LISITEN ASSOCIATES

DIVISION OF MELRO ASSOCIATES LTD.

BUSINESS TO BUSINESS BROKERAGE

330 East 38th Street New York, New York 10016

Kimia S. Shadrokh - Managing Director (917) 775-4604

Mr. Bradley Gray March 11, 2019

BG Capital

25 Catoctin Circle SE Unit 4482

Leesburg, Virginia 2-177-8366

Re: Lisiten Associate’s Counter Offer to BG Capital LOI for MBSS 3/8/19

Dear Bradley,

Please see below counter to BG Capital’s LOI dated March 8, 2019:

BG Capital (BG) to confirm intent to acquire 80% of the assets including all shareholder shares, all intellectual property and personal good will (“The Patent, and any and all additional patents”), less any cash on hand. We believe that this will be an excellent acquisition for both parties to help MBSS continue to build on its business plan and to help BG in its business venture. BG Capital is excited about the prospects of working with you and the organization you’ve created. The purpose of this letter is to outline the basic terms of our proposed investment under the following general terms and conditions. It is understood that BG will form a new corporation (Holding Company) and substitute its name and structure of BG. BG and or its Holding Company are ready, able and willing to enter and consummate this transaction.

* Consideration. Based on information and belief we place the enterprise value at the total Company Revenue to date, which was last reported as $10,000,000 of which Buyer is aware. Our valuation is based on the strategic value to our group and not a usual standard multiple of EBITDA with the understanding that the multiple will not exceed Ten (10). The purchase price shall be $40,000,000 for 80% (Eighty Percent) of MBSS.
* BG will provide $5,000,000 cash at closing and $2,500,000 in a deferred payment to be paid within 120 days of closing for a total $7,500,000 Cash at Closing. There will be $32,500,000 plus 5% interest paid annually on the unpaid balance in the form of a note secured against the company’s equity value at closing. The payments shall be $5,000,000 per year, on the anniversary of the date of Closing, except credit will be given for the $2,500,000 deferred payment in the final installment. BG and the acquired business, MBSS, shall have exclusive rights and use of the Patent. Upon Seller’s receipt of remaining $32,500,000, the Patent shall be released immediately upon receipt of BG and Seller will either retain the 20% Ownership in MBSS or sell up to the 20% to BG. A mutually agreed upon Buy Sell Agreement will be attached.

2. Timing. It is our intent to close the transaction within Ninety (90) days. Thus, the parties shall use best efforts and good faith in the due diligence. BG Capital will proceed in good faith to complete due diligence rapidly. Buyer and Seller will put forth best efforts to accomplish consummation of this transaction. It is BG’s intent to close the transaction within Ninety (90) days. A Good Faith Deposit of $100,000 will be placed by BG in escrow immediately and applied as credit to the $5,000,000 cash at closing. BG shall be granted exclusivity during this due diligence period.

3. Seller shall retain all cash in bank accounts and Accounts Receivable, after paying all debts and Accounts Payable. New Accounts Receivable shall be beginning on the date of closing. The Patent and any Patent royalties shall stay with MBSS exclusively and shall be fully transferred upon the final payment of the $32,500,000 NOTE as above. The Patents will add further surety to the Seller that he will receive all obligated payments. There will not be any personal guaranteed, the collateral will be the business and company itself and the Patens.

1. BG Capital Equity. BG assures its cash liquidity and will provide the required cash at closing to obtain the 80% of the equity in support of its ownership position. BG Capital stands ready and has extensive contacts and associations with financial sponsors that have ample resources to complete a transaction of this size. BG further assures it has the capacity, structure, administration, capital and human capital to operate and implement the MBSS plan. BG will request Michael Manoussos, MBSS to remain in the key management position for up to an additional three (3) years, or other terms and conditions of a yet to be agreed upon following the three-year Employment Contract.
2. Covenant Not-to-Compete. MBSS’s ownership and key managers, and the inventor will execute covenant not to: (i) engage in any related business; or (ii) solicit any employees (including those employees hired by BG) or customers of the business. This covenant not to compete shall extend beyond Seven (7) years if the above Note has not been pre-paid and shall continue in force as long as the Seller continues to hold an equity position. The parties herein agree and acknowledge that the covenant not-to-compete is integral to the transaction contemplated by this letter and that the BG will not consummate such transaction without acceptable covenants not-to-compete.
3. Legacy. BG understand and appreciates the Seller’s desire regarding Legacy of the Concept and Patented Manhole Cover Barrier and the significant time and expense he invested to present it and achieve acceptance. BG will honor in perpetuity Michael Manoussos as the originator and innovator of the MBSS concept and as Chairman emeritus.
4. Expenses. MBSS and BG will bear their own expenses in negotiating and closing the transaction.
5. NO Minimum EBITDA for valuation.
6. Conditions to Closing.

The closing of the transaction contemplated herein is subject to the following:

Due Diligence

MBSS shall permit BG and its representatives to conduct a thorough due diligence investigation of MBSS business, patent. MBSS also agrees to provide any such assistance, and full cooperation as is reasonably requested by BG to MBSS’s best abilities. This investigation shall be conducted within an understanding that BG shall have the absolute right to explore any of the markets, potential new markets, and/or any potential users. It is understood and agreed this process of the investigation is critical to the conclusion of satisfactory due diligence process. Furthermore, the due diligence will help to fully understand the market of the company potential, and the companies’ validation of value. MBSS agrees not withhold any known information and cooperate to the best of their abilities within reason to assist in the due diligence process.

Financial Statements and Files

MBSS will share all previous financial statements and files for Buyer’s inspection as it assumes 80% ownership of the MBSS Corporation, including past tax filings. Of great importance to the Buyer is the knowledge, many contacts and sales leads. During due diligence, Seller will work with Buyer on all such leads and potential leads and encourage any new contacts, or contract agreements that service are again commencing.

10. Record Keeping and Ownership of the Holding Company

If BG Creates a holding company, as it is assumed, to own 80% of MBSS, Seller will have no equity in it. Proper record keeping for MBSS will be required and it is BG’s earnest desire that Seller be fully informed of MBSS’s Income Statements. A Board of Directors will be formed and give MBSS/Michael Manoussos three (3) Board seats to include Michael Manoussos, Mel Lisiten and Kimia Shadrokh.

1. This offer is not specifically tied to a minimum adjusted EBITDA. It will be BG’s good faith determination during due diligence based upon its review of the material factors as related to the MBSS acquisition critical to its business plan whether it will proceed to Closing.
2. Confidentiality. Prior to BG conducting any due diligence, BG and MBSS will execute a Confidentiality Agreement, which shall remain in full force and effect. BG shall cause its agents, contractors and representatives to comply with BG’s obligation under this paragraph.
3. Exclusivity. In consideration of the substantial expenditure of time, effort and expense undertaken by BG in connection with its (i) due diligence review and (ii) preparation and execution of a purchase agreement, MBSS agrees that upon execution hereof and until the earlier of (a) Ninety (90) days following the date of your signing of this Letter of Intent, MBSS will cease discussions and not enter into negotiations with any parties except BG. MBSS and BG agree that this exclusivity period may be extended by mutual agreement.
4. Publicity. No party shall issue any press release or other announcement regarding the transaction unless such release or announcement has been mutually agreed to in writing, or unless required by law.
5. Indemnification. Assuming no issues are identified during due diligence or the environmental review, MBSS’s and BG’s representations and warranties in a definitive Purchase Agreement will survive through the first full year audit report following the closing (except that there would be (i) no time limitation with respect to title issues, and (ii) statute of limitations with respect to tax and environmental matters).
6. Non-Binding Commitment. Aside from the confidentiality, non-disclosure, non-compete and non-circumvention agreement/clauses, this letter is for the sole purpose of setting forth a basis upon which the parties would be agreeable to the consummation of the contemplated transaction and is not intended to be a legally binding contract. Other than as described above, the legal obligations of the parties will arise only upon the execution of a definitive written agreement in form and substance acceptable to the parties and their respective counsels. It is understood that this letter is not intended to set forth all of the terms of the definitive agreements including the laws governing the agreements between the parties contemplated by this non-binding Letter of Intent.
7. Facsimile Signatures. Each authorized party may sign this letter of intent and then transmit by facsimile machine to the other parties the signature page that contains the party's original signature, and such facsimile transmission shall be deemed an original for all purposes of this letter of intent.

15. Counterparts.  This letter of intent may be executed in several counterparts each of which is deemed to be an original. This letter of intent, including electronically transmitted counterparts, and any counterparts so executed shall be deemed to be one and the same instrument.

16. New York Law and Jurisdiction.  This letter of intent is being delivered and is to be construed and enforced in accordance with the laws of New York.

16. MBSS (Michael Manoussos) will be paid a distribution of profits of 20% beginning the 3rd year regardless of what any other shareholder decided to do and without any condition thereto.

Please indicate your agreement as to our understanding by executing and returning one copy of this

Letter to us.

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Michael Manoussos, MBSS Date

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Bradley Gray, BG Capital Date