Buy Solar Lenses

Frequently Asked Questions

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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



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 <u>here</u> for further information. You may also view the county's letter stating our compliance <u>here</u>.

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



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 <u>irs.gov website</u>. 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:

- 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?
- 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?
- 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 depreciation 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 massproduced. 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 (CVC): 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.



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)

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 lausenergy.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, lausenergy com is regisered under godaddy. The following came from the registrar.

To see the report on lausenergy 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 Bivd 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

