

From: Peter Gregg <pgregg@bfsmail.com>
Sent: Monday, July 27, 2009 3:35 PM
To: pgbonsai@yahoo.com
Subject: FW: Solar Energy \$
Attach: SOLAR TAX CREDITS.doc; GOVERNOR HUNTSMAN GIVES SOLAR MANDATE.doc; IAUS Press Releases.doc; Tracking_pod.wmv; IMG_4230.jpg; solar-flow chart.pdf; IAS-EquipPurchRev[7].pdf; IAUS Tax Chart.xls; IAUS 2009 Referral Contract.doc; Greg Email_07-13-09.html; REDCO PR.doc

Peter Gregg
BFS Clinician/Sales Rep
www.biggerfasterstronger.com
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503-668-6262

----- Original Message -----

From: Roger Freeborn [mailto:coachfreeb@bfsmail.com]
To: pgregg@bfsmail.com
Sent: Fri, 17 Jul 2009 20:21:53 -0700
Subject: FW: Solar Energy \$

Go to Greg to get the commission.

Here is the info

I will be home SAT night

WE should talk.

RF

From: Roger Freeborn [mailto:coachfreeb@bfsmail.com]
Sent: Friday, July 17, 2009 8:10 PM
To: coachfreeb@bfsmail.com
Subject: FW: Solar Energy \$

From: Roger Freeborn [mailto:coachfreeb@bfsmail.com]
Sent: Tuesday, July 14, 2009 1:11 PM
To: coachfreeb@bfsmail.com
Subject: FW: Solar Energy \$

From: Roger Freeborn [mailto:coachfreeb@bfsmail.com]
Sent: Tuesday, July 14, 2009 12:33 PM
Subject: FW: Solar Energy \$



You really can cash in on the economic stimulus plan through solar energy. Below you will find information on how the program works. The program comes from a solar energy company called International Automated Systems and you can find information about them on their website www.iaus.com.

Gregg_P&R-004335

PLEX00294

I think this is an amazing opportunity for you. Please look over the information here and write down any questions you may have.

Greg Shepard
801- 699-2284
800-628-9737

FIRST, AN EXPLANATION OF THE ATTACHMENTS:

SOLAR TAX CREDITS-Is a press release showing the 30% Solar Tax Credits extended until the End of 2016 and the huge first year 50% depreciation bonus.

GOVERNOR HUNTSMAN-This is the mandate of the governor giving IAUS the right to hook into the Rocky Mountain Power grid and get paid 6.75 cents per kilowatt hour.

IAUS PRESS RELEASE-Press release of the alliance between REDCO and IAUS-also REDCO just signed a five megawatt deal with Needles, California.

TRACKING-this shows four Solar Energy Units tracking the sun with the patented IAUS dual-axis tracking system.

IMG-4230-shows the solar towers under construction at the Delta, Utah site.

SOLAR FLOW CHART-this shows, at a glance, the whole program

IAS-EQUIPMENT-This is the solar equipment purchase agreement (Contract).

IAUS-DETAILED PROGRAM CHART- This puts the details all together in one chart.

IAUS-2009 REFERRAL CONTRACT-This is the agreement giving the school or needy organization the \$30K per unit.

HERE'S HOW IT WORKS:

Instead of paying taxes, purchase one or more solar energy units. A unit costs \$30,000. You pay \$9,000 down-the federal government gives you all of that back in the form of a tax credit. This is guaranteed. Also, as part of the bailout stimulus program, President Obama's energy plan included a 50% first year depreciation on business solar equipment and no Alternative Minimum Tax. Another great perk is that you can go back one year or forward twenty years in order to claim all of your tax credit.

HERE'S HOW THE DEPRECIATION WORKS:

The total cost of one IAUS Energy Unit is \$30,000. Now take half of the solar tax credit (half of \$9,000 = \$4,500). Now subtract \$4,500 from \$30,000 and you get \$25,500.

So, you get to take 50% of \$25,500 for your depreciation in the first year. That equals \$12,750. Therefore, those in the 30% tax bracket, simply multiply 30% times \$12,750. That equals \$3,825 of real money an investor does not have to pay in taxes. Therefore, in this case, **the investor gives IAUS \$9,000 and gets back \$9,000 + \$3,825 = \$12,825**. In addition, you get residual income for years to come from the revenue received from the power produced.

HOW MUCH DO YOU INVEST?

I ask potential investors how much they have to invest. Almost all get the answer correct. "Well, nothing. Because the \$9,000 is what I'd have to pay in taxes anyway."

Now, there is the matter of the balance due on the contract which is \$21,000. Zero percent interest. Contract is over 30 years with no payment due until after the fifth year. So \$700 a year. IAUS can assure you of producing enough revenue to more than pay the \$700 from the power generated. Please look at Governor Huntsman's mandate. If this does not happen, IAUS takes back the equipment and forgives the debt.

HOW MANY UNITS CAN ONE PERSON OR CORPORATION BUY?

There are only 220 total units available from IAUS for this program. Individuals and corporation can purchase as many units as they need as long as the total units sold does not go over 220 units. Of course, the greater the tax obligation the more units that person/corporation would need.

HOW THE CHARITABLE DONATION WORKS FOR YOU:

THE DEAL: You or others purchase solar units and take the tax credits, get the rapid depreciation and get residual income. IAUS will then give donations to any needy organization of your choice. **For each solar unit purchased, IAUS will donate \$30,000.** (This \$30,000 is tied in as a percentage of IAUS earnings. Checks will be given out approximately every 6 months until the \$30,000/unit donation is given out in full. It is projected that all payouts will be completed within the next two years but is dependent upon the stipulated percentage of IAUS earnings.)

BENEFIT TO INDIVIDUAL OR CORPORATE SPONSOR: Receives all tax incentives plus residuals as explained above.

UNITS AVAILABLE: ONLY 216

TIME LIMIT: Offer available until all 216 units are sold.

SOLAR TAX CREDITS!

Frequently Asked Questions

Get tax advice from your accountant.

Information provided by the Solar Energy Industries Association <http://www.seia.org>

THE NEW SOLAR TAX CREDIT

On October 3, 2008, the President signed the Emergency Economic Stabilization Act of 2008 into law (P.L. 110-343). This legislation contains a number of tax incentives designed to encourage both individuals and businesses to make investments in solar energy, including 8-year extensions of the section 48 business solar investment tax credit (ITC). The following is a brief summary of the provisions directly and indirectly benefiting the solar industry, and answers to frequently asked questions about how the provisions operate.

Provisions Directly Benefiting the Solar Industry: Business Solar Investment Tax Credit (IR Code §48). The bill extends the 30% ITC for solar energy property for eight years through December 31, 2016. The bill allows the ITC to be used to offset both regular and alternative minimum tax (AMT). The five-year accelerated depreciation allowance for solar property is permanent and unaffected by passage of the eight-year extension of the solar ITC.

Frequently Asked Questions

1. When is the extension of the ITC effective for commercial property?

Answer: The extension of the ITC for commercial solar property is effective on the date of enactment, October 3, 2008. Since the existing credit was not scheduled to expire until December 31, 2008, this means that the credit has been seamlessly extended through 12/31/2016.

2. What is the effective date for the allowance of the sec. 48 commercial ITC against AMT liability?

Answer: The allowance of the sec. 48 ITC against AMT liability is effective for taxable years beginning after the date of enactment.

3. Were the bonus depreciation provisions enacted as part of the Economic Stimulus Package earlier this year that are currently set to expire on 12/31/08 extended as part of the Emergency Economic Stabilization Act?

Answer: No, the bonus depreciation rules were not extended. Bonus depreciation should not be confused with the five-year accelerated depreciation of solar property under Section 48.

SECOND PART:

Modified Accelerated Cost-Recovery System (MACRS) + Bonus Depreciation

Last DSIRE Review: 10/29/2008

Incentive Type: Corporate Depreciation

Eligible Renewable/Other Technologies: Solar Water Heat, Solar Space Heat, Solar Thermal Electric, Solar Thermal Process Heat, Photovoltaics, Landfill Gas, Wind, Biomass, Renewable Transportation Fuels, Geothermal Electric, Fuel Cells, CHP/Cogeneration, Solar Hybrid Lighting, Direct Use Geothermal, Anaerobic Digestion, Microturbines

Applicable Sectors: Commercial, Industrial

Authority 1: 26 USC §168

Effective Date: 1986

Summary: Note: The 50% bonus depreciation expires December 31, 2008, but the five-year accelerated depreciation remains effective beyond 2008.

Under the federal Modified Accelerated Cost-Recovery System (MACRS), businesses may recover investments in certain property through depreciation deductions. The MACRS establishes a set of class lives for various types of property, ranging from three to 50 years, over which the property may be depreciated. For SOLAR, wind and geothermal property placed in service after

1986, the current MACRS property class is five years. For certain biomass property, the MACRS property class life is seven years. Eligible biomass property generally includes assets used in the conversion of biomass to heat or to a solid, liquid or gaseous fuel, and to equipment and structures used to receive, handle, collect and process biomass in a waterwall, combustion system, or refuse-derived fuel system to create hot water, gas, steam and electricity.

The federal Energy Policy Act of 2005 (EPAct 2005) classified fuel cells, microturbines and solar hybrid lighting technologies as five-year property as well. The federal Economic Stimulus Act of 2008, enacted in February 2008, included a 50% bonus depreciation provision for eligible renewable-energy systems acquired and placed in service in 2008. To qualify for bonus depreciation, a project must satisfy these criteria:

the property must have a recovery period of 20 years or less under normal federal tax depreciation rules;

the original use of the property must commence with the taxpayer claiming the deduction;

the property generally must be acquired during 2008; and

the property must be placed in service during 2008 (or, in certain limited cases, in 2009). If property meets these requirements, **THE OWNER IS ENTITLED TO DEDUCT 50% OF THE ADJUSTED BASIS OF THE PROPERTY IN 2008.** The remaining 50% of the adjusted basis of the property is depreciated over the ordinary depreciation schedule. The bonus depreciation rules do not override the depreciation limit applicable to projects qualifying for the federal business energy tax credit. Before calculating depreciation for such a project, including any bonus depreciation, the adjusted basis of the project must be reduced by one-half of the amount of the energy credit for which the project qualifies.

For more information on the federal MACRS, see IRS Publication 946, IRS Form 4562: Depreciation and Amortization, and Instructions for Form 4562. The IRS web site provides a search mechanism for forms and publications. Enter the relevant form, publication name or number, and click "GO" to receive the requested form or publication.

Contact: Public Information - IRS
Internal Revenue Service
1111 Constitution Avenue, N.W.
Washington, DC 20224
Phone: (800) 829-1040
Web site: <http://www.irs.gov>

GOVERNOR HUNTSMAN GIVES SOLAR MANDATE

Exciting News. New developments created by our IAUS lobbying team with Utah Governor Huntsman have just produced some dramatic results. We now can get 6.75 cents per KWH on renewable energy projects under two Megawatts automatically from Utah power entities just by hooking into the grid. Previously, it was only about 4.5 cents. So this increase is quite significant. So much so that IAUS is making immediate plans to build a power project just under two megawatts and hook into the Pacific Corp.(Rocky Mountain Power) grid at Delta. Neldon Johnson, IAUS CEO, is really excited about this.

This means for those purchasing the solar energy units from IAUS under the tax credit program Rocky Mountain Power will essentially be paying off the \$21,000 per unit contracts. In addition, the price of 6.75 cent per kilowatt hour should not only pay off the contract, but provide long-term residual income. However, we may find even more lucrative deals in Texas where IAUS also owns property.

Needles, California City council gives green light to solar plant using IAUS Solar Technology

By MARJ DARIO, Needles Desert Star

Monday, June 15, 2009 12:55 PM PDT

NEEDLES - Redco, a renewable energy development company based in Utah, wanted to build a solar plant in Needles. All it needed was a guaranteed customer to buy the electricity it would produce. On June 9, the city of Needles took a step forward when the Needles Public Utility Authority agreed to be that customer.

The NPUA voted unanimously to enter into a power purchase agreement with Redco Solar I for the construction and operation of a 5 megawatt power plant which will utilize solar thermal energy technology. The plant is to be located on purchased or leased land in or near the city of Needles. The property has yet to be identified.

The agreement commits the city to purchasing solar energy from Redco at a set rate of \$128 per megawatt hour over the next 20 years. That equates to 12.8 cents per kilowatt hour to the electricity customer, but could turn out to be less once Needles starts earning renewable energy credits.

Redco has teamed up with International Automated Systems, Inc. to build the plant, and has projected construction to be completed by April 2011, if not sooner. IAUS will be providing the latest in solar technology and Redco will own and operate the facility.

At the meeting, Ryan Davies, Redco president, hosted a visual presentation about his company and the future of solar energy. Charts and graphs displayed indicated the cost of solar energy would continue to rise over the next 20 years. Davies assured the council that his company's proposed cost per megawatt hour was starting out cheaper than most other providers in the western states.

The power purchase agreement requires the city to purchase all energy produced by the plant; however, the NPUA will be allowed to purchase any "excess energy" at the prevailing hydroelectric rate which is currently \$13 per megawatt hour. As for underproduction, Redco agrees to pay the difference if the NPUA is forced to purchase additional power that is more expensive.

Several factors may have convinced the NPUA to approve the power purchase agreement. Besides locking in the solar energy rate, Needles should be able to sell excess power as well as unused credits which would, in effect, offset consumer costs. The city will also be charging a fee for the use of city-owned power lines.

"We believe it is a good agreement, a good project for the city," stated Bill Way, city manager. "It will set us on the road to energy independence."

The mayor officially signed the agreement on June 10.

REDCO Chooses IAUS Solar 06/01 12:00 PM

SALT LAKE CITY, 6-1-09/PRNewswire/ -- Renewable Energy Development Corporation announced today that it has chosen to use the IAUS solar thermal technology on all of the solar developments in its pipeline. REDCO and International Automated Systems, have formed a strategic relationship where REDCO will use the IAUS technology on all of its planned solar developments and IAUS will provide REDCO the right to purchase 1,000 megawatts of its solar equipment, including the turbine, over the next 5 years at favorable terms.

Ryan Davies, President & CEO of REDCO said, "I am very excited about the opportunities that REDCO and IAUS have to revolutionize the solar industry. I believe that the IAUS technology will set a new standard for price and performance in the solar arena. Combined with the land holdings and development opportunities of REDCO, we plan to be one of the leading net exporters of solar power in the United States within 5 years."

REDCO plans to purchase 5 megawatts of solar thermal equipment, including the bladeless turbines from IAUS for the construction of a solar project in the Mojave Desert California area. REDCO hopes to break ground on the project this summer and estimates a project completion of 2010. The project is expected to cost \$20-30 million. Upon completion, REDCO will begin working on a 49-megawatt solar project in the same region that it plans to bring online in 2011. The estimated cost of the second project is \$100-\$120 million.

REDCO has aggregated and secured long-term land leases on over 20,000 acres of land for renewable energy projects (wind and solar) in Utah, California, Texas, Wyoming and New Mexico. With a combined potential of approximately 1,000 megawatts of solar and 700 megawatts of wind, REDCO is poised to capitalize on the growing demand for clean energy.

"REDCO management has a proven track record of bringing together sophisticated and accomplished players for project development. The REDCO management team has a strong history of success in its current and past business ventures. We are very confident in their ability and look forward to working with them on upcoming projects," said Neldon Johnson, President & CEO of IAUS.

REDCO - REDCO is a privately held company with offices in Utah. For more information, visit their website at: www.renewdevco.com.
IAUS - IAUS is a publicly traded company with offices in Utah. For more information, visit their website at: www.iaus.com.

Note: Statements contained in this release that are not strictly historical are forward-looking within the meaning of the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such statements are made based upon information available to the company at the time, and the company assumes no obligation to update or revise such forward-looking statements. Editors and investors are cautioned that such forward-looking statements invoke risk and uncertainties that may cause the company's actual results to differ materially from such forward-looking statements. SOURCE REDCO

ATTACHMENT INFO

Location: I:\IPRO Projects\RAPower\Request (16555)\E-mails\RaPower3\sent (162 of 456)

From: Peter Gregg <pgregg@bfsmail.com>

Sent: Monday, July 27, 2009 3:35 PM

Subject: FW: Solar Energy \$

Attachment: 4 of 11 (Tracking_pod.wmv)

Comments: UNSUPPORTED OR EXCLUDED FILE TYPE

ATTACHMENT INFO

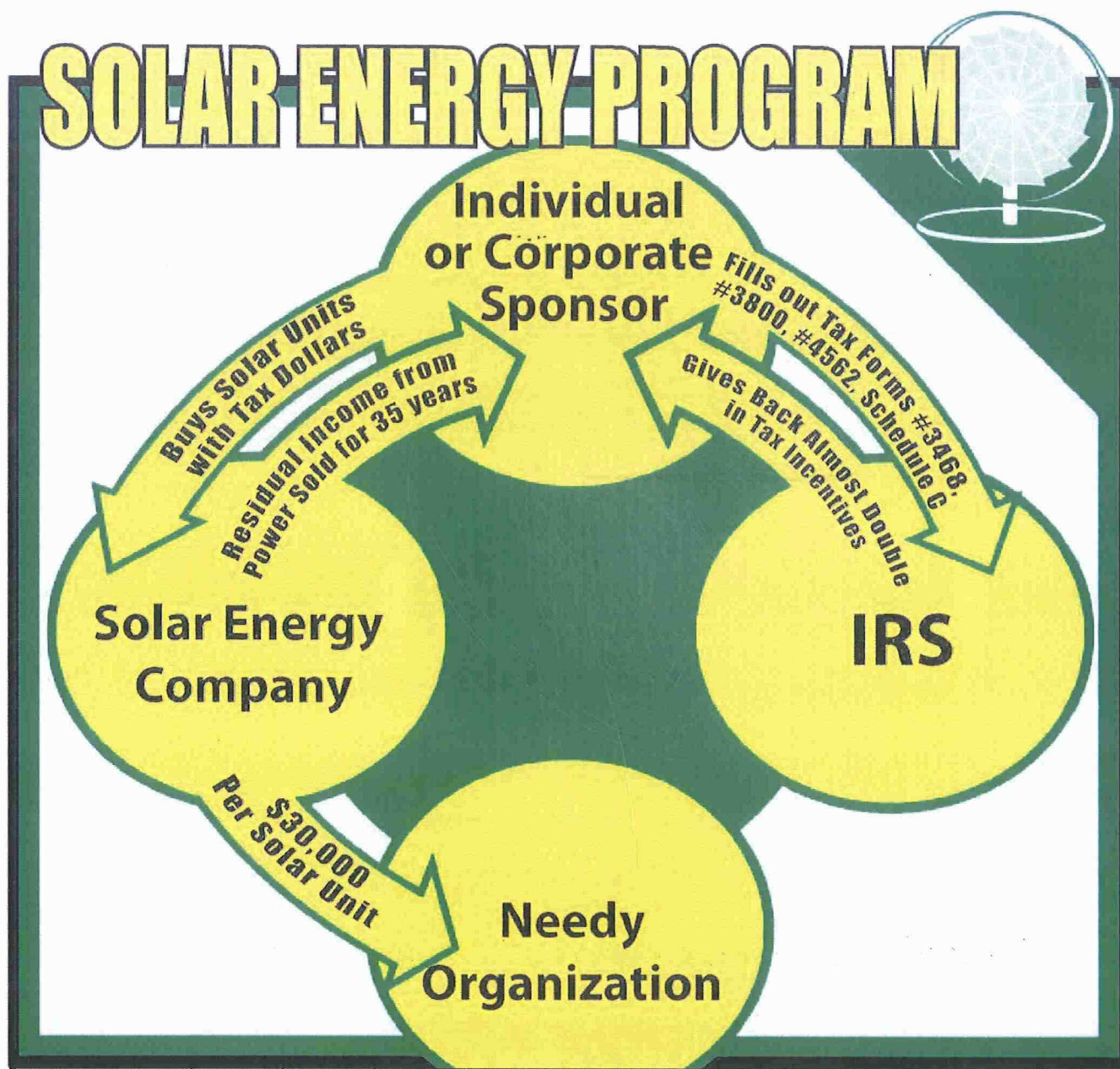
Gregg_P&R-004343

PLEX00294.0009



Gregg_P&R-004344

PLEX00294.0010



# of Units Purchased	1	2	3	4	5	6	7	8	9	10
Sponsor Dollars	\$9K	\$18K	\$27K	\$36K	\$45K	\$54K	\$63K	\$72K	\$81K	\$90K
*IRS Incentives	\$16.7K	\$33.3K	\$50K	\$66K	\$85K	\$100K	\$116K	\$133K	\$150K	\$166K
**Residual Income	\$1K	\$2K	\$3K	\$4K	\$5K	\$6K	\$7K	\$8K	\$9K	\$10K
Dollars To Organization	\$30K	\$60K	\$90K	\$120K	\$150K	\$180K	\$210K	\$240K	\$270K	\$300K

*Based on 30% Tax Bracket **Residual Income is Annual

EQUIPMENT PURCHASE AGREEMENT

This Equipment Purchase Agreement ("Agreement") is made and entered into this _____ day of _____, 200__ by and between International Automated Systems, Inc., a Utah corporation with offices at 326 North Highway 6, Salem, UT 84653, hereinafter referred to as "Seller", and _____, whose address is _____, hereinafter referred to as "Purchaser".

BACKGROUND

1. Seller is the owner of certain proprietary alternative energy technology, hereinafter "IAS 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".

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. Seller hereby sells to Purchaser and Purchaser hereby purchases from Seller the Alternative Energy System consisting of the system components identified on the attached Exhibit "A". The number of Alternative Energy Systems purchased by Purchaser from Seller under this Agreement shall be _____. Seller shall furnish, deliver, install and startup the Alternative Energy System, at a site provided by Seller at _____, hereinafter referred to as the "Installation Site".

2. Seller agrees to complete the following for the Alternative Energy System in accordance with the schedule stated:

- a. Seller shall furnish, deliver, install and startup the Alternative Energy System at the Installation Site, by _____, hereinafter referred to as the "Installation Date".
- b. 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 potential tax benefits.

3. Purchaser shall pay to Seller the sum of \$30,000 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:

- a. Initial Down Payment in the amount of \$9,000 (nine-thousand dollars) for each Alternative Energy System purchased, which shall be paid at the time that this Agreement is entered into.
- b. Thirty Annual Installments in the amount of \$700.00 (seven-hundred dollars) for each Alternative Energy System purchased, hereinafter referred to as "Annual Installments," shall be paid to Seller, the first Installment being due on or before 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. 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, namely _____, with principal offices at _____, 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 Seller shall be employed to operate and manage the Alternative Energy System. The Substitute Operations and Management Company must be expressly approved by Seller.

5. 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. 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. If Seller shall fail, for any reason, to furnish, deliver, install and startup the Alternative Energy System at the Installation Site, by December 31, 2009, hereinafter referred to as the "Refund Date", Seller shall refund to Purchaser, within ninety (90) days following the Refund Date, the Initial Down Payment amount.

8. 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.

9. 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.

10. Seller and Purchaser acknowledge that the Target Production Rate from the Alternative Energy System is 250,000,000 (Two-Hundred and Fifty Million) British Thermal Units ("BTU's") per year and the Warranty Production Rate is ninety-five percent (95%) of the Target Production Rate per year. Seller hereby warrants that for the initial five year period from the Installation Date to a date five years following the Installation Date, the energy production for the Alternative Energy system, shall be no less than five times the Warranty Production Rate. However, if the average cloud cover for the initial five year period exceeds by more than ten percent (10%) the ten year average cloud cover for the Installation Site as measured at the nearest weather station maintaining cloud cover records for the ten calendar year period immediately preceding the year of the Installation Date, the Warranty Production rate, for the initial five year period, shall be reduced to the ratio of the ten year average cloud cover to the

actual average cloud cover for the initial five year period, multiplied times the Warranty Production Rate. This reduced production rate shall be referred to hereafter as the Adjusted Warranty Production Rate.

In the event that the actual energy production rate from the Alternative Energy System during the initial five year period is less than the Warranty Production Rate, or the Adjusted Warranty Production Rate if an adjustment is made as described above, 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. 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. 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. Purchaser agrees to require Operations and Management Company to maintain property damage insurance on the Alternative Energy System.

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

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

20. 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. 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. 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. 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. 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. 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

that the respective initial values of the components of the Alternative Energy System are listed on the attached Exhibit "A".

26. 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. This Agreement shall be construed in accordance with the laws of the State of Utah.

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

PURCHASER

By:

(Signature)

Title: _____

INTERNATIONAL AUTOMATED SYSTEMS, INC.

SELLER

By: Neldon P. Johnson

(Signature)

Title: President

EXHIBIT A

ALTERNATIVE ENERGY SYSTEM COMPONENT LIST

<u>Quantity</u>	<u>Description of Component</u>	<u>Model No.</u>	<u>Serial No.'s</u>	<u>Value</u>
	Solar Lens Concentrators to Produce 250 Million BTUs per Year.			

	A
1	IAUS Federal Tax Credit Program
2	
3	Tax Bracket:
4	
5	# of units
6	1
7	2
8	
9	
10	
11	For more than three units, Max Tax Credit is \$25,000 plus 25%
12	
13	# of units
14	3
15	4
16	5
17	6
18	7
19	8
20	9
21	10
22	11
23	12
24	13
25	14
26	15
27	
28	Formula for Tax Credit over \$25,000= ((Total Tax Credit - \$25,000) x 25%) + \$25,000
29	1st Year Depreciation Formula= (Total Cost - (Total Tax Credit/2)) x 50% x Tax Bracket %
30	2nd Year Depreciation Formula= (Total Cost - (Total Tax Credit/2)) x 20% x Tax Bracket %
31	*3rd Year Depreciation Formula= (Total Cost - (Total Tax Credit/2)) x 30% x Tax Bracket %
32	

	B	C	D
1			
2			
3		30%	
4			
5	Total Down Payment	Total Cost	Total Tax Credit
6	\$9,000	\$30,000	\$9,000
7	\$18,000	\$60,000	\$18,000
8			
9			
10			
11			
12			
13	Total Down Payment	Total Cost	1st Yr Max Tax Credit
14	\$27,000	\$90,000	\$25,500
15	\$36,000	\$120,000	\$27,750
16	\$45,000	\$150,000	\$30,000
17	\$54,000	\$180,000	\$32,250
18	\$63,000	\$210,000	\$34,500
19	\$72,000	\$240,000	\$36,750
20	\$81,000	\$270,000	\$39,000
21	\$90,000	\$300,000	\$41,250
22	\$99,000	\$330,000	\$43,500
23	\$108,000	\$360,000	\$45,750
24	\$117,000	\$390,000	\$48,000
25	\$126,000	\$420,000	\$50,250
26	\$135,000	\$450,000	\$52,500
27			
28			
29			
30			
31			
32	*note: 3rd year depreciation percentage is still unclear. The remaining depreciation could all be given the third year a spread over the following few years.		

	E	F	G	H	I	J	K
1							
2							
3							
4		50%	20%	30%			
5		1st Year Depreciation	2nd Year Depreciation	3rd Year Depreciation	Total Tax Benefit		
6		\$3,825	\$1,530	\$2,295	\$16,650		
7		\$7,650	\$3,060	\$4,590	\$33,300		
8							
9					Figures in these two columns assume investor wants the max benefit for 1st year and the rest the 2nd year. But Tax Credits can be spread from 1 year back and 20 years forward.		
10							
11							
12		50%	20%	30%			
13	Remaining Tax Credit	1st Year Depreciation	2nd Year Depreciation	3rd Year Depreciation	1st Yr Max Tax Benefit	2nd Yr Tax Benefit	TOTAL Tax Benefit
14	\$1,500	\$11,475	\$4,590	\$6,885	\$36,975	\$6,090	\$49,950
15	\$8,250	\$15,300	\$6,120	\$9,180	\$43,050	\$14,370	\$66,600
16	\$15,000	\$19,125	\$7,650	\$11,475	\$49,125	\$22,650	\$83,250
17	\$21,750	\$22,950	\$9,180	\$13,770	\$55,200	\$30,930	\$99,900
18	\$28,500	\$26,775	\$10,710	\$16,065	\$61,275	\$39,210	\$116,550
19	\$35,250	\$30,600	\$12,240	\$18,360	\$67,350	\$47,490	\$133,200
20	\$42,000	\$34,425	\$13,770	\$20,655	\$73,425	\$55,770	\$149,850
21	\$48,750	\$38,250	\$15,300	\$22,950	\$79,500	\$64,050	\$166,500
22	\$55,500	\$42,075	\$16,830	\$25,245	\$85,575	\$72,330	\$183,150
23	\$62,250	\$54,000	\$18,360	\$27,540	\$99,750	\$80,610	\$207,900
24	\$69,000	\$49,725	\$19,890	\$29,835	\$97,725	\$88,890	\$216,450
25	\$75,750	\$53,550	\$21,420	\$32,130	\$103,800	\$97,170	\$233,100
26	\$82,500	\$57,375	\$22,950	\$34,425	\$109,875	\$105,450	\$249,750
27							
28							
29							
30							
31							
32							

2009
Solar Purchase Referral Fee Contract

This Referral Fee Contract by and between NELDON JOHNSON of 326 N. Salem, Utah 84653 and _____

Hereinafter referred to as "Purchaser", with an address of _____

In consideration for (a) the purchase by Purchaser of International Automated Systems' (IAS') Solar Lenses as evidenced by execution of the Equipment Purchase Agreement dated _____ (hereinafter referred to as "Equipment Purchase Agreement"); (b) the payment by Purchaser to IAS of the Purchase payment at the time of signing the Equipment Purchase Agreement; and (c) Purchaser agreeing to make the lenses available to IAS as a reference for marketing and sales purposes to show and demonstrate to potential customers ("New Customers"), Purchaser or designated assigns by the Purchaser has earned and shall thereafter receive a referral fee (the "Referral Fee," as more fully explained below) for services performed by allowing access and use for sales purposes, for each Solar Lens purchased, the Referral Fee shall be a zero point zero and zero _____ percent (0.00__% on referral amounts up to One Billion Dollars (\$1,000,000,000) received by IAS from sales of Solar Equipment to New Customers.

As evidenced by the execution of the Equipment Purchase Agreement, the total number of Solar Lenses purchased by Purchaser is _____ (_____)

The total Referral Fee is _____ (_____%)

_____ PURCHASER	_____ DATE	_____ NELDON JOHNSON	_____ DATE
--------------------	---------------	-------------------------	---------------

1. DESIGNATED ASSIGNS: _____
Address: _____

Total Amount of Referral Fee Assigned: _____ (_____%)

2. DESIGNATED ASSIGNS: _____
Address: _____

Total Amount of Referral Fee Assigned: _____ (_____%)

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PLEX00294.0022

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GUARANTEED!</div></td>
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Team BFS Gets \$30,000
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Steve and Diana Chaston shown giving TEAM-BFS weightlifting coach, Kim
Goss, his \$30,000 solar contract. Coach Goss stated, "This is unbelievable. I can't tell you
how much this is going to help our team. Also, I now plan on giving scholarships so our best
lifters can continue in college."

"It's a no-brainer," says Steve and Diana. "I bought one solar unit for \$9,000
down. I'm amending my 2008 taxes and will get the entire \$9,000 back from that, plus another
\$7,600 later from depreciation. Guaranteed! Plus, we get \$1,000 a year for thirty-five years.
Plus, TEAM-BFS gets \$30K. That's a WOW!"
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Maegan Snodgrass represented Team BFS and
the USA in Romania Last Month
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      <font size="2" color="#FF0000">HERE'S HOW IT WORKS:</font> Instead of paying
      taxes an individual or a corporate sponsor buys a solar<br />unit(s), priced at $9,000 per unit.
      The IRS then gives them almost double that amount back. Plus, the solar company gives a
      residual income for 35 years. The solar company because of its tax situation takes a small
      percentage of its gross sales and gives it to a school, athletic program or some other school
      cause.<br /><br />
      <font size="2" color="#FF0000">HOW MUCH FUNDRAISING MONEY?</font>
      $30,000 per unit. But, we only have 216 units available for the entire nation. First come-first
      served.<br /><br />
      <font size="2" color="#FF0000">BOTTOM LINE:</font> The individual or corporate
      sponsor makes a huge amount of money and the school makes a huge amount of money. All
      guaranteed by the federal government!<br /><br />
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      <b>Below is a flow chart and photo of the solar units being built in Utah's west desert.
      </b>
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        <br /><br />
        <b>Your solar units will be constructed, maintained and operated in Utah's
        west desert.<br />Pictured are solar units that have already been purchased and are
        presently in the construction phase.<br /><br />
        For more information, contact Dr. Shepard at 800-628-9737, or via email: <a
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July 17, 2009 PRESS RELEASE

REDCO Signs Power Purchase Agreement With Needles, California



PR Newswire

United Business Media

SALT LAKE CITY, July 17, 2009 /PRNewswire via COMTEX/ -- On June 9, 2009, the Needles City Council and the Needles Public Utility Authority (NPUA) unanimously approved and executed a twenty year Power Purchase Agreement (PPA) with Renewable Energy Development Corporation (REDCO). Pursuant to the PPA, REDCO will develop and operate a 5-megawatt solar thermal power plant in Needles to provide the city with the power and the Renewable Energy Certificates.

Needles voted to move forward with the PPA in part to satisfy the California Renewables Portfolio Standard (RPS), a mandate that requires minimum 10% of all power procurements come from a renewable source by 2010. The California RPS begins at 10% and is set to increase 2.5% per year until 33% of all power produced in California comes from renewable sources. The City of Needles is led by progressive thinkers determined to harness the sun's power to produce energy without generating any pollution and to stimulate their local economy.

Needles Mayor Jeff Williams said, "We are excited about the REDCO solar project in our city. By signing the PPA, Needles has accomplished two key objectives. First, we are providing a hedge against future increases in energy costs. Second, we are acting responsibly for the community by utilizing renewable energy. Needles, California is and will continue to be a great place for solar development."

REDCO will purchase the 5-megawatts of solar thermal equipment, including turbines, from International Automated Systems (IAUS) an innovative developer of solar technologies. REDCO has hired Ralph L. Wadsworth Company to serve as general contractor to construct the project. Petersen, Inc will handle IAUS's manufacturing and in-field assembly of IAUS's solar equipment for the Needles project.

Ryan Davies, President & CEO of REDCO said, "I applaud Needles for their decision to pursue this solar project. I am confident that the project will serve as a shining example of responsible energy development. We are excited to build this power plant and to work with the City of Needles."

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REDCO has big plans for Needles and will be investing heavily in the community. The company is already in the planning stages of a 49-megawatt solar project in Needles and plans to add an additional 150-200 megawatts over the next 3-5 years; REDCO is currently in discussions with several potential power purchasers for these projects. REDCO plans to utilize the IAUS solar thermal technology on all of its planned solar projects in Needles.

About REDCO - REDCO is a privately held company with offices in Utah. For more information, visit their website at: www.renewdevco.com.

About IAUS - IAUS PK is a publicly traded company with offices in Utah. For more information, visit their website at: www.iaus.com.

Note: Statements contained in this release that are not strictly historical are forward-looking within the meaning of the "Safe Harbor" provisions of the Private Securities Litigation Reform Act of 1995. Such statements are made based upon information available to the company at the time, and the company assumes no obligation to update or revise such forward-looking statements. Editors and investors are cautioned that such forward-looking statements invoke risk and uncertainties that may cause the company's actual results to differ materially from such forward-looking statements.

SOURCE REDCO

<http://www.renewdevco.com>