

FACILITY AGREEMENT

THIS FACILITY AGREEMENT (the "Agreement") documents the agreement made on February 22 2010 by and among:

AGLAIA B.V., a company incorporated under the laws of the Netherlands, with its registered office at Koningslaan 17, 1075 AA Amsterdam, the Netherlands, registered with the trade register of the Chamber of Commerce for Amsterdam under no. 34164651, (the "Lender"); and

Industrogradnja Nekretnine d.o.o., a company registered in Croatia under company number 80646062, personal identification number (OIB) 55713556812, with its registered office at Savska Cesta 66, Zagreb, Croatia (the "Borrower").

1. Facility Amount and Drawings

The Lender hereby agrees to extend a facility in the aggregate principal amount of three million euros (€3,000,000 million) (the "Facility") to the Borrower on the terms and conditions of this Agreement.

The Facility may be drawn down in two drawings as follows:

- (I) the first drawing shall be in the amount of one million Euros (€1,000,000) (the "First Drawing"), is to be used by the Borrower for general corporate and group purposes and shall be made at the time of signing of this Agreement; and
- (II) the second drawing shall be in an amount of two million Euros (€2,000,000) (the "Second Drawing") and is to be used as bridge financing to provide working capital for the period between the signing and completion of a transaction pursuant to which any single piece of real estate owned by the Borrower or its parent is sold in a transaction for an amount exceeding twenty million euros (€20,000,000). Any contract for such real estate shall be irrevocable, with a bona fide third party buyer able to demonstrate to the satisfaction of the Lender that its offer is fully financed and capable of being closed no later than three months from the date of this Agreement (together the "Contract Conditions"). The Second Drawing shall only be available for so long as no Event of Default (as set out in Clause 7 below) has occurred and any request to make the Second Drawing shall only be made following (I) the submission of the relevant documents by the Borrower to the Lender including a confirmation that all relevant corporate approvals have been secured and (II) the receipt of written confirmation from the Lender that the Contract Conditions have been satisfied in full, in its sole opinion. The Second Drawing cannot be made later than 45 days from the date of this Agreement.

2. Fees and Interest

A facility fee in the amount of 2.75% of the Facility, amounting to eighty two thousand five hundred Euros (€82,500), shall be payable by the Borrower in Euros on the date on which this Agreement is made to such account as the Lender shall nominate.

Interest on each drawing made hereunder shall be at the rate of 17% and shall be paid in advance at the time the drawing is made to such account as the Lender shall nominate. Interest on the First Drawing, which is calculated based on the period from the date of this Agreement until the Maturity Date (as defined below), amounts to forty two thousand five hundred Euros (€42,500). Interest on the Second Drawing shall be calculated based on the period from the date on which drawdown is to be made until the Maturity Date (as defined below).

If the Borrower fails to pay any amount payable by it under this Agreement on its due date, the Borrower will, on demand by the Lender, pay interest on such overdue amount from its due date up to its date of actual payment at the highest rate permitted by Croatian law for default interest and in the event no maximum is specified or if the maximum exceeds 7.5% above the applicable rate under the Agreement, at a rate being 7.5% above the normal interest rate specified in this Clause 2.

All payments to be made by the Borrower hereunder shall be made free and clear of and without deduction for or on account of any tax.

All of the fees and interest payments set out in this Clause 2 which are to be paid immediately on signing of this Agreement or upon a draw down being made shall be non refundable once made and in no circumstances shall the Borrower be entitled to claim or request repayment of all or any part thereof.

3. Repayment

The Borrower agrees to repay the First Drawing on May 19, 2010 (the "Maturity Date"), provided that if the loan made by Calinde S.A. to the Lender pursuant to a secured loan agreement (the "Calinde Loan"), dated February 22, 2010, between Calinda S.A., as lender, and Aglaia B.V., as borrower, matures or is accelerated prior to May 19, 2010 then the First Drawing shall mature on such earlier date on which the Calinde Loan matures, by acceleration or otherwise. The Second Drawing, if drawn, shall not be subject any similar cross default provision but shall, in any event, also mature on the Maturity Date.

4. Security

Repayment of all amounts drawn under the Facility shall be secured by a first ranking pledge on all of the shares, being 100% of the issued share capital, (the "Shares") that the Borrower holds in the capital of I Grupa d.d., a company organised and existing in accordance with the laws of Croatia, with its registered office at Savska cesta 66, Zagreb, Croatia and registered with the Commercial Court in Zagreb under number 080681877, personal identification number (OIB) 16008276353, ("I Grupa") in favour of the Lender (the "Security") by way of execution of a share pledge agreement (the "Security Agreement").

The Borrower undertakes to execute the Security Agreement on the date of this Agreement and to register the Security in the relevant state registry(ies) within three business days of such date (the "Security Date").

The Borrower covenants that, during the continuance of the Security, it shall not create or permit to subsist any further encumbrance upon the Shares. The Security shall become immediately enforceable upon the occurrence of an Event of Default (as set out in Clause 7 below) and the Lender may in its absolute discretion enforce the Security in such manner as it sees fit.

5. Representations and Warranties

The Borrower represents and warrants to the Lender that:

- (a) It is duly constituted and in good standing under the laws of Croatia and it has the appropriate power and authority to enter into and perform this Agreement and to grant the Security; it has taken all necessary action to authorise the execution, delivery and performance of this Agreement and to grant the Security; and the obligations expressed as being assumed by it under this Agreement and the Security constitute its valid, legal and binding obligations and their

performance will not contravene any provision of the Articles or any law or other obligation binding upon it;

- (b) the Borrower is not in liquidation or subject to any bankruptcy procedure and no receiver, manager, trustee, custodian or analogous officer has been appointed in respect of it;
- (c) no approval, authorisation, consent, licence, permit or registration of or with any governmental, judicial or other authority or other third party is required or desirable in connection with the execution, performance, validity or enforceability of this Agreement or of the Security;
- (d) it holds (and has at all times complied with in all material respects) all authorisations required to carry on its business and it is not aware of any event or circumstance which could reasonably be expected to have a material effect on its right to hold and/or to obtain renewal of all such authorisations and/or to obtain any new authorisations which will be required to enable it to carry on its business;
- (e) the information provided by the Borrower to the Lender was true, complete and accurate in all material respects as at the date it was given and the Borrower is not aware of any material facts or circumstances that have not been disclosed and which might, if disclosed, adversely affect the decision of the Lender in considering whether or not to provide the Facility to it;
- (f) the assets of the Borrower minus the liabilities of the Borrower exceed four million Euros (€4,000,000)
- (g) the assets of I GRUPA d.d. minus the liabilities of I Grupa exceed four million euros (€4,000,000); and
- (h) the Borrower owns all of the issued and outstanding capital stock of I Grupa (the "I Grupa Shares") free and clear of all liens.

Each of the Borrowers' representations and warranties set out above shall be continuing.

6. General Undertakings

The Borrower shall not and shall not permit I Grupa to:

- (a) create, incur, assume any indebtedness exceeding, in aggregate, fifty thousand euros (€50,000), except the indebtedness of the Borrower under this loan agreement; or
- (b) create, incur, assume any lien on any property or asset now owned or hereafter acquired by it, including, without limitation, in the case of the Borrower, the I Grupa Shares.

7. Events of Default

Notwithstanding the above provisions of this Agreement, the Facility and all sums drawn down and owed by the Borrower under this Agreement will become immediately due and payable or repayable by the Borrower in cash forthwith on demand and the Lender may take any steps to enforce the Security if:

- (a) the Borrower fails to make payment within 5 (five) Business Days of any amount payable by it in the manner and at the time provided in this Agreement; or
- (b) any representation or warranty made or repeated by the Borrower in this Agreement is incorrect in any respect as of the time made or repeated; or

- (c) the Borrower fails to promptly give notice to the Lender of the occurrence of any Event of Default or any other event which, with the giving of notice or lapse of time or both would constitute an Event of Default; or
- (d) the Borrower fails to perform any of its other obligations under this Agreement and such failure (if capable of remedy in the opinion of the Lender) remains unremedied to the satisfaction of the Lender for 5 (five) Business Days after notice requiring its remedy has been given by the Lender to the Borrower; or
- (e) the Borrower ceases or threatens to cease to carry on its business or is unable to pay its debts as they fall due or is deemed unable to pay its debts or enters into any arrangements with its creditors; or
- (f) the Borrower is in liquidation or subject to any bankruptcy procedure or a receiver, manager, trustee, custodian or analogous officer is appointed in respect of all or any part of its property, undertaking or assets; or
- (g) it becomes unlawful for the Borrower to perform all or any of its obligations under this agreement; or
- (h) the Security is not registered in the relevant state register by the Security Date; or
- (i) the Security becomes wholly or partially invalid or unenforceable; or
- (j) any injunction, order, judgment or decision is made or given which, in the reasonable opinion of the Lender, materially and adversely affects the ability of the Borrower to carry on its business or to perform any of its obligations under this Agreement; or
- (k) any other indebtedness of the Borrower becomes enforceable or there is any change in the financial condition of the Borrower which, in the reasonable opinion of the Lender, materially and adversely affects the ability of the Borrower to perform any of its obligations under this Agreement or the Security.

8. Notices

Any demand or notice in respect of this Agreement must be in writing and may be served on either party by:

- (a) delivering or despatching it to the registered office last known to either party; or
- (b) facsimile transmission to +385 (1) 6177 072 for the Borrower and +41 (22) 718 7201 for the Lender.

All notices addressed to the Lender shall be copied and also sent to Ethemba Capital LLP (fax: +44 (20) 7299 8966) (address: The Managing Partner, Ethemba Capital LLP, 2nd Floor, 43 Portland Place, London W1B 1QH)).

Any such demand or notice delivered personally shall be deemed to have been received immediately upon delivery. Any such demand or notice sent by post shall be deemed to have been received at the opening of business on the fourth working day following the day on which it was posted, even if returned undelivered. Any demand or notice sent by facsimile shall be deemed to be effective on despatch if sent during the normal business hours of the recipient provided that the correct facsimile acknowledgement is received. If sent outside such normal business hours it shall be deemed to be received at the next opening of normal business.

9. Costs and Expenses


The Borrower shall pay any and all costs and expenses related to or associated with preparing and putting in place this Agreement, the Security and any related documentation including the Calinde Loan up to an aggregate of twenty five thousand Euros (€25,000).

10. Law and Assignment

This Agreement is governed by and will be construed in accordance with English law and the Parties Irrevocably agree that the English courts are to have jurisdiction to settle any disputes and to entertain any suit, action or proceedings in each case arising out of or in connection with this Agreement, except the Security, enforcement of Security and settlement of any matter arising out of or in connection with the Security, which shall be governed by the laws of Croatia.

The Agreement is not assignable, save that the Lender shall be entitled to assign the benefit or burden of any provision of this Agreement to any person without the prior written consent of the Borrower.

This Agreement may be executed in any number of counterparts and when executed each counterpart shall be an original, and all the counterparts together shall constitute one and the same agreement.




For and on behalf of Aglaia B.V.

By:

Capacity:

Date:



For and on behalf of Industrogradnja
Nekretnine d.o.o.

By:

Capacity:

Date:

JOSIP GALINEC

DIRECTOR

2010/02/22