

Letter of Intent

between

Sparatech, LLC
- "Spara" -

and

M10, GmbH

- "**M10**" to a new name to be announced for new Joint Venture - Günter Schneiderreit (CEO and founder of M10 , **Maximilian Germann** Head of Sales at M10 , Tony Corrado co-founder -inventor Sparatech and John Lyons co founder marketing director Sparatech .

- Spara and M10 herein after individually a "**Party**" or collectively "**Parties**" -

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1.Objective

- 1.1. The Parties are planning to commence negotiations without undue delay ("**Negotiations**") for the purpose of concluding a contract ("**Agreement**") regarding the use of micro thermoelectric devices coupled to micro cooling system to generate electrical power through solar and thermal power generating devices, i.e. computer servers.
- 1.2. It is the Parties' intent to perform the following activities and measures within the timeline outlined below:
 - 1.2.1. Parties will endeavor to complete the fabrication of a "proof of concept", working prototype, of a system to extract heat from servers and generate electricity. This prototype would use all essential technologies but would be restricted to a device of approximately 15 cm x 15 cm.
 - 1.2.2. Spara and M10 would jointly agree to the efficacy of the prototype to be scaled up for larger paneled system applications in both solar and cloud server farms.
 - 1.2.3. Spara and M10 would agree to the patentable and "know how" aspects of the technology and how to protect both.
- 1.3. The Parties endeavor to conclude the Agreement by the September 2018.
- 1.4. Each Party shall endeavor to provide the other Party with information reasonably required for the purpose of the Negotiations.

2.Binding Clauses

- 2.1. The Parties are under no legal obligation to conclude the Agreement. Either Party shall be entitled to terminate the Negotiations, in writing, at any time, at its full and sole discretion.
- 2.2. M10 shall pay for all out of pocket expenses incurred by Spara during any and all of the effort covered herein.
- 2.3. In the event no Agreement is concluded or if the activities pursuant to clause 1 are not, completed or performed, in particular within the envisaged timeline, neither of the Parties shall have any claim against the other Party under any theory of law (including without limitation claims for damages and cost reimbursement). The Parties shall not be liable in the event information is not provided, not provided in time or not provided correctly.
- 2.4. Each Party shall treat the Negotiations and the contents of this Letter of Intent as confidential, unless the other Party gives its prior written consent to its disclosure.

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- 2.5. Each Party shall use any information which it receives from the other Party during the course of discussions or Negotiations, only for the purposes for which it has been provided, and shall prevent third parties from gaining access to it and treat it in the same way as its own business secrets. This confidentiality obligation shall not apply to information which is generally known, which can be shown to have been independently developed by the recipient, or which has been acquired from a third party without nondisclosure obligation to the disclosing Party. This obligation shall likewise not apply to the extent a Party is required by statutory regulations or governmental orders to reveal any of the information it has obtained. This obligation shall survive the term of this Letter of Intent for a period of five (5) years.
- 2.6. Additions and amendments to this Letter of Intent shall only be valid if made in writing. The requirement of the written form can itself only be waived in writing.
- 2.9 This Letter of Intent shall become effective upon signature by all Parties. It shall terminate when the Agreement has been concluded or in the event of the Negotiations being terminated but in no case later than on the 31 December 2018. Clauses 2.4, 2.5, 2.6 and this clause 2.8 shall survive termination.

Article 3 – Business Terms

- 3.1 Parties agree that that one of the business models listed below (as modified by both parties) will be agreed to prior to proceeding with this LOI.
- 3.2 Parties agree to the compensation due to Sparatech at each of the milestones listed:
- 3.2.1 Functional verification of technology via Proof of Concept: \$50,000.00
- 3.2.2 Transition to production as demonstrated by functional system test: \$200,000.00
- 3.2.3 Issuance of patent: \$200,000.00
- 3.3 Finalization of business model.
- 3.3.1 Model #1: M10 buyout of all rights – M10 shall pay to Sparatech a license royalty
- 3.3.2 Model #2: M10 be granted 51% of all ownership and control and Sparatech maintain 49%. Sparatech shares in 49/51 ratio in profits and revenue from this particular product and its variants and revenue producing agreements/contracts.
- 3.4 M10 - Sparatech new company as it own spin-off can be sold with a 51-49 percent spilit .

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Sparatech, LLC

M10 GmbH

Place, Date:

Place, Date:

Name:

Name:

Name:

John Lyons

(Print)

(Print)

(Print)

Title:

Title:

Title:

CEO

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