternative Energy System of the Owner, at the Installation Site.

WHEREAS, the Operator is willing to provide such services on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

ARTICLE 1

EXHIBIT 121
WIT: Olsen
DATE: 8-10-16
Danica M. Thomas, CRR/RPR

DEFINITIONS

1.1 **Alternative Energy System.** Solar energy concentrator system.

1.2 **Imbedded Definitions.** The definitions of other key terms are as stated in the text of this Agreement.

ARTICLE 2

OPERATOR SCOPE OF WORK

2.1 Appointment.

The Owner appoints the Operator and the Operator accepts the appointment to perform the following services subject to and in accordance with the provisions of this Agreement (collectively, the **"Work"**):

2.1.1 Routine O&M Services;

2.1.2 Additional Services; and

2.1.3 Transition Services.

2.2 Effective Date.

The Operator shall begin performing the Work on the date the Owner's Alternative Energy Systems are installed at the Installation Site (the **"Effective Date").**

2.3 Operation and Maintenance Services.

The Operator will perform the Work in accordance with the standard of a reasonable and prudent operator in the state wherein the Installation Site is located and in compliance with the Safety and Operating Guidelines ("Guidelines") provided by RaPower to Operator, except to the extent that a reasonable and prudent operator would be unable, or would be hindered in its ability, to perform such obligations. Operator and Owner agree that RaPower may modify or amend the Guidelines from time to time in the sole discretion of RaPower. The Guidelines, as amended and modified hereafter in the sole discretion of RaPower, are hereby incorporated by reference into this Agreement and Operator and Owner hereby agree to be bound thereby.

2.4 Appointment of Liaison.

The Operator may appoint a representative who will represent the Operator under this Agreement and be responsible for receiving approvals or instructions from the Owner that may be required from time to time.

The Owner shall be entitled to rely on the actions of such representative for the purposes of this Agreement.

2.5 Governmental Approvals.

The Operator shall apply for and use reasonable efforts to obtain and maintain all Governmental Approvals that are required to be in the Operators name and that are necessary for the Operator to perform its obligations under this Agreement. The Operator shall assist the Owner, to the extent reasonably necessary, in obtaining Governmental

Approvals that the Owner is required to obtain pursuant to Article 3.

2.6 Work Force.

The Operator is responsible for hiring, employing, training and managing, and additionally, in respect of employees employed by Affiliates of the Operator, overseeing the work force necessary to operate, maintain and repair the Project in accordance with this Agreement.

2.7 Access.

The Operator shall at all times provide access to the areas of the Project to the designated representatives of the Owner, provided that such access is in compliance with the Equipment Purchase Agreement and is coordinated with the Operator to ensure that it does not unreasonably interrupt or interfere with the performance of the Work or the safe operation of the Project and is at the sole risk and expense of the Owner, as applicable.

2.8 Legal Requirements.

The Operator shall comply in all material respects with all applicable law in the performance of the Work.

2.9 Property Tax.

The Operator shall comply with and pay all property tax on the Alternate Energy Systems.

ARTICLE 3

OWNER SCOPE OF RESPONSIBILITIES

3.1 Delivery of the Project.

Once this Agreement becomes effective, the Owner shall grant the Operator and its designated and identified Affiliates, employees, agents and representatives, access to the Installation Site and the Project, as are necessary or desirable for the Operator to carry out the Work and to comply with the Operators obligations hereunder.

3.2 Appointment of Liaison.

The Owner may appoint a representative who will represent the Owner under this Agreement and be responsible for giving approvals or instructions to the Operator that may be required from time to time. The Operator shall be entitled to rely on the approvals or instructions of such representative.

3.3 Governmental Approvals.

The Owner shall apply for and use reasonable efforts to obtain and maintain all Governmental Approvals that are required to be in the Owners name and that are necessary for the Owner to perform its obligations under this Agreement. The Owner shall assist the Operator; to the extent reasonably necessary, in obtaining Governmental Approvals that the Operator is required to obtain pursuant to Article 2.

3.4 Compliance with Applicable Law.

The Owner shall comply in all material respects with all applicable law in connection with the performance of this Agreement.

ARTICLE 4

SAFETY AND OPERATING GUIDELINES

4.1 Safety and Operating Guidelines.

Pursuant to the Equipment Purchase Agreement between the Owner and RaPower, RaPower has provided Safety and Operating Guidelines ("Guidelines") for operating and maintaining the Project, which Guidelines include but are not limited to a description of the services to be provided by Operator to Owner.

The services are categorized by the Guidelines into Routine O&M Services, Additional Services, and Transition Services. The Guidelines written and set forth by RaPower are subject to modification or amendment by RaPower without prior notice, in the sole discretion of RaPower. Operator shall perform the Work in accordance with and in full compliance with the Guidelines, as modified or amended by RaPower from time to time, which Guidelines are incorporated by reference into this Agreement.

4.2 Health, Environmental and Safety Standards.

The Operator agrees that the Project shall be operated in compliance with all applicable laws and with the OSHA Standards and that the Operator shall not be obligated to perform the Work in a manner that does not meet the OSHA Standards or that would violate applicable law.

ARTICLE 5

COMPENSATION AND PAYMENT

5.1 Owner's Alternative Energy System(s) Production.

In consideration for the performance by Operator of the services set forth in this Agreement, from the Effective Date of this Agreement until the Date of Termination of this Agreement as provided below, as for so long as Operator is in possession and control of the Project, Operator shall be entitled to receive all revenue from the use or sale of thermal energy or electric power generating using the Alternative Energy Systems.

5.2 Rental payment.

Once the Owner's Alternative Energy System(s) are installed and producing revenue, then at the end of each quarter a rental payment will be due and owing from Operator to Owner. The Operator shall send to Owner, on a quarterly basis, the rental payment by check or wire transfer to an account specified by Owner.

The rental payment from Operator to Owner will culminate into an annual payment equal to $150 (One Hundred Fifty Dollars) per Alternative Energy System. All Payments shall be in dollars unless otherwise agreed. Each

Payment shall be delivered to Owner within thirty calendar days following the end of the quarter.

5.3 Late Payments.

Late payments under this Agreement shall bear interest at a rate calculated from day to day on the basis of a 360 day year equal to one percent per annum above the Discount Rate. The payment of interest shall not excuse or cure any late payment hereunder.

5.4 Lease of Structural Components

Operator will provide a structure that holds the Owner's Alternative Energy Systems and a receiver to collect the energy from the Owner's Alternative Energy Systems. The Operator has agreed to lease space on the structure to the Owner , at $1.00 per year per Alternative Energy System for ninety-nine years or until the Owner of the Alternative Energy Systems chooses to move the Alternative Energy Systems to another location.

ARTICLE 6

INDEMNIFICATION

6.1 Scope of Indemnification.

- The Owner shall indemnify, defend and hold harmless the Operator, its Affiliates and its and their respective directors, officers, employees and agents **("Operator Indemnified Persons")** from and against any liability, loss, damage, claim, cost, charge or expense of any kind or nature, including reasonable attorneys fees, expenses and other costs of litigation (collectively, **"Damages")** incurred by any Operator Indemnified Person in connection with (i) injury to or death of any person or damage to property (including the Project and any facilities related to the Project) and (ii) any claims by third parties, in each case, as a result of or otherwise relating to (A) the breach by the Owner of any of its obligations under this Agreement, (B) the gross negligence or willful misconduct of the Owner, its Affiliates and its and their respective directors, officers, employees and agents, or (C) the Project; provided that the Owner shall not be liable to indemnify any such Operator Indemnified Person for any Damages to the extent that such Damages are to be indemnified by the Operator pursuant to Section 6.1(b)(ii) or are the result of the gross negligence or willful misconduct of the Operator or, in respect of any such Operator Indemnified Person, such Operator Indemnified Person.
- Subject to the limitation of liability under Article 10, the Operator shall indemnify, defend and hold harmless the Owner, its Affiliates and its and their respective directors, officers, employees and agents **("Owner Indemnified Persons")** from and against any Damages incurred by any Owner indemnified Person in connection with (i) injury to or death of any person or damage to property (including the Project and any facilities related to the Project) and (ii) any claims by third parties, in each case, as a result of (A) the breach by the Operator of any of its obligations under this Agreement or (B) the gross negligence or willful misconduct of the Operator, its Affiliates and its and their respective directors, officers, employees and agents; provided that the Operator shall not be liable to indemnify any such Owner Indemnified Person to the extent Damages are the result of the gross negligence or willful misconduct of the Owner or any such Owner Indemnified Person or the breach by the Owner of any of its obligations under this Agreement.

- **Limitation of Liability.**

The limitation of liability under Article 10 shall not apply to or include the amount of insurance proceeds received by the Operator under insurance obtained in accordance with this Agreement other than insurance obtained and paid by the Operator unless the amount paid by the Operator is reimbursed by the Owner hereunder.

- **No Effect on Insurers.**

The provisions of this Article 6 will not be construed to relieve any insurer of its obligations to pay any insurance claims in accordance with the provisions of any valid insurance Policy.

- **Gross Negligence.**

No Party shall have its liability limited hereunder for its own gross negligence or willful misconduct.

- **Survival.**

The Parties obligations under this Article 6 survive any termination of this Agreement.

ARTICLE 7 INSURANCE

7.1 Insurance Required of the Operator.

The Operator shall procure and maintain the insurance listed below:

- Workers compensation insurance, or the equivalent, as required by law.
- Comprehensive general liability coverage, or the equivalent, including bodily injury and physical damage, with a per occurrence limit of US $1,000,000.00.

ARTICLE 8

FORCE MAJEURE

8.1 Event of Force Majeure.

Any failure by the Operator or the Owner to carry out any of its obligations under this Agreement will not be deemed a breach of contract or default, other than obligations to pay monies due and payable pursuant to this Agreement, if such failure is caused by an Event of Force Majeure, that Party having taken all appropriate precautions, due care and reasonable alternative measures with the objective of avoiding such failure and of carrying out its obligations under this Agreement. If any activity is delayed, curtailed or prevented by an Event of Force Majeure, then, anything in this Agreement to the contrary notwithstanding, the time for carrying out the activity thereby affected and the term of this Agreement will each be extended for a period equal to the total of the periods during which such causes or their effects were operative, and for such further periods, if any, as are necessary to make good the time lost as a result of such Event of Force Majeure.

8.2 Notice; Cooperation.

The Party whose ability to perform its obligations is affected by an Event of Force Majeure shall notify as soon as practicable the other Party in writing, stating the cause, and the Parties shall endeavor to do all reasonable acts and things within their power to remove such cause. No Party is obligated to resolve or terminate any disagreement

with third parties, including labor disputes, except under conditions acceptable to it or pursuant to the final decision of any arbitral, judicial or statutory agent having jurisdiction to finally resolve the disagreement. As to labor disputes, any Party may request the other Party to cooperate in a joint endeavor to alleviate any conflict which may arise.

ARTICLE 9

TERM AND TERMINATION

9.1 Term of Agreement.

This Agreement becomes effective as of the Effective Date and, unless terminated by either Party pursuant to this Article 9, will terminate upon the termination of the Equipment Purchase Agreement.

9.2 Termination by the Owner.

This Agreement may be terminated at any time by the Owner if the Operator breaches any of its material obligations under this Agreement and Operator fails to cure such breach within 90 days of the receipt of written notice from the Owner; provided that the exercise of any termination right to be effective must occur within 90 days after the Owner becomes aware that its termination right exists. The Operator will have the opportunity, within 90 days of receiving notice of the event or breach to cure the event or breach, or, if such event or breach is not reasonably capable of being cured within such period, to submit to the Owner a plan (an **"Operator Remedial Plan"**) calculated to cure such event or breach within an additional reasonable period of time. The Owner may terminate this Agreement if, having commenced actions to cure the event or breach in accordance with an Operator Remedial Plan, the Operator fails to pursue such actions diligently or is unable to effect a cure within the period contemplated in the Operator Remedial Plan; provided that if the existence of such event or breach is disputed, such termination may occur only following resolution of the dispute regarding the existence or non-existence of a breach. The Date of Termination shall be the date that all conditions and contingencies to termination have been satisfied and the Owner is entitled to terminate this Agreement.

9.3 Termination by the Operator.

This Agreement may be terminated at any time by the Operator if the Owner breaches any of its material obligations under this Agreement, and Owner fails to cure such breach within 90 days of the receipt of written notice from Operator. The Operator shall have the right to immediately suspend performance hereunder in the event of any such default, until the same is cured by the Owner, and the Owner shall have no rights against the Operator in respect of such suspension until the time of such cure. Additionally, the Operator may terminate this Agreement if any change in ownership results in the Operator no longer being an Affiliate of the Owner. The exercise of any termination right to be effective must occur within 90 days after the Operator becomes aware that its termination right exists. The Date of Termination shall be the date that all conditions and contingencies to termination have been satisfied and the Operator is entitled to terminate this Agreement.

9.4 Transition to New Operator.

In the event of any termination under Section 9.2, the Owner may request that the Operator continue to maintain a sufficient number of local and expatriate employees to assist in training a replacement operator and to perform such other transition work as the Owner may reasonably request, and the Operator shall comply with any such request for a period not to exceed three months.

ARTICLE 10

LIMITATIONS OF LIABILITY

Neither of the parties shall have liability for consequential damages to the other arising out of this agreement or the transactions, events or occurrences related thereto and each hereby waives any and all such claims for consequential damages against the other.

ARTICLE 11

CONSULTATION AND ARBITRATION

11.1 Arbitration.

- If any Dispute arising out of this Agreement cannot be resolved by the Parties, then such Dispute shall be resolved by binding arbitration pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The arbitration shall be the sole and exclusive forum for resolution of such Dispute, and the award rendered shall be final and binding. Judgment on the award rendered may be entered in any court having jurisdiction thereof.
- The arbitration shall be conducted in the English and shall be held in Salt Lake City, Utah.
- Any award of the arbitrator(s) (i) shall be in writing, (ii) shall state the reasons upon which such award is based and (iii) may include an award of costs, including reasonable attorneys fees and disbursements.
- The arbitrators shall have no authority to award consequential damages or punitive damages or any other damages not measured by the prevailing Partys actual direct damages, and the arbitrators may not, in any event, make any ruling, finding or award that does not conform to the term and conditions of this Agreement.
- Any Party may make an application to the arbitrators seeking injunctive relief to maintain the status quo until such time as the arbitration award is rendered or the dispute, controversy or claim is otherwise resolved. Any Party may also apply to any court having jurisdiction and seek injunctive relief in order to maintain the status quo until such time as the arbitration award is rendered or the dispute, controversy or claim is otherwise resolved. In the course of resolving Disputes, to the extent practicable, the Parties shall continue to perform the terms and conditions of this Agreement that are not in dispute.

ARTICLE 12

REPRESENTATIONS AND WARRANTIES

12.1 By the Owner.

In order to induce the Operator to enter into this Agreement the Owner makes the following representations and warranties as of the date hereof, which survive the execution and delivery hereof:

- the Owner is an individual having all requisite power and authority to enter into and perform this Agreement;
- the execution, delivery and performance of this Agreement (i) have been duly authorized by all necessary actions on the part of the Owner, and (ii) will not result in any violation of or conflict with or constitute a default under any provision of applicable law or of any judgment, decree or order of a court or Governmental Instrumentality applicable to the Owner or any material agreement or other instrument to

which the Owner is a party or by which it is bound, including the Energy Sales Contract; and
- this Agreement constitutes a valid and binding obligation of the Owner.

12.2 By the Operator.

In order to induce the Owner to enter into this Agreement, the Operator makes the following representations and warranties as of the date hereof, which survive the execution and delivery hereof:

- it is a corporation duly organized, validly existing and in good standing under the laws of the State of Nevada and has all requisite corporate power and authority to enter into and perform this Agreement;
- the execution, delivery and performance of this Agreement (i) have been duly authorized by all necessary corporate action on its part and (ii) will not result in any violation of or conflict with or constitute a default under any provision of applicable law or its charter or by-laws or any judgment, decree or order applicable to it or any material agreement or other instrument to which it is a party or by which it is bound; and
- this Agreement constitutes a valid and binding obligation of the Operator.

ARTICLE 13 MISCELLANEOUS

13.1 Governing Law.

This Agreement is governed by and construed in accordance with the laws of the State of Utah, United States of America.

Signature

IP Digital Signal: 108.171.132.160

Seller

By: Neldon Johnson - RaPower-3

Neldon Johnson - Director -

Signature

From: Greg Shepard <greg=rapower3.com@mail90.atl111.rsgsv.net>
Sent: Monday, April 27, 2015 2:58 PM
To: Peter <pgregg@bfsmail.com>
Subject: RaPower3 Team Memo #25

RaPower3 updates, info on lens buying and more . . . View this email in your browser

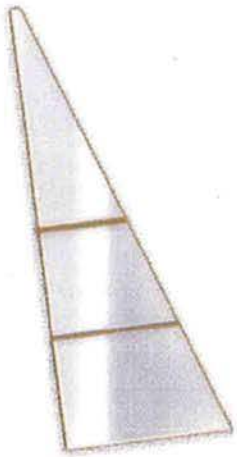
RA3 TEAM MEMO #25

RaNews

RaPower3
Disruptive Energy Technologies
Like

Update

The manufacturing facility continues to receive upgrades and, when completed, most processes will be automated and computer aided. Also, we are now in the process of negotiating a PPA for the first set of towers that will be going up.



How Many Should I Buy?

We have redone the RaPower3 website page on calculating the number of lenses should you buy. It is more simple than previous guidance. Please take time to look over this new page as you work on your strategy for this years purchases. As always, please consult a

Website:
www.rapower3.com

General Questions:
email info@rapower3.com

Matthew Shepard
Assistant Director
matt@rapower3.com
801-651-2183

Greg Shepard
Chief Director of Operations
greg@rapower3.com
801-699-2284

Send Payments to:
RaPower3 LLC
4035 S. 4000 W
Deseret, Utah 84624

Past Team Memos

Back Office Login

GOVERNMENT EXHIBIT 292 Gregg 11-16-16

qualified tax adviser before purchasing.

Click HERE to view the page.

Tech Provider

IAUS is RaPower3's technology provider. IAUS expects its unique solar power technology to be the first to compete with gas and coal. Two primary issues have prevented solar power from replacing fossil fuels: the high cost of solar power equipment, and limited-volume manufacturing capabilities. In fact, even if today's solar power technologies were competitively priced, the manufacturing capabilities are so low it would take decades to barely make a dent in replacing fossil fuels.

IAUS's new solar technology presents a breakthrough on both fronts. The company has been achieving manufacturing costs competitive with fossil fuels, and its annual production scalability, both cost wise and time wise, is off the charts compared to today's

technologies. These two elements make it perhaps, the energy sector's holy grail in a market currently grossing more than $3 trillion annually, but fueled by less than 1% solar.

Visit iaus.com for more info.

2015 National Convention

The RaPower3 2015 National Convention will be held Friday June 26, 2015 from 10:00 AM to 4:00 PM. The tour will begin at 10:00 AM in Delta, Utah. The RaPower3 2015 National Conference is set to be the most exciting ever. Conference will include tours of the solar site and manufacturing plant as well as in-depth discussions on RaPower3 projects, the solar lens program, future plans for RaPower3 and more...

Please wear comfortable clothes and shoes as there will be walking. Bring your own water as facilities are limited.

Click here for details and to register.

Tours

SITE TOURS

RaPower3 member's lenses are being installed on towers at our site in Central Utah. Tours includes 30-60 minute instruction, Q&A session, and tour of both the manufacturing plant and the project site. Wear comfortable clothes and walking shoes. Hats and sunglasses are recommended. Bring your own water as services are limited.

You must RSVP with Greg Shepard at greg@rapower3.com to attend. All RaPower3 Team Members and their guests are welcome to attend.

The next tour is set for **Thursday May 21, 2015**.

Our mailing address is:
RaPower3 LLC
4035 S 4000 W
Deseret, UT 84624


MailChimp

Alternative Energy System Purchase Referral Fee Contract
(BONUS)

This Referral Fee Contract is made by and between RaPower-3 of 4035 South 4000 West, Deseret, UT 84624, and: **PETER C. GREGG**
Hereinafter referred to as ("Purchaser"), with an address of:

38490 BICKFORD STREET SANDY, OR 97055

In consideration for; (a) the purchase by Purchaser of Alternative Energy Systems as evidenced by the execution of the Equipment Purchase Agreement dated: **4/12/2011** (hereinafter referred to as "Equipment Purchase Agreement"); (b) the payment by Purchaser to RaPower-3 of the Purchase payment at the time of signing the Equipment Purchase Agreement; and (c) Purchaser agreeing to make the Systems available to IAS as a reference for marketing and sales purposes to show and demonstrate to potential customers ("New Customers"), Purchaser has earned and shall thereafter receive a referral fee (the "Referral Fee," is more fully explained below) for services performed by allowing access and use for sales purposes, for each System purchased, the Referral Fee shall be zero point zero and zero and zero six percent (0.0006%) on referral amounts up to One Billion Dollars ($1,000,000,000) of gross revenue received by International Automated Systems (IAS).

As evidenced by the execution of the Equipment Purchase Agreement, the total number of Systems purchased by Purchaser is: **26**

The total Referral Fee is **0.0156%**

This agreement is based upon proof of purchase and is paid in full on Order ID:

38-1091-4122011911

PURCHASER: **PETER C. GREGG** DATE: **4/12/2011**

RAPOWER-3: [signature] DATE: 4/12/2011
MANAGING PARTNER

RAPOWER-3 SPONSOR: **ROGER FREEBORN**

Healy Gallagher, Erin (TAX)

From: Suzanne Peterson <speterson@heidlaw.com>
Sent: Thursday, July 14, 2016 6:31 PM
To: Hines, Erin R. (TAX); Healy Gallagher, Erin (TAX); Mangum, John (USAUT); Moran, Christopher R. (TAX); donald@reaylaw.com
Subject: RaPower 3 Responses to Interrogs updated
Attachments: 2016-07-14_RaPower 3 Responses to Interrogs update.pdf

Please see attached updated RaPower3 Responses to Interrogatories. We previously sent our responses earlier this morning, but needed to updated them with addition information. Please use this updated document.

Thank you.

Suzanne Peterson |*Legal Assistant*

HEIDEMAN & ASSOCIATES
Attorneys at Law

2696 N. University Ave. Suite 180, Provo, UT 84604
Phone: (801) 472-7742 | Fax: (801) 374-1724
speterson@heidlaw.com | www.heidlaw.com

Plaintiff Exhibit 414

JUSTIN D. HEIDEMAN (USB #8897)
HEIDEMAN & ASSOCIATES
2696 North University Avenue, Suite 180
Provo, Utah 84604
Telephone: (801) 472-7742
Fax: (801)374-1724
Email: jheideman@heidlaw.com

Attorney for RAPower-3, LLC, International Automated Systems, Inc., LTB1, and Neldon Johnson

IN THE UNITED STATES DISTRICT COURT IN AND FOR THE DISTRIC OF UTAH, CENTRAL DIVISION

UNITED STATES OF AMERICA, Plaintiff, vs. RAPOWER-3, LLC, INTERNATIONAL AUTOMATED SYSTEMS, INC., LTB1, LLC, R. GREGORY SHEPARD, NELDON JOHNSON, and ROGER FREEBORN, Defendants.	**DEFENDANT RAPOWER -3, LLC RESPONSES TO UNITED STATES' FIRST SET OF INTERROGATORIES** Case No. 2:15-CV-0828 DN Judge: Honorable David Nuffer Magistrate Judge Brooke Wells

Defendant, RaPower-3, LLC, by and through counsel of record, Justin D. Heideman of the law firm Heideman & Associates, and provides the most complete responses given the time provided, and will be supplemented accordingly, to the following Interrogatories pursuant to Rule 33 of the Federal Rules of Civil Procedure.

GENERAL OBJECTIONS AND QUALIFICATIONS

Defendant objects to Plaintiff's discovery requests based on the following grounds:

1. Defendant objects to each and every discovery request to the extent that it seeks information prepared in anticipation of litigation or protected by the attorney-client privilege, the work product doctrine, or any other applicable privilege or immunity. To the extent that any discovery request may be construed as seeking privileged information, Defendant claims such privilege. The fact that Defendant does not specifically object to the discovery request on the grounds that it seeks privileged information shall not be a waiver of the applicable privilege or immunity. Communications between Defendant and the law firm of Heideman & Associates are privileged and together with work performed by that firm or by individuals retained by that firm or retained by Defendant for the purposes of this litigation will not be disclosed and will not be described in any further detail except as may be required by Rule 26(b)(5) or by any scheduling order or other order entered by the Court in this matter. The internal work and communications of Defendant in anticipation of litigation are also privileged and will not be disclosed. Any such documents prepared from the time litigation counsel was consulted with respect to this matter will not be described in any further detail.

2. Defendant objects to each and every discovery request to the extent that it seeks discovery regarding matters that are not relevant to the subject matter of the pending action or that are not reasonably calculated to lead to the discovery of admissible evidence and that further is protected as a matter of trade secret.

3. Defendant objects to each and every discovery request to the extent it purports to impose a burden of identifying documents not in Defendant's possession or control, or that cannot be found in the course of a reasonable search.

4. Defendant objects to each and every discovery request that can reasonably be construed to be overly broad, vague, ambiguous or unduly burdensome.

5. Defendant incorporates, by reference, each of these General Objections and Qualifications into the specific responses to Plaintiffs' discovery requests.

INTERROGATORIES

1. Identify all of your officers, directors, principals, owners, employees and registered agents.

RESPONSE: In addition to the objections set forth above and incorporated herein by reference, Defendant objects to Interrogatory No. 1 on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to Interrogatory No. 1 (or parts thereof) because it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant also objects to Interrogatory No. 1 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. Without waiving these or the foregoing objections, Defendant responds as follows: Defendant shall supplement response subject to a protective order.

2. Identify all entities in which you have an ownership interest, including the name of the entity, the ownership percentage, the address of the entity and the business in which the entity is engaged.

RESPONSE: In addition to the objections set forth above and incorporated herein by reference, Defendant objects to Interrogatory No. 2 on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to

Interrogatory No. 2 (or parts thereof) because it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant also objects to Interrogatory No. 2 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. Without waiving these or the foregoing objections, Defendant responds as follows: Defendant shall provide information subject to this Court's ruling on Defendant's Protective Order, and will supplement information as needed.

3. Identify all debts that you owe any person or entity for any activity related to a Lens, System or Component and any debts owed to you by any person or entity for any activity related to a Lens, System or Component. Include the dates of origination, terms of repayment, interest rate and amount currently owed.

RESPONSE: In addition to the objections set forth above and incorporated herein by reference, Defendant objects to Interrogatory No. 3 on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to Interrogatory No. 3 (or parts thereof) because it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant also objects to Interrogatory No. 3 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. Without waiving these or the foregoing objections, Defendant responds as follows: Defendant is attempting to gather the information requested by Interrogatory No. 3 and will supplement this response as additional information is received and Defendant shall provide responses subject to a protective order.

4. Identify all Customers, including the number of Lenses purchased, the date of each

purchase, and the Customer's payment history.

RESPONSE: In addition to the objections set forth above and incorporated herein by reference, Defendant objects to Interrogatory No. 4 on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to Interrogatory No. 4 (or parts thereof) because it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant also objects to Interrogatory No. 4 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. Without waiving these or the foregoing objections, Defendant responds as follows: Defendant will supplement this following the hearing on the protective order.

5. Identify all Distributors, the date on which they became a distributor, and the number of Lenses, Systems, or Components they sold and the dates on which the sales were made.

RESPONSE: In addition to the objections set forth above and incorporated herein by reference, Defendant objects to Interrogatory No. 5 on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to Interrogatory No. 5 (or parts thereof) because it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant also objects to Interrogatory No. 5 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. Without waiving these or the foregoing objections, Defendant responds as follows: Defendant will supplement this response following the hearing on the protective order.

6. Identify all sponsors, the date on which they became a Sponsor, and which Customers they sponsored.

RESPONSE: In addition to the objections set forth above and incorporated herein by reference, Defendant objects to Interrogatory No. 6 on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to Interrogatory No. 6 (or parts thereof) because it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant also objects to Interrogatory No. 6 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. Without waiving these or the foregoing objections, Defendant responds as follows: Defendant will supplement this response following the hearing on the protective order.

7. For each sponsor identified in response to Interrogatory No. 6, identify all customers in each sponsor's successive downlines.

RESPONSE: In addition to the objections set forth above and incorporated herein by reference, Defendant objects to Interrogatory No. 7on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to Interrogatory No. 7 (or parts thereof) because it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant also objects to Interrogatory No. 7 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. Without waiving these or the foregoing objections, Defendant responds as follows: Defendant will supplement this response following the hearing on the protective order.

8. Identify which customers have visited any System, Component or Lens and which customers have not visited any System, Component or Lens.

RESPONSE: In addition to the objections set forth above and incorporated herein by

reference, Defendant objects to Interrogatory No. 8 on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to Interrogatory No. 8 (or parts thereof) because it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant also objects to Interrogatory No. 8 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. Without waiving these or the foregoing objections, Defendant responds as follows: Defendant keeps no record of who may or may not have visited any System, Component or Lens and which customers have not visited any System, Component or Lens. Defendant will supplement this response as additional information is received

9. Identify by name, address, telephone number, and email address, any person or entity that hosts a website you have owned or operated since January 1, 2005. Rapower3.com and hosted by wix.com. Iaus.boards.net is hosted by Proboards.com. Greg Shepard is responsible for maintaining these websites. Defendant will supplement this response as additional information is received

RESPONSE: In addition to the objections set forth above and incorporated herein by reference, Defendant objects to Interrogatory No. 9 on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to Interrogatory No. 9 (or parts thereof) because it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant also objects to Interrogatory No. 9 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. Without waiving these or the foregoing objections, Defendant responds as follows: Rapower3.com and hosted by wix.com. Iaus.boards.net is hosted by Proboards.com. Greg Shepard is responsible for

maintaining these websites. Defendant will supplement this response as additional information is received.

10. Identify all websites (whether public or private), by URL, web host and person(s) responsible for maintaining the website, that promote any System, Lens, or Component or any business activity involving a System, Lens, or Component, regardless of whether you maintain the website or it is owned or maintained on your behalf.

RESPONSE: In addition to the objections set forth above and incorporated herein by reference, Defendant objects to Interrogatory No. 10 on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to Interrogatory No. 10 (or parts thereof) because it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant also objects to Interrogatory No. 10 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. In particular, Defendant objects because Interrogatory No. 10 contains information that is of a proprietary nature and will be disclosed at the time of a proper protective order or valid non-disclosure agreement between the parties. Without waiving these or the foregoing objections, Defendant responds as follows: Rapower3.com and hosted by wix.com, Iaus.boards.net is hosted by Proboards.com, and Greg Shepard is responsible for maintaining these websites. Defendant will supplement this response as additional information is received.

11. Identify all social media accounts, by username and any other information required to access such account (including, but not limited to, Facebook, Twitter, Instagram, Snapchat, Tumblr, YouTube, Periscope, Pinterest, Google Plus, Flipboard, Linkedin etc.) and email

addresses you controlled or operated since January 1, 2005.

RESPONSE: In addition to the objections set forth above and incorporated herein by reference, Defendant objects to Interrogatory No. 11 on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to Interrogatory No. 2 (or parts thereof) because it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant also objects to Interrogatory No. 11 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. In particular, Defendant objects because Interrogatory No. 11 contains information that is of a proprietary nature and will be disclosed at the time of a proper protective order or valid non-disclosure agreement between the parties. Without waiving these or the foregoing objections, Defendant responds as follows: facebook.com/rapower3llc, twitter.com/rapower3, Rapower3.tumblr.com, linkedin.com/company/rapower3llc, google.com/+rapower3llc, youtube.com/user/rapower3llc, pinterest.com/rapower3. Defendant will supplement this response as additional information is received

12. Identify any electricity grid access agreements, interconnection agreement, or any other agreement in which you obtained the right to provide electricity to any entity. Your response should include the names of the entity or person you entered into the agreement with, the date and the terms of the agreement.

RESPONSE: In addition to the objections set forth above and incorporated herein by reference, Defendant objects to Interrogatory No. 12 on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to Interrogatory No. 12 (or parts thereof) because it is not reasonably calculated to lead to the

discovery of admissible evidence. Defendant also objects to Interrogatory No. 12 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. In particular, Defendant objects because Interrogatory No. 12 contains information that is of a proprietary nature and will be disclosed at the time of a proper protective order or valid non-disclosure agreement between the parties. Without waiving these or the foregoing objections, Defendant responds as follows: Defendant never entered into any agreements with the entities described in Interrogatory No. 8. Defendant will supplement this response as additional information is received.

13. Identify what efforts, if any, you made to make any application to the United States Department of the Treasury under Section 1603 of the American Recovery & Reinvestment Act of 2009 with respect to any Lens, System or Component. Your response should include the date of any application and date of response from the Government.

RESPONSE: In addition to the objections set forth above and incorporated herein by reference, Defendant objects to Interrogatory No. 13 on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to Interrogatory No. 13 (or parts thereof) because it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant also objects to Interrogatory No. 13 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. Without waiving these or the foregoing objections, Defendant responds as follows: Defendant did not make any applications described in Interrogatory request No. 13 Defendant will supplement this response as additional information is received.

14. Identify the product (i.e., electricity, heat, hot water, cooling, desalinization, solar process heat or any other product) that the Lens, Systems, and Components are intended to produce, either in the past, currently, or in the future. To the extent that any product has been produced or is being

produced, identify when it was produced, in what form, in what measurable amount and the revenues received for such product.

RESPONSE: In addition to the objections set forth above and incorporated herein by reference, Defendant objects to Interrogatory No. 14 on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to Interrogatory No. 14 (or parts thereof) because it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant also objects to Interrogatory No. 14 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. Without waiving these or the foregoing objections. Defendant objects because Interrogatory No. 2 contains information that is of a proprietary nature and will be disclosed at the time of a proper protective order or valid non-disclosure agreement between the parties.

15. Identify what, and how many Lenses, Systems and Components have been placed in service, as defined in 26 U.S.C. § 48(a)(1) and Treas. Reg. § 1.46-3(d). Your response should include the dates any Lens, System or Component was placed in service.

RESPONSE: In addition to the objections set forth above and incorporated herein by reference, Defendant objects to Interrogatory No. 15 on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to Interrogatory No. 15 (or parts thereof) because it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant also objects to Interrogatory No. 15 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. In particular, Defendant objects because Interrogatory No. 15 contains information that is of a

proprietary nature and will be disclosed at the time of a proper protective order or valid non-disclosure agreement between the parties

16. Identify the costs you incurred to produce each lens, including the cost of procuring materials and manufacturing the final product that you sold to customers.

RESPONSE: In addition to the objections set forth above and incorporated herein by reference, Defendant objects to Interrogatory No. 16 on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to Interrogatory No. 16 (or parts thereof) because it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant also objects to Interrogatory No. 16 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. In particular, Defendant objects because Interrogatory No. 16 contains information that is of a proprietary nature and will be disclosed at the time of a proper protective order or valid non-disclosure agreement between the parties

17. Identify how you determined the price each customer must pay per lens, to include the amount of profit, amount of down payment, and the terms of repayment.

RESPONSE: In addition to the objections set forth above and incorporated herein by reference, Defendant objects to Interrogatory No. 17 on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to Interrogatory No. 17 (or parts thereof) because it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant also objects to Interrogatory No. 17 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. In particular, Defendant objects because Interrogatory No. 17 contains information that is of a

proprietary nature and will be disclosed at the time of a proper protective order or valid non-disclosure agreement between the parties

18. Describe how lenses are accounted for, including how you determine which lens(es) belong to which customer, recording when each lens was placed in service (as defined in 26 U.S.C. § 48(a)(1) and Treas. Reg. § 1.46-3(d)), whether or not each customer's down payment was paid, the outstanding principal remaining due for each lens, the revenue produced by each lens, and the amount of rental income due to each customer.

RESPONSE: : In addition to the objections set forth above and incorporated herein by reference, Defendant objects to Interrogatory No. 18 on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to Interrogatory No. 18 (or parts thereof) because it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant also objects to Interrogatory No. 18 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. Without waiving these or the foregoing objections, Defendant responds as follows: Defendant is attempting to gather the information requested by Interrogatory No. 18 and will supplement this response as additional information is received

19. Identify by name, address and telephone number every domestic and foreign bank and/or financial institution in which you have an account or over which you have signatory authority or other such control, and provide the account number, and type of account. In addition, identify the record owner or title of each account.

RESPONSE: In addition to the objections set forth above and incorporated herein by reference, Defendant objects to Interrogatory No. 19 on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to Interrogatory No. 19 (or parts thereof) because it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant also objects to Interrogatory No. 19 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. Without waiving these or the foregoing objections, Defendant responds as follows: Defendant is attempting to gather the information requested by Interrogatory No. 19 and will supplement this response as additional information is received.

20. Identify the gross income you have received in each year since 2005 from any source, by source, for any activity related to any System, Lens or other Component.

RESPONSE: In addition to the objections set forth above and incorporated herein by reference, Defendant objects to Interrogatory No. 20 on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to Interrogatory No. 20 (or parts thereof) because it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant also objects to Interrogatory No. 20 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. Without waiving these or the foregoing objections, Defendant responds as follows: Defendant is attempting to gather the information requested by Interrogatory No. 20 and will supplement this response as additional information is received.

21. Identify each instance in which a customer complained that the customer was not

receiving adequate rental income from their Lens or Lenses.

RESPONSE: In addition to the objections set forth above and incorporated herein by reference, Defendant objects to Interrogatory No. 21 on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to Interrogatory No. 21 (or parts thereof) because it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant also objects to Interrogatory No. 21 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. Without waiving these or the foregoing objections, Defendant responds as follows: To the best of Defendants knowledge, serial numbers were tracked through invoices of lens purchases. Defendant will supplement this response as additional information is received.

22. Identify all attorneys or other tax advisors you consulted or from whom you received tax advice regarding any Lens, System or Component, including the dates consulted, the dates any advice was received, and the form of the advice (*i.e.*, oral, email, memoranda, opinion letters, other written correspondence, etc.).

RESPONSE: In addition to the objections set forth above and incorporated herein by reference, Defendant objects to Interrogatory No. 22 on the grounds that it is vague, confusing, compound, ambiguous, facially overbroad, unduly burdensome. Defendant further objects to Interrogatory No. 22 (or parts thereof) because it is not reasonably calculated to lead to the discovery of admissible evidence. Defendant also objects to Interrogatory No. 22 because Plaintiff exceeds the number of Interrogatories allowed by rule, including all discrete subparts. Without waiving these or the foregoing objections, Defendant responds as follows: Defendant is attempting

to gather the information requested by Interrogatory No. 22 and will supplement this response as additional information is received.

VERIFICATION OF RESPONSES

Pursuant to 28 U.S.C. §1746, I declare under penalty of perjury that the foregoing responses to the UNITED STATES' FIRST INTERROGATORIES TO RAPOWER 3, LLC are true and correct.

EXECUTED this 11th day of July, 2016.

RAPOWER 3, LLC.

DATED and SIGNED this 14th day of July, 2016

HEIDEMAN & ASSOCIATES

/s/ Justin D. Heideman
JUSTIN D. HEIDEMAN
Attorney for Defendants

CERTIFICATE OF SERVICE

On this 14th day of July, 2016, I hereby certify a true and correct copy of the forgoing **DEFENDANT'S RAPOWER 3 RESPONSE TO UNITED STATES' FIRST INTERROGATORIES** was served on the following:

Party/Attorney	Method
Former Attorneys for Defendants James S. Judd Richard A. Van Wagoner Rodney R. Parker Samuel Alba Snow Christensen & Martineau 10 Exchange Place 11th FL P.O. Box 45000 Salt Lake City, Utah 84145 Tele: (801) 521-9000 Email: jsj@scmlaw.com rvanwagoner@scmlaw.com rparker@scmlaw.com sa@scmlaw.com	Hand Delivery U.S. Mail, postage prepaid Overnight Mail Fax Transmission X Electronic Filing Notice and Email
Attorney for Defendants R. Gregory Shepard Roger Freeborn Donald S. Reay Reay Law PLLC 43 W 9000 S Ste B Sandy, Utah 84070 Tele: (801) 999-8529 Email: donald@reaylaw.com	Hand Delivery U.S. Mail, postage prepaid Overnight Mail Fax Transmission X Electronic Filing Notice and Email
Pro Hac Vice Attorney for Plaintiff Erin Healy Gallagher US Department of Justice (TAX) Tax Division P.O. Box 7238 Washington, DC 20044 Phone: (202) 353-2452 Email: erin.healygallagher@usdoj.gov	Hand Delivery U.S. Mail, postage prepaid Overnight Mail Fax Transmission X Electronic Filing Notice and Email

Pro Hac Vice Attorney for Plaintiff Erin R. Hines US Department Justice Central Civil Trial Section RM 8921 555 4th St NW Washington, DC 20001 Tele: (202) 514-6619 Email: erin.r.hines@usdoj.gov	Hand Delivery U.S. Mail, postage prepaid Overnight Mail Fax Transmission X Electronic Filing Notice and Email
Attorney for Plaintiff John K. Mangum US Attorney's Office (UT) Tele: (801) 325-3216 Email: john.mangum@usdoj.gov	Hand Delivery U.S. Mail, postage prepaid Overnight Mail Fax Transmission X Electronic Filing Notice and Email
Pro Hac Vice Attorney for Plaintiff Christopher R. Moran US Department of Justice (TAX) Tax Division PO Box 7238 Washington, DC 20044 Tele: (202) 307-0234 Email: christopher.r.moran@usdoj.gov	Hand Delivery U.S. Mail, postage prepaid Overnight Mail Fax Transmission X Electronic Filing Notice and Email

HEIDEMAN & ASSOCIATES

/s/ Suzanne Peterson
Suzanne Peterson Legal Assistant

JUSTIN D. HEIDEMAN (USB #8897)
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Email: jheideman@heidlaw.com
Attorney for RaPower-3, LLC, International Automated Systems, Inc., LTB1, and Neldon Johnson

IN THE UNITED STATES DISTRICT COURT FOR
THE DISTRICT OF UTAH

UNITED STATES OF AMERICA, Plaintiff, vs. RAPOWER-3, LLC, INTERNATIONAL AUTOMATED SYSTEMS, INC., LTB1, LLC, R. GREGORY SHEPARD, NELDON JOHNSON, and ROGER FREEBORN, Defendants.	**RAPOWER-3, LLC'S, RESPONSE TO UNITED STATES' SECOND REQUESTS FOR THE PRODUCTION OF DOCUMENTS** Civil No. 2:15-cv-00828-DN-BCW Judge David Nuffer Magistrate Judge Brooke C. Wells

Defendant, RaPower-3, LLC, by and through counsel undersigned, and pursuant to Fed. R. Civ. P. 34, hereby responds to Plaintiff's Second Requests for the Production of Documents as follows:.

REQUESTS FOR PRODUCTIONS

REQUEST NO. 41: All documents you relied upon to respond to the United States' discovery requests in this litigation. To the extent you have already produced a document that you relied upon, you need not produce it again.

RESPONSE NO. 41: All responsive documents have been provided. See bate numbered documents **Ra3 000001-018637**.

DATED and SIGNED February 21, 2017.

HEIDEMAN & ASSOCIATES

/s/ Justin D. Heideman
JUSTIN D. HEIDEMAN
Attorney for Defendants

CERTIFICATE OF SERVICE

On February 21, 2017, I hereby certify a true and correct copy of the forgoing **DEFENDANT RAPOWER-3, LLC'S, RESPONSE TO UNITED STATES' SECOND REQUESTS FOR THE PRODUCTION OF DOCUMENTS** was served on the following:

Party/Attorney	Method
Former Attorneys for Defendants James S. Judd Richard A. Van Wagoner Rodney R. Parker Samuel Alba Snow Christensen & Martineau 10 Exchange Place 11th FL P.O. Box 45000 Salt Lake City, Utah 84145 Tele: (801) 521-9000 Email: jsj@scmlaw.com rvanwagoner@scmlaw.com rparker@scmlaw.com sa@scmlaw.com	Hand Delivery U.S. Mail, postage prepaid Overnight Mail Fax Transmission X Electronic Filing Notice
Attorney for Defendants R. Gregory Shepard Roger Freeborn Donald S. Reay Reay Law PLLC 43 W 9000 S Ste B Sandy, Utah 84070 Tele: (801) 999-8529 Email: donald@reaylaw.com	Hand Delivery U.S. Mail, postage prepaid Overnight Mail Fax Transmission X Electronic Filing Notice
Pro Hac Vice Attorney for Plaintiff Erin Healy Gallagher US Department of Justice (TAX) Tax Division P.O. Box 7238 Washington, DC 20044 Phone: (202) 353-2452 Email: erin.healygallagher@usdoj.gov	Hand Delivery U.S. Mail, postage prepaid Overnight Mail Fax Transmission X Electronic Filing Notice
Pro Hac Vice Attorney for Plaintiff Erin R. Hines US Department Justice Central Civil Trial Section RM 8921 555 4th St NW Washington, DC 20001	Hand Delivery U.S. Mail, postage prepaid Overnight Mail Fax Transmission

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Attorney for Plaintiff John K. Mangum US Attorney's Office (UT) Tele: (801) 325-3216 Email: john.mangum@usdoj.gov	Hand Delivery U.S. Mail, postage prepaid Overnight Mail Fax Transmission X Electronic Filing Notice
Pro Hac Vice Attorney for Plaintiff Christopher R. Moran US Department of Justice (TAX) Tax Division PO Box 7238 Washington, DC 20044 Tele: (202) 307-0234 Email: christopher.r.moran@usdoj.gov	Hand Delivery U.S. Mail, postage prepaid Overnight Mail Fax Transmission X Electronic Filing Notice

HEIDEMAN & ASSOCIATES

/s/ Samantha Fowlks
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UNITED STATES OF AMERICA, Plaintiff, vs. RAPOWER-3, LLC, INTERNATIONAL AUTOMATED SYSTEMS, INC., LTB1, LLC, R. GREGORY SHEPARD, NELDON JOHNSON, and ROGER FREEBORN, Defendants.	**RAPOWER-3, LLC'S, RESPONSES TO UNITED STATES' SECOND INTERROGATORIES** Civil No. 2:15-cv-00828-DN-BCW Judge David Nuffer Magistrate Judge Brooke C. Wells

Defendant, RaPower-3, LLC, by and through counsel undersigned, and pursuant to Fed. R. Civ. P. 33, hereby responds to Plaintiff's Second Interrogatories as follows:.

INTERROGATORIES

INTERROGATORY NO. 19: Identify all locations, by state, county, Tax Identification Number, or Tax Parcel number, and/or address, in which a Lens, System, or Component is or has been manufactured, stored, constructed, and/or purportedly been placed in service.

RESPONSE NO. 19: All Lenses, Systems, and Components are and have been manufactured, stored, constructed, and/or purportedly placed in service in Delta, Millard County, Utah.

INTERROGATORY NO. 20: Identify all facts and analysis of the facts which support the changes in your promotion of the sale of Lenses, including:

a. from the attached Pl. Ex. 351, that depreciation is "[a]pplicable only for those who bought lenses prior to November 2016";

b. from the attached Pl. Ex. 351, that "[p]urchasing a Solar Thermal Lens . . . automatically provides your client with a Limited Liability Company (LLC)"; and

c. from the attached Pl. Ex. 352, the increase in the "down payment" cost to $650 from $105.

RESPONSE NO. 20:

a. The customers are not advised on any tax matters or issues by Neldon Johnson, RaPower-3, International Automated Systems, or LTB1, including whether or not they can claim depreciation. The customers must be advised by their own accountant or tax professional on these matters.

b. Customers are not offered a Limited Liability Company with the purchase of a Solar Thermal Lens. The statement made which claimed the company offered this was meant to be taken off of the RaPower-3 website in which Greg Shepard wrote and provided this information without permission given by Neldon Johnson or RaPower-3.

c. The down payment cost has not increased. The $105 was only a percentage of the actual down payment and was to be made in full over the course of 12 months. The

down payment in full was never $105.

VERIFICATION OF RESPONSES

Pursuant to 28 U.S.C. §1746, I declare under penalty of perjury that the foregoing responses to the United States' Second Interrogatories to RaPower-3, LLC, are true and correct.

Manager
RAPOWER-3, LLC

DATED and SIGNED February 21, 2017.

HEIDEMAN & ASSOCIATES

/s/ Justin D. Heideman
JUSTIN D. HEIDEMAN
Attorney for Defendants

CERTIFICATE OF SERVICE

On February 21, 2017, I hereby certify a true and correct copy of the forgoing **DEFENDANT RAPOWER-3 LLC'S, RESPONSES TO UNITED STATES' SECOND INTERROGATORIES** was served on the following:

Party/Attorney	Method
Former Attorneys for Defendants James S. Judd Richard A. Van Wagoner Rodney R. Parker Samuel Alba Snow Christensen & Martineau 10 Exchange Place 11th FL P.O. Box 45000 Salt Lake City, Utah 84145 Tele: (801) 521-9000 Email: jsj@scmlaw.com rvanwagoner@scmlaw.com rparker@scmlaw.com sa@scmlaw.com	Hand Delivery U.S. Mail, postage prepaid Overnight Mail Fax Transmission X Electronic Filing Notice
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HEIDEMAN & ASSOCIATES

/s/ Samantha Fowlks
SAMANTHA FOWLKS
Legal Assistant