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FROM-ANDREAS NEOCLEOUS & CO.

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Loan Agreement

DATED 20th April 2007

KORDELL INVESTS INC
AND
VANITY INTERNATIONAL CORPORATION

LOAN AGREEMENT

Ref: COM/EN/PHA/7161



ANDREAS NEOCLEOUS & CO.
Neocleous House
199 Arch. Makarios III Avenue
P. O. Box 50613
CY-3608 Limassol
Cyprus

A handwritten signature in dark ink, appearing to be 'CP' followed by a stylized flourish.

LOAN AGREEMENT

Entered into between:

PARTIES:

1. **KORDELL INVESTS INC** a company duly incorporated in accordance with the Laws of the British Virgin Islands having its registered office at Jipfa Building, Road Town, 3rd Floor, Tortola, BVI (hereinafter referred to as the "Lender")
2. **VANITY INTERNATIONAL CORPORATION** a company duly incorporated in accordance with the Laws of the Belize having its registered office at ORION CORPORATE & TRUST SERVICES LTD, New Road 1708, Belize City, Belize (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 2.650.000** (hereinafter referred to as the "Loan Amount") subject to the terms and conditions set out hereunder.

NOW THEREFORE, in consideration for for and of 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 (3) years from the date first written on this Agreement 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;

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- 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 Libor +1. The interest accrued shall be paid to the Lender on the maturity date.
- 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 Belize 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 authorised 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;
 - 3.1.3 there are no pending or to the Borrower's knowledge (after due and

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5.6 the Borrower enters into negotiations to sell a material part of its business or assets;

5.7 a receiver or manager is appointed of or in relation to the Borrower or the whole or any part of the Borrower's undertaking, assets, rights or revenues or the Borrower's directors request any person to make any such appointment;

5.8 the Borrower ceases or threatens to cease to carry on the whole or a substantial part of its business or stops or suspends payment of its debts;

5.9 any representation or warranty made by the Borrower to the Lender in or pursuant to this Agreement shall prove to have been incorrect in any material respect when made;

5.10 the Borrower attempting to cede, assign or transfer his rights and benefits in terms of this Agreement without the prior written consent of the Lender;

5.11 at any time after this Agreement has been entered into the same is not in full force and effect or the Borrower evidences an intention not to be bound by its terms and provisions;

5.12 anything analogous to any of the events specified above occurs in any relevant jurisdiction in respect of the Borrower or any of its assets,

then the Lender shall be entitled, by notice in writing to the Borrower, to declare the Loan Amount, together with any interest due immediately and payable, whereupon the Loan Amount together with interest shall be paid in full.

6. **ASSIGNMENT**

This Agreement and the rights and benefits accruing to the Borrower hereunder shall not be capable of being ceded, assigned or transferred either in whole or in part by the Borrower without the prior written consent of the Lender.

7. **WAIVER**

No failure or exercise and no delay in exercising, on the part of the Lender, any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein provided are cumulative and not exclusive of any right or remedies provided by law.

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



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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.

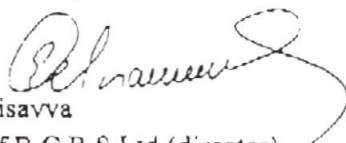
14. COUNTERPARTS

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 20th of April 2007, in the presence of the undersigned witnesses.

KORDELL INVESTS INC

Director:



Eliana Hadjisavva

On behalf of B.C.R.S Ltd (director)

Thus done and signed by the BORROWER on 20th April 2007, in the presence of the undersigned witnesses.

VANITY INTERNATIONAL CORPORATION

Director:



Emely Perez