

LETTER OF INTENT

This letter of intent (this "Agreement") is made on the 1st day of July, 2011 by and between CO2 LASERS CAUCASUS LTD, whose registered office is at 15 Al. Kazbegi Avenue 0160, Tbilisi, Georgia with TAX ID 206201929, (the "Distributor") and GRAPHTEC CORPORATION, whose registered office is at 503-10 Shinano-cho, Totsuka-ku, Yokohama, 244-8503 Japan ("Graphtec") for the distribution of Graphtec products.

WITNESSETH :

WHEREAS:

(A) The Distributor wishes to import, distribute and service Graphtec products in Georgia, Armenia and Azerbaijan (the "Territory").

(B) Graphtec wishes for its products to be sold in the Territory through the Distributor (or a member of the Distributor's Group).

NOW THEREFORE, it is agreed as follows:

1. Graphtec shall grant the Distributor an exclusive distributorship for the products which are currently available and/or will become available as per Appendix A attached hereto (the "Products") :

*PRODUCT:	As per appendix A attached hereto
*PAYMENT TERM:	As per appendix A attached hereto
*TARGET:	As per appendix A attached hereto
*WARRANTY PERIOD:	As per appendix A attached hereto

2. The Distributor shall purchase the Products from Graphtec at the prices shown in the price list provided by Graphtec. Any order placed by the Distributor to Graphtec shall become effective and constitute a binding sales contract between the parties hereto only when such order is confirmed by Graphtec either by returning the duplicate of the Distributor's order sheet or by sending a confirmatory email or telecopy.

3. The Distributor agrees to keep Graphtec informed of general market conditions, sales activities of the Distributor, competitors' activities, current inventory volumes of each of the Products and sales forecasts for the Products for the following month by the last day of each month. Further, the Distributor agrees to provide Graphtec from time to time with other information relating to the sale of the Products in the Territory and with any information which would be useful for the development of new products.



4. Except as set forth in this Agreement and Appendix A and notwithstanding any other provision to the contrary contained in the sales contract or any other contract, in no event shall Graphtec or its employees, agents, subcontractors or affiliated companies have any liability whatsoever regarding the Product(s), or any part thereof, to the Distributor, its customers or any other person, whether arising in contract, tort, status, negligence of any degree, strict liability or otherwise, for any indirect, consequential, incidental and/or special damages, punitive and/or exemplary damages and/or losses (including loss of use, revenue, and/or profits) sustained or incurred regardless of whether or not such damages were foreseen or unforeseen. In no event shall the liability of Graphtec or its employees, agents, subcontractors or affiliated companies for damages arising out of or in connection with the Product(s), or the performance or breach of this Agreement, or the design, manufacture, sale, resale, delivery, installation, use operation, maintenance, or repair of the Product(s), whether in contract, tort (including negligence), strict liability or otherwise, exceed the price paid by the Distributor for such Product(s).

5. The Distributor shall promptly inform Graphtec, and Graphtec shall have the right to immediately terminate this Agreement without notice, in the event that:
 - (i) any substantial change in the ownership, management or organization of the Distributor occurs, which would affect the business relationship under which this Agreement has been reached;
 - (ii) the Distributor becomes the object of voluntary or involuntary bankruptcy, receivership or similar types of proceedings or ceases to function as a going concern; or
 - (iii) the Distributor breaches any of its obligations hereunder.

6. Without prejudice to Article 5 Graphtec may terminate this Agreement upon 30 days prior written notice to the Distributor.

7. In the event of termination of this Agreement due to any reason whatsoever, the Distributor agrees that it disclaims any good-will built up through the sale of Products or advertising activities in connection with the Products and that it shall have no claims against Graphtec arising out of or in connection with any investment or expenditure made or incurred by the Distributor for any purpose related to this Agreement.

8. The Distributor acknowledges that the patents, trademarks, trade names, copyrights, know-how and any other intellectual property (whether registered or not) used by Graphtec are Graphtec's property and that the designs and inventions (whether registered or not) made by Graphtec and used in any Products manufactured by Graphtec (or under license from Graphtec by its subsidiaries or subcontractors) belong to Graphtec. The Distributor shall not by itself or through others, whether during the life of this Agreement or thereafter, claim any rights or property therein and shall not register or attempt to register anything identical or similar thereto or derived therefrom. Distributor will promptly notify Graphtec of any actual or possible infringement,

and/or any action or claim instituted by any third party in relation to such patents, trade-marks, trade-names, copyrights, know-how, designs or inventions. The Distributor agrees to assist Graphtec in protecting Graphtec's rights and interests.

9. If any warranty claims properly made under Graphtec's warranty set out in Appendix A are reported in writing by the Distributor to Graphtec within the warranty period specified in Appendix A, Graphtec shall ship to the Distributor replacement parts or complete units at no charge, including shipping costs, provided, however that, the Distributor shall bear the import fee. The Distributor is responsible for furnishing Graphtec with a complete report showing the nature of the defects with the serial numbers of the Product(s) and for returning the defective parts or units to Graphtec at Graphtec's cost. The Distributor shall bear all other costs, including service and labor costs, regarding the customers' claims. The Distributor shall be solely responsible for any warranty given to its customers which is in respect of a longer period of time or broader in its scope than the warranty given by Graphtec in this section and Appendix A.
10. This Agreement is effective from August 1st 2011 (hereinafter called as the "Effective Date") and shall remain in effect for one (1) year.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly signed as of the Effective Date.

Signed: for Graphtec Corporation



Shuuji Yoshida
General Manager
Overseas Sale and Marketing Division
GRAPHTEC CORPORATION
Date:

for the Distributor



Beka Zhorzholiani
General Director
CO2 Lasers Caucasus Ltd
Date:

Appendix A

Products, Payment term and Target which are to be covered by this Agreement are as follows:

*PRODUCT: Cutting Plotters and its options, consumable materials and spare parts.

*PAYMENT TERM: Bank Remittance in advance

*TARGET: To be separately agreed by the parties

* WARRANTY PERIOD:

CE5000 series, FC8000 series:

24 months from the Date of arrival of the Product(s) at the
Distributor

FC2250 series, FC4500 series:

15 months from the Date of arrival of the Product(s) at the
Distributor

Signed: for Graphtec Corporation



Shuuji Yoshida
General Manager
Overseas Sale and Marketing Division
GRAPHTEC CORPORATION
Date:

for the Distributor



Beka Zhorzholiani
General Director
CO2 Lasers Caucasus Ltd
Date: