

PURCHASE AGREEMENT FOR SCIENTECH ORDERS

1. DEFINITIONS:

"Acceptance" means verification by Buyer that the delivered Item or Service meets required specifications, standards and/or criteria as set forth in the Order.

"Authorized Representative" means the person authorized by Buyer's cognizant purchasing organization to administer and/or execute this Order and who has authority to provide contractual directions and commitments on behalf of Buyer.

"Buyer" means Sciencetech Inc.

"Data" means all financial/business information, designs, dimensions, specifications, drawings, patterns, computer files or software, know how, or other information, including but not limited to technical data used in the design and manufacture of Items or provision of Services.

"Item" means the goods, products, materials, supplies, parts, technical data, drawings, services or other items covered by an order.

"Order" means the contracting instrument, including these terms and conditions, all other referenced documents, and any subsequent changes.

"Party/Parties" means Buyer and Seller individually or collectively.

"Seller" means the Party with whom Buyer is contracting under an Order in compliance with the terms and conditions herein.

"Service" means Seller's time and effort, including any items, articles, Data, or materials Ordered covered by an order.

2. ORDER ACCEPTANCE:

This purchase order constitutes Buyer's offer to purchase the Products and/or Services described in this offer and shall become a binding contract upon the terms and conditions set forth herein upon Seller's order acceptance either by acknowledgement or commencement of performance. Any terms or conditions (including price and delivery dates) proposed by Seller in accepting Buyer's offer, which are inconsistent with or in addition to the terms and conditions herein, shall be void and of no effect unless and to the extent expressly accepted by Buyer in writing. If, after acceptance of the Order or at any time during the performance of this Order, Seller believes that any portion of this Order is inaccurate, inconsistent or incomplete, Seller shall promptly notify Buyer in writing identifying any discrepancies and requesting resolution before proceeding or continuing with the portion of this Order in question.

3. INVOICING AND PAYMENT:

Each invoice submitted by Seller shall include as a minimum; Buyer's order number, Seller's part number, Service or item description, unit price or hourly rate, total price and date of invoice. Buyer shall not be obligated to pay Seller any amount in excess of the Order amount for each Item.

Payment terms shall be Net 30 days. Payment due dates, including discount periods, will be calculated from the date of Buyer's receipt of Items(s) or Service(s) or correct invoice, whichever is later. Any applicable discount will be taken on the full amount invoiced. Payment shall not constitute Acceptance or approval of Products or Services rendered. At any time prior to final payment under this Order, Buyer may have invoices validated. Payment of Seller's invoices shall be subject to adjustment for any amounts found to have been improperly invoiced. Buyer shall be entitled at all times to set off (a) any amount owing at any time from Seller to Buyer; (b) any damages resulting from Seller's default under or breach of any contract (including any purchase order and these terms); (c) any adjustment for shortage or rejection and any associated costs, against any amount payable at any time by Buyer to Seller.

4. PRICES:

Seller represents that prices quoted to or paid by Buyer shall not exceed current prices charged to any other customer of Seller for items which are the same or substantially similar to the Items, taking into account the quantity under consideration, and Seller will forthwith refund any amounts paid by Buyer in excess of such price.

5. TAXES:

Seller shall separately itemize on all invoices any sales, use, or value added taxes, customs duties, or similar levies imposed by federal, state or local governments applicable to delivery of the Items, provided however, that no tax shall be included from which an exemption is available. Seller agrees to refund to Buyer any taxes included in the price that were not required to be paid.

6. PACKING AND SHIPPING:

Deliveries shall be made as specified without charge for packaging or storage unless otherwise specified and Items shall be suitably packed to secure the lowest transportation cost and, in such manner, to prevent damage from weather or transportation. Items shall be described on the bills of lading. Buyer's order numbers and Item quantities in package must be plainly marked on all packages, bills of lading and shipping orders. Packing lists shall accompany each package shipment.

7. TITLE

Title to Items shall pass from Seller to Buyer upon delivery to Buyer's dock (Boulder, CO).

8. INSPECTION:

Notwithstanding any prior Acceptance, Buyer may reject or require prompt correction of any Items or Services which are, in Buyer's judgment, defective in material or workmanship or otherwise fail to meet the drawings, designs, statement of work, specifications or other technical documents, or other requirements of this Order. The Items may be inspected by Buyer at all times and places and at any stage of production, and if at the premises of Seller, without additional charge. The foregoing shall not relieve Seller of its obligation to make full and adequate test and inspection. Buyer may base acceptance or rejection of any or all Items on inspection by sampling. If upon inspection, any of the Items shall be found to be defective in material or workmanship, or otherwise not in conformity with the requirements of this order, buyer may, in addition to its other rights, (a) require prompt correction or replacement thereof at Seller's expense, including transportation charges or (b) rework or have reworked, any such Items at Seller's expenses for the purpose of conforming the Items to contractual requirements, or (c) reject such Items and require the immediate removal thereof, Buyer to be repaid or credited the full invoice price, or (d) cancel the order in whole or in part. From the time of notice or rejection of defective Items upon inspection, or for a breach of warranty, risk or loss thereof shall be upon Seller until redelivered, if any, to Buyer.

9. WARRANTY:

Seller expressly warrants that Item(s) delivered and Service(s) performed hereunder shall be free from defects, shall be of good materials and workmanship, shall conform to all requirements of this Order, and shall be free of any claim of any third party. The foregoing warranties shall survive inspection and Acceptance of, and payment for, the Item(s) delivered and Service(s) performed hereunder and shall remain in effect as to each Item furnished or Service performed and shall run to Buyer, its successors, assigns, and customers. These warranties shall not be deemed to limit any warranties of additional scope given to Buyer by Seller, nor limit Buyer's rights or Seller's obligations under any other provision of this Order, at law or in equity. No warranties are waived by Buyer supplying, reviewing, commenting upon, or approving plans, specifications, or Data, issuing changes to this Order, or inspecting or Acceptance of the Product(s) or Service(s) or both.

If Buyer determines the Item(s) or Service(s) or both do not meet the warranties and guarantees specified herein, Buyer may, within its sole discretion, return such Item(s) to Seller at Seller's expense, for correction, replacement or credit, plus transportation charges, or refuse to confirm satisfactory completion of Service(s) and require Seller re-perform such Service(s). If repair, replacement, or re-performance of the Item(s) or Service(s) or both is not timely, Buyer may elect to return, repair, replace, or re-procure the

nonconforming Work at Seller's expense. Any corrected, replaced, or repaired Item(s) or re-performed Service(s) shall be subject to the provisions of this clause to the same extent as initially furnished hereunder for the remaining Warranty Period.

Should there be a failure of the Item(s) or Service(s) or both after final Acceptance by Buyer, Seller shall fully cooperate with Buyer and Buyer's customer in the investigation of the failure or anomaly. Seller consents to provide any and all information related to the failure.

10. CHANGES:

Buyer shall have the right by written notice to change the extent of the work covered by the contract, the drawings, specifications, or other description herein, the time, method or place of delivery or any such notice. Seller shall proceed promptly to make the changes in accordance with the terms of the notice. If any such changes cause an increase or decrease in the cost of performance or in the time required for performance, an equitable adjustment shall be negotiated promptly and the contract modified in writing accordingly. Seller shall deliver to Buyer as promptly as possible, and in any event within seven (7) days after receipt of change notice, a statement showing with adequate detail the effect of any such change in the delivery dates and prices. Failure of Seller to submit the statements within the time limit stated shall constitute its consent to perform the change without increases in price and without change in delivery schedule.

11. BUYER FURNISHED TOOLS AND MATERIALS:

Title to and the right of immediate possession of all tooling, equipment or materials furnished or paid for by Buyer directly or indirectly for use hereunder shall be and remain in Buyer. Buyer does not guarantee or warrant the accuracy of any tooling furnished by it. Seller shall (a) be responsible for all loss or damage to such tooling, equipment or materials while in its possession; (b) clearly mark the same as belonging to Buyer, keep it segregated in Seller's plant and treat it confidentially; (c) keep the same good operating condition and (d) use the same exclusively for the performance of work for Buyer. All taxes, assessments, and similar charges leveled with respect to or upon any such items owned by Buyer while in Seller's possession or control, and for which no exemption is available, shall be borne by Seller.

12. PROPRIETARY INFORMATION:

For all purposes of this clause, Disclosing Party means the party disclosing Proprietary Information to the other party, and Receiving Party means the party receiving Proprietary Information from the Disclosing Party. Receiving Party shall maintain data protection processes and information technology and physical security systems to adequately keep confidential and protect from disclosure all information, regardless of form, including software (source and object codes and any related documentation), drawings, specifications, requirements documents, samples and any other property obtained from Disclosing Party in connection with the Order or Agreement including those identified as confidential or proprietary or owned by Disclosing Party or a third party (Information). Receiving Party shall keep confidential and protect from disclosure all Disclosing Party Information identified as confidential or proprietary.

Unless expressly authorized in this Purchase Order or Agreement or by Disclosing Party in writing, Receiving Party shall use such Information only in the performance of and for the purposes of the Purchase Order or Agreement. Items or Services designed, modified, or manufactured specifically to Buyer requirements or specifications shall not be sold or marketed to any third party and shall not be incorporated into any Seller product, process, or document, without Buyer's prior written consent, unless such sale, marketing, or production is allowed by rights granted under specific federal government contracts. Buyer shall have the right to use, disclose and copy Seller's Information for the purposes of developing, integrating, testing, certification, use, sale, service, or support of any Item or system which incorporates an Item.

Upon Disclosing Party's request, and in any event upon the date of expiration or termination of the Purchase Order or Agreement, Receiving Party shall return all such Information to Disclosing Party or make other disposition as directed by Disclosing Party. Receiving Party shall not sell or dispose of defective, completed or partially completed proprietary equipment, data or property, including scrap which is the property of the Disclosing Party, prior to receiving written direction from Disclosing Party and before rendering such property unsuitable for use.

13. INTELLECTUAL PROPERTY RIGHTS:

Intellectual Property (IP) consists of any and all inventions whether or not patentable, models, methods, trademarks, designs, copyrights, moral rights, trade secrets, in each case whether registered or unregistered, know-how, processes, techniques, procedures, documentation, data, plans, computer programs, databases, software, drawings, specifications, Statements of Work, requirements documents, samples, part numbers, or other technical or business-related data or information identified as Intellectual Property by either Party, and in each case in any form or format including electronic, whether known at present or conceived or developed in the future, including improvements to any such IP.

A. "Background Intellectual Property" shall mean Intellectual Property that is (i) in existence prior to the effective date of this Order or (ii) is designed, developed or licensed by a Party after the effective date of this Order independently of both the Work undertaken or in connection with this Order and the Proprietary Information and Intellectual Property of the other Party to this Order.

B. "Foreground Intellectual Property" shall mean all Intellectual Property conceived, created, acquired or initially reduced to practice in connection with this Order.

C. Each Party shall retain and exclusively own all rights in its Background Intellectual Property and in all Foreground Intellectual Property that it creates. Foreground Intellectual Property jointly generated by employees of more than one Party shall be jointly owned. Neither Party shall have any obligation to account to the other Party for income arising from use of the jointly owned Foreground Intellectual Property.

D. Seller hereby grants to Buyer a non-exclusive, worldwide, right and license to copy, modify, use, sell, offer for sale and disclose any Work or other deliverable delivered by Seller under this Order for the performance of this Order. If the Work or other deliverable contains third party intellectual property, Seller agrees to obtain the rights from the third party that are sufficient for Seller to grant Buyer the rights in the above license. Seller warrants that it has the rights in the Work or other deliverable sufficient to grant to Buyer the above license.

E. Seller may not sell or license any Buyer IP (including any Foreground IP owned by or transferred to Buyer under the Intellectual Property Rights clauses above) for any purpose other than supplying such Items to Buyer, without the prior written consent of Buyer. Seller agrees not to place any restrictive or contrary markings on any IP to which ownership vests in Buyer under this Agreement.

F. Seller agrees not to make use of any of the drawings, reports, specifications or data furnished to it by Buyer expect for the performance of this contract, and Seller further agrees not to disclose the same to others except to facilitate the performance of the contract under similar restrictions against use and disclosure provided (however the Seller may produce items for direct sale to the U.S. Government where the U. S. Government has the right of such use. Seller shall advise Buyer, in writing, of each instance of such direct use.

14. PROHIBITED SUBSTANCES:

Seller shall not include prohibited substances in Items delivered to Buyer without Buyer's prior approval.

A. REACH and RoHS

Upon Buyer's request, Seller shall provide information on any Items delivered under Buyer's Order which contain regulated REACH substances as specified in Regulation (EC) No 1907/2006 of the European Parliament and of the Council of December 18, 2006 concerning Registration, Evaluation, Authorization and Restriction of Chemicals (REACH). Seller shall promptly provide Buyer with an updated REACH Disclosure whenever an Item contains a substance that is added to the REACH Candidate List for Authorization, is subject to Authorization, or is Restricted. Seller represents and warrants that each Item complies with all applicable REACH requirements, including substance registration, notification and authorization of a Substance of Very High Concern (SVHC). Seller shall complete Buyer's survey no later than fifteen (15) days after the date of issuance of the REACH Request. Seller further agrees that, if Seller does not respond within fifteen (15) days, such non-response shall constitute Seller's affirmation that none of the Items furnished to Buyer contain a SVHC.

All electrical and electronic Items will be required to comply with RoHS (Restriction of Hazardous Substances, also known as Directive 2002/95/EC) requirements. Buyer may request Seller to provide Disclosure of compliance as part of Buyer's compliance audit.

B. Conflict Minerals

Upon Buyer's request, Seller shall provide information (CM Disclosure) on any Items furnished under an associated Order containing Conflict Minerals (CM). The CM list currently includes gold, tin, tungsten and tantalum, as specified in 77 FR 56273, 17 CFR 240, 249 and 249b, Section 13(p) of the Securities Exchange Act of 1934 and Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The CM Disclosure shall be completed in the format of the CFSI Conflict Minerals Reporting Template which can be found at www.conflictreesourcing.org/conflict-minerals-reporting-template and be submitted to Buyer no later than fifteen (15) business days from the date of issuance of the CM Request.

C. Lithium

Items containing lithium batteries shall meet all labeling and other requirements set forth in the United Nations Manual of Tests and Criteria, part III, subsection 8.3, as referenced in the United States Department of Transportation hazardous materials regulation at 49 CFR parts 100-185.

15. COUNTERFEIT ITEMS:

Seller represents and warrants that it will provide Buyer only with Items and components that have been sourced from the original Component manufacturer (OCM) or the OCM's authorized distributor, unless Buyer has previously authorized a different source in writing.

16. GOVERNING LAW:

Both Parties agree that, irrespective of the place of performance of this Order, this Order will be governed, construed, and interpreted according to the law of Colorado, without regard to its conflict of laws principles.

17. COMPLIANCE WITH LAW:

Seller shall in the performance of the contract comply with all applicable laws, regulations, ordinances, proclamations, demands and requisitions of the Government or of any state or local government authority which may now or hereafter govern performance hereunder.

18. GRATUITIES:

Seller warrants that neither it, nor any of its employees, agents, or representatives has offered or given any gratuities to any of Buyer's employees, agents or representatives. If it is found that Seller or any of its employees, agents, or representatives has offered or given any gratuities to Buyer's employees, agents, or representatives with, in Buyer's opinion, a view toward securing purchase order or contracts from Buyer, or securing favorable treatment with respect thereto, Buyer may, by written notice to Seller, cancel the order.

19. ASSIGNMENT AND SUBCONTRACT:

This Order shall not be assigned nor shall Seller subcontract for completed or substantially completed Items or major components thereof without Buyer's prior written consent. Any assignment shall be subject to set off or recoupment for any present or future claim which Buyer may have against Seller.

20. ADVERTISING:

Seller shall not, without written Buyer consent, in any manner advertise the fact that Seller has contracted to furnish Buyer the Items.

21. FORCE MAJEURE:

Neither Party shall be liable for damages for delay in performance arising out of unforeseen causes beyond its reasonable control and without its fault or negligence, including acts of God or of the public enemy, acts of any government authority, fires, floods, or other natural disasters, if such events or conditions prevent such Party from fulfilling its obligations under this Agreement. If the delay is caused by the delay of a sub-tier supplier of Seller and if such delay arises out of causes beyond the reasonable control of both Seller and its sub-tier supplier, and without the fault or negligence of either of them, Seller shall not be liable to Buyer in damages unless the Item to be furnished by the sub-tier supplier was obtainable from other sources in sufficient time to permit Seller to meet the completion or delivery due dates. Seller will notify Buyer in writing within three (3) business days after the beginning of any force majeure event and provide timely updates to Buyer until resolved.

22. INDEMNITY:

Seller agrees to indemnify and hold Buyer harmless from any and all claims and liability, including expenses, including, but not limited to, legal fees and court costs, for injuries or death to persons or damage to or destruction of property caused by or resulting from the acts or omissions of Seller, its agents, suppliers or employees in the performance of this order and, at Buyer's option, to defend at Seller's expense all suits or proceedings arising out of any of the foregoing.

If, work or services under this order are to be performed within the premises occupied or controlled by Buyer or a customer of Buyer, then Seller agrees as follows (a) To accept the premises in their present condition as safe and satisfactory for the work or services to be performed. (b) To hold Buyer and its customers harmless from all injuries, damages, and claims arising from such performance. (c) To maintain insurance that will protect Buyer and its customers from claims for damages, personal injury, or death to employees of Seller, Buyer, or its customers, or any other persons, which may arise from performance of work or services covered by this order, whether performed by Seller or any subcontractor, or anyone directly or indirectly employed by either of them (d) To file certificates of such insurance with Buyer and to obtain Buyer's approval of the adequacy of protection whenever so required.

23. EXAMINATION OF RECORDS:

Seller shall maintain complete and accurate records showing the sales all Services to Buyer. Such records shall support all Services performed, allowances claimed, and costs incurred by Seller in the performance of any Order, including those factors which comprise or affect labor hours, labor rates, material costs, and subcontracted services. Such records and other data will be capable of verification and be available to Buyer at Seller's facility for Buyer's examination, from the date of the Order or Agreement until one (1) year after final payment under this Agreement. Seller shall provide assistance to interpret such data if requested by Buyer.

24. TERMINATION FOR CONVENIENCE:

Buyer may, by written or electronic notice to Seller, cancel any Order, in whole or in part, without cause at any time. Any Seller termination or cancellation claim for Order cancellations issued must be submitted to Buyer within thirty (30) days after the date of issuance of the termination or cancellation notice to be considered for payment. Buyer's maximum liability shall be limited to payment for any Items already furnished and accepted by Buyer, plus the proportionate part of the unit price for any Items in the process of manufacture, inspection, performance, or test, pro-rated to the state of their completion. Seller shall certify, with respect to all Items of termination inventory included in any termination or cancellation claim, that the costs of such Items are properly allocable to the terminated or cancelled portion of the Order or Agreement, that such Items are not in excess of the reasonable quantitative requirements of the terminated or cancelled portion of this Order or Agreement, and that such Items do not include any Items or components of Items reasonably usable without loss to Seller on its other work. Upon receipt of a notice of termination or cancellation from Buyer, Seller shall stop work and immediately take the necessary action to ensure that all work under the terminated or cancelled portion of this Order or Agreement ceases and, to the extent necessary to comply with Buyer's termination notice, shall ensure that all orders and agreements between Seller and its sub-tier suppliers are terminated immediately. Buyer shall be entitled to possession of the termination inventory upon final resolution and payment of any agreed termination or cancellation claim amount. In no event shall Seller be entitled to any amount which would exceed the value of the terminated/cancelled portions of the affected Orders.

25. TERMINATION FOR DEFAULT

Buyer may by written notice to Seller, without prejudice to any other rights or remedies provided under this Agreement, at law or in equity, cancel any Orders or Agreement, in whole or in part, in any of the following circumstances: (a) if Seller has been declared bankrupt, makes an assignment for the benefit of creditors, or is in receivership; (b) if Seller fails to perform the work or furnish the Items or Services in accordance with the performance requirements or delivery schedules/completion dates; (c) if Seller (i) fails to perform any of the other terms of the Order, or (ii) so fails to make progress as to endanger the performance of the Order in accordance with its terms, and in either of the two circumstances in (c)(i) or (c)(ii) above, does not cure such failure within a period of ten (10) days after receipt of notice from Buyer specifying such failure. In the event Buyer terminates the Order in whole or in part as provided in this Section, Buyer shall have no further liability to Seller and may procure, upon such terms and in such manner as it may deem appropriate, items similar to those specified in the Orders terminated or cancelled.

26. DISPUTES:

Any dispute arising under or in connection with this Order with respect to the rights, duties, or obligations of the Parties shall be submitted in writing for resolution to ascending levels of management of the respective Parties.

If a dispute cannot be resolved to both Parties' mutual satisfaction, after good faith negotiations, within sixty (60) days from the date the written claim is received by the other Party, or such additional time as the Parties agree upon in writing, either Party may bring suit only in the state or federal court located in the state of Colorado.

Pending any prosecution, appeal, or final decision referred to in this clause, or the settlement of any dispute arising under this Order, both Parties shall proceed diligently, with their respective obligations under this Order.

To the maximum extent permitted by law, the Parties waive any right to a jury trial. In no event shall Buyer be liable for anticipated profits, incidental or consequential damages. Buyer's liability on any claim, of any kind and for any loss or damage arising out of, connected with or resulting from this Order, or from the performance or breach thereof shall, in no case, exceed the price allocable to the Items and/or Services, or unit thereof, which gives rise to the claim. Buyer shall not be liable for penalties of any description. Any action resulting from any breach on the part of Buyer as to the Items and/or Services delivered hereunder must be commenced within one year after the cause of action has accrued.

27. WAIVERS:

The failure of Buyer to enforce the performance of any terms or conditions of this Agreement, or to exercise any right hereunder, shall not be construed as a waiver or relinquishment of the future performance of any such terms or condition or the future exercise of such right, but the obligation of Seller with respect to such future performance shall continue in full force and effect.

28. ENTIRE AGREEMENT; AMENDMENTS

This Agreement is intended by the Parties to be a complete and exclusive statement of the terms of their agreement. No course of prior dealings, written or oral, and no acceptance or acquiescence in a course of performance rendered under this Agreement shall be relevant to supplement, explain or determine the meaning of the terms of this Agreement. Each Party has reviewed this Agreement, and therefore the language in this Agreement shall be construed as to its fair meaning and not strictly for or against either Party. No amendment or change shall be binding unless in writing and signed by authorized representatives of both Parties.

By accepting the Purchase Order accompanying this Agreement, Seller represents that it agrees with the terms and conditions herein.