

DATED 18<sup>th</sup> of December 2007

**LUCE INTERNATIONAL INVESTMENTS CORPORATION**  
**AND**  
**VANITY INTERNATIONAL CORPORATION**

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**LOAN AGREEMENT**

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Ref. 181207

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## LOAN AGREEMENT

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Entered into between:

### PARTIES:

1. **LUCE INTERNATIONAL INVESTMENTS CORPORATION** a company incorporated in British Virgin Islands, having its registered office at Jipfa Building 3<sup>rd</sup> floor, 142 Main Street, Road Town, Tortola, BVI, registered under number 1058153, represented by Mr. Christian Rabe in his capacity of the company's Director (**hereinafter referred to as the "Lender"**).
2. **VANITY INTERNATIONAL CORPORATION** a company incorporated in Belize, having its registered office at No.35 New Road, P.O. Box 1708, Belize City, Belize, registered under number 57,235, represented by Ms. Emely Perez in her capacity of the company's Director (**hereinafter referred to as the "Borrower"**).

### RECITALS:

(A) **WHEREAS** the Borrower requires a loan;

(B) **AND WHEREAS** the Lender has agreed to lend and advance to the Borrower a principal amount of **EURO 220.000,00** (hereinafter referred to as the "Loan Amount") subject to the terms and conditions set out hereunder.

**NOW THEREFORE**, in consideration of the mutual covenants and undertakings hereinafter contained and other good and for other valuable consideration the value of which is hereby acknowledged, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

### AGREEMENT:

#### 1. DEFINITIONS:

1.1. In this Agreement, unless the context indicates otherwise, the following words shall have the cognate meaning assigned to them:

1.1.1. "AGREEMENT" This Agreement together with all Annexures;

1.1.2. "BUSINESS DAY" Shall mean a day upon which the banks are open for business in Cyprus;

1.1.3. "CALENDAR DAY" Shall mean any day of the week including

Saturday and Sunday and any public holiday;

- 1.1.4 "COMMENCEMENT DATE" Shall mean the date upon which the Loan Amount is paid out of the Lender's account;
- 1.1.5 "EFFECTIVE DATE" Shall mean the date of the last signature on this Agreement;
- 1.1.6 "EVENT OF DEFAULT" Shall mean any one of the events of default listed in clause 5 hereunder;
- 1.1.7. "REPAYMENT AMOUNT" Shall mean any such amount that shall be due and payable to the Lender at any time under this Agreement, irrespective of the nature of such amount due and payable to the Lender;
- 1.1.8. "REPAYMENT DATE" Shall be 2 years from the date of withdrawal the funds, with an unconditional option for the Borrower to renew and extend the duration of this Agreement by service of a notice in writing to the Lender to that effect.
- 1.1.9. "PARTIES" Shall mean collectively the Lender and the Borrower;
- 1.1.11. "EURO" Shall mean the lawful currency for the time being of the European Monetary Union.

- 1.2. Words denoting the singular shall include the plural and vice versa. Words denoting the masculine gender shall include the feminine and neuter genders and vice versa. Any references to any person shall include individuals, firms, corporate entities, unincorporated associations or bodies and partnerships.
- 1.3 The headings in this Agreement have been included for convenience purposes and ease of reference only and shall not affect the interpretation of this Agreement.
- 1.4 In the event that there is a conflict between an amount stated in numbers and also in words, then the wording of such an amount shall enjoy preference over the numbers in the interpretation of this Agreement.
- 1.5 Words and phrase in this Agreement shall have the same meaning as those defined in the Companies Act, save and except where a different or alternative meaning has been assigned to such word or phrase and in the context of this Agreement.
- 1.6 Except where expressly stated to the contrary, any reference to days and the calculation of such days, shall mean consecutive calendar days and shall exclude the first day and include the last day, except where stated otherwise.

- 1.7 Any warranties made in this Agreement, including those made in the definitions clause, citations or the recitals shall at all times deemed to be substantive and material to the entering, conclusion and execution of this Agreement.
- 1.8 Wherever the consent, authority or permission of the parties to this agreement is required anywhere in this Agreement, such consent, authority or permission shall always mean that it must be given:
  - 1.8.1 before the occurrence of the event that may require such consent, authority or permission;
  - 1.8.2 in writing, except if expressly stated to the contrary.

## 2 LOAN

- 2.1 Upon and subject to the terms and conditions of this Agreement, the Lender hereby loans and advances to the Borrower, who hereby accepts, the Loan Amount.
- 2.2 The Loan Amount shall bear an interest rate of 1 year Libor + 0.5 %. The interest accrued shall be paid to the Lender on the yearly bases, in the same currency the credit is granted, according to the interest computation supplied by the Lender.
- 2.3 The Loan Amount shall be repaid in full by the Borrower to the Lender on or before the Repayment Date.

## 3. WARRANTIES

- 3.1 As at the Effective Date, the Borrower represents warrants and undertakes to the Lender, which representation, warranties and undertakings the Lender deems material, as follows:
  - 3.1.1 the Borrower is duly incorporated and validly existing under the laws of Cyprus and has power to carry on its business as now carried on, to own all of its assets and is authorised to execute this Agreement and take out the loan and the Loan Amount;
  - 3.1.2 this Agreement:
    - 3.1.2.1 constitutes the Borrower's legal valid and binding obligations in accordance with its terms;
    - 3.1.2.2 have been duly authorized and executed by the Borrower; and
    - 3.1.2.3 does not and will not materially breach the Borrower's corporate documentation or any agreement or obligation by which the Borrower is bound or violate any applicable law and is within the Borrower's powers;



## 8. BREACH

8.1 In the event of any party ("the defaulting party") committing any material breach or being in default of any of its obligations under this agreement and remaining in such breach or default for a period of 7 (seven) Calendar Days after the other party ("the aggrieved party") has dispatched a written notice requiring him to remedy such breach, the aggrieved party shall be entitled at its option and sole election, and without prejudice to any other rights which such aggrieved party might have in common law and may elect to exercise, including the rights to claim damages, to -

8.1.1 claim payment of the full balance outstanding; or

8.1.2 sue the defaulting party for the specific performance of his obligations under this agreement; or alternatively

8.1.3 cancel this agreement without prejudice, however, to the aggrieved party's rights to claim payment from the defaulting party of any damages sustained by him by reason of the defaulting party's default.

## 9. GOVERNING LAW AND JURISDICTION

9.1 The construction validity and performance of this agreement shall be governed in all respects by the laws of Cyprus.

9.2 The Courts of Cyprus shall have sole jurisdiction to settle any dispute which may arise between the parties in respect of or in connection with the construction, validity or performance of this agreement or as to the rights and liabilities of the parties hereunder and the parties hereby agree that in the event of any action in respect of this agreement being begun the process by which it is begun may be served on them in accordance with the provision of the notices clause of this agreement.

9.3 In the event of any party being obliged to take any action to enforce any rights and obligations in terms of this agreement against the other party, then such other party shall be responsible for all costs in connection with such proceedings on a scale as between an attorney and his own client.

## 10. COSTS

The costs of and pertaining to the preparation and execution of this agreement, and all aspect incidental thereto, shall be paid by the Borrower.

## 11. NOTICES

The parties choose their respect address of service for all purposes under this agreement at the following address:

12.6 No indulgence or extension granted by one party to the other shall prejudice in any way the right of the party who grants such indulgence or extension nor shall it create new rights nor be construed as a waiver of any such party's rights and in particular such party's rights at any time to strictly enforce the terms and conditions of this agreement.

12.7 Should there be any material facts which have not been disclosed, the party responsible for such failure to disclose shall be liable for any damages arising from the failure to disclose such material facts.

### 13. SEVERABILITY OF CLAUSES

The clauses and sentences contained in this agreement shall be severable save the one from the other and no provision shall be affected by the invalidity of any clause. In the event of the invalidity of any clause, this agreement shall be interpreted and enforced as if the invalid provisions were not contained herein.

### 14. COUNTERPARTS

This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement.

Thus done and signed by the LENDER on 18<sup>th</sup> of December 2007, in the presence of the undersigned witnesses.

**LUCE INTERNATIONAL INVESTMENTS CORPORATION**

Authorised Signatory:

Thus done and signed by the BORROWER on 18<sup>th</sup> of December 2007, in the presence of the undersigned witnesses.

**VANITY INTERNATIONAL CORPORATION**

Authorised Signatory:

