Valister-3 Ltd.

15 May, 2015

Mr./Ms. . . . . . . . .

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LETTER OF INTENT

Re. Project financing Valister-3 for greenhouse

Register Office:   
Village Staliyska Mahala, XXXX, District of Montana, mob. +359 887 26 02 68 e-mail: <mailto:budyonikrumov@abv.bg>

Correspondence Office:

20, Felix Kanitc St, Sofia 1606, tel. +359-2-862 4564, mob. +359-2-888 69 07 96 e-mail: sofia@iic-london.co.uk

Bulgaria

Dear Sirs,

We are a newly established company, EIK 203281693, for development of the greenhouse project.

The project includes:

* Purchase of land 10 ha in Municipality of Lom, District of Montana, Northwest Bulgaria. There is underground river in the plot; exploration with two boreholes; own source.
* Greenhouse form the leader of the market, AP Holland, Netherlands. Local country distributor and partner, Inter Trading Group Ltd.
  1. More details may found in the DESCRIPTION OF PROJECT herein enclosed. The general parameters (preliminary data) are herein below, and the complete financial model with business plan and financial analyzes of the investment you will be furnished with if you confirm your interest in funding the project and the final general loan terms and conditions.
  2. Financial parameters:
  + Pro-forma budgeting price: €20,000,000.-
  + Financial resource: credit loan for project financing and/or capital investment
  + Corporate bonds for the benefit of the lender
  + Expected annual interests: 3%
  + Loan life – repayment term: 6 years with 2 years grace period.
  1. Expected results:
  + Revenue: €34,496,000.-

Incl. Cucumbers: 18,480 МТ х €800 /МТ = €14,784,000

Tomatoes: 24,640 МТ х €800/МТ = €19,712,000

* 1. Costs: €10, 994,000

Incl. Interest: €3,300,000  
Variable costs: €7,694,000

Income tax: €2,350,000  
ЕBТ: € 21,152,000  
Investment: €20, 000,000

EAT: € 1,152,000

The results will be confirmed or clarified in the financial model of the project, which will be presented before conclusion of the loan/investment agreement. For its preparation is necessary (i) your general confirmation for funding the proposed project based on the provided information; (ii) inquiry and in return an engineering offer by the manufacturer of the basic equipment - greenhouse; (iii) preparing detailed financial model of the investment with business plan, the standard analyses and evaluations, quantitative risk assessment, and online cash-flow control system.

This project is unique to the industry in the insatiable market niche of final products and the peculiar high taste of Bulgarian vegetables due to the specific climatic and soil characteristics. We turn to you to support the implementation of our investment plan with project financing.

Together we can build a long term partnership and to open in Bulgaria greenhouse of the future Valister 3 Ltd.

Sincerely,

Vladislav Vladimirov  
CEO

Encl. Summary of business plan

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Register Office:   
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