

In confidence

**POD Groups
California, USA & London, England
April 30, 2012**

Charles Fraser
London, England

Dear Charles Fraser:

As a long-time admirer of the works of Nikola Tesla, we are committed to developing a renewable energy device and bringing it to the public in an open-source format.

As discussed during our meeting, our POD has come to a point where we need to dramatically enhance our Research & Development efforts so that we can continue to serve effectively through prototypes of renewable energy devices.

This document outlines the background, objectives, approach, estimated costs and timescales of this initiative.

I look forward to this opportunity in working with you on this open-source endeavor to help our planet and humanity.

BACKGROUND & OBJECTIVES

As you are aware, we constructed a prototype of an Accumulator renewable energy device, based on Otis T. Carr's inventions. A document was produced detailing the initial findings. We were very pleased with the initial results and would like to continue the development efforts.

We aim to reconstruct the device mentioned above, ship this to you in England for demonstration purposes, and then continue with the research and development process to further optimize and enhance the device. To this end, there will be a number of tracks, each focusing on either a short-term, medium-term or long-term time frame.

Each development track would include various phases typically these would include: design; procurement (parts, materials, equipment etc.); construction; testing & analysis; documentation and feedback or Q&A sessions.

When a prototype has completed the development process, and is ready for manufacture, assistance can be offered in coordinating with manufacturing facilities and assisting with any manufacturing related issues that may arise.

APPROACH

1. Short-term timeframe
 - a. Objective - Reproduce the original Accumulator renewable-device (as described in the research document we produced). Once construction is complete, we will ship this device to you in England for demonstration purposes.
 - b. Cost – estimated cost is in the region of \$1500 for the completed prototype
 - i. The estimated cost includes all the required parts, materials and circuit boards for the working prototype
 - ii. The estimated cost excludes postage & packaging costs, power supply unit, labor (offered for free), test equipment, multiple units being produced, anything else not listed above.
 - c. The timeframe* is estimated in the region of 6 weeks work.
2. Medium-term timeframe
 - a. Objectives – Produce variants of the Accumulator renewable-energy device (without torsion/rotation). The intention being to develop a higher performance, further optimized and more efficient design
 - b. Costs – estimated costs are in the region of \$60,000
 - i. The estimated cost includes – additional test equipment, parts / materials, circuit boards, customer engineering machine-shop services. Note multiple-variants of items listed may be required.
 - ii. The estimated cost excludes – labor (done for free), multiple units being produced, unforeseen repeat costs, postage & packaging, anything else not listed above.
 - c. The timeframe* is estimated in the region of 12 - 16 weeks work.
3. Long-term timeframe
 - a. Objective - Reproduce an Accumulator renewable-energy device (with torsion/rotation) similar to the OTC-X1 small model.
 - b. Costs – estimated 1 year funding are in the region of \$1,049,000
 - i. Laboratory Lease & Maintenance (\$120k)

ii. Laboratory Equipment (\$20k)

- Please note that laboratory equipment costs can easily become very large, and the decision as to what equipment needs to be procured versus outsourced needs to be thought about carefully, often on a case by case basis. Consideration will be given to what makes best sense from a financial outlay perspective and what makes best use of people's time, their skills & focus area, based on the various tasks at hand.
- Purchasing used equipment often makes good sense is considered wherever possible.
- For time intensive tasks, where specialized skills are not required, the use of students (cost effective labor that comes with enthusiasm) will be employed
- Where computer software (3D CAD, PCB / circuit, FEA, mathematical modeling) is required, open-source software will be used as much as possible.
- At this point in time, cost estimates of equipment required includes:
 - a. Oscilloscope/s
 - b. Oscilloscope probes (current, HV, differential)
 - c. Meters (various)
 - d. Power supplies (variac's, DC power supplies)
 - e. Signal generator/s
 - f. PCB equipment
 - g. Spectrum analyzer
 - h. Basic metal lathe & tooling
 - i. Motors, bearings, materials, wiring
 - j. Prototyping cnc machine
 - k. Rotary tools, tooling and presses

iii. Staff Employment for 1 Year (\$300k)

- Business Operation Manager (\$50k,) **Mark**
- Technical Project Manager (\$92k, £57k) **Lorenzo**
- R & D Scientist (\$88k) **Franklin**
- Lab Technician 1 (\$50k) **Sebastian**
- Lab Technician 2 (\$20k) **Michael**

Please note: the amounts quoted above are net amounts excluding any taxes, and quoted in the respective currencies based on where individuals are located.

iv. Lab Office Supplies & Utilities (\$50k)

- Computer & Software Equipment
- Utilities: Water, Electricity, Internet, Phone
- Furniture (workbenches, tables, chairs)

v. Research & Development Budget (\$500k)

vi. Lodging & Traveling Expenses (\$40k)

vii. Professional Consulting Fees (\$20k) **Ralph Ring**

viii. Total - Annual Budget (\$1,049,000k)

c. Timeframe* - estimated to be in the region of 12-18 months.

*Please note all work is currently being done on a part-time basis, and timeframes may vary depending on the availability of POD members.

Charles Fraser

May 7, 2012

Page 5

SUMMARY

When this initiative is complete, our POD intends to successfully construct small Accumulator units for power production. Benefits include renewable, free and abundant energy for the benefit of the planet and humanity.

The open-source construction principles will be a gift to current and future generations.

Further funding (donations) will allow us to remain steadfast in meeting the stated objectives.

Should you wish to support us, by means of donations, in this initiative, I suggest the following as the best way forward:

- For the short-term goal, an up-front donation of the full amount probably makes best sense.
- For the medium-term goal, an up-front donation (cumulative), at various points in time (milestones - to be agreed) as work progresses, is probably the most sensible route to follow.
- For the long-term goal – a similar approach to the medium-term goal would make best sense.

I suggest we have further discussions on the latter to find a middle ground that makes best sense.

Sincerely,

Franklin Amador
Electrical Engineer
AIAS Fellow
USA POD Group Member