

Based on the Decree of the Assembly of Socially Owned Company Agricultural Combine "Delišes" In Restructuring Vladičin Han on ratification of the New Amended Program of Restructuring No. 330 dated 13 November 2008 and Decision in Adoption of Amendments and Supplements to the Program of Restructuring No. 128 dated 24 April 2009, Decision No. 129 dated 24 April 2009 on the sale of part of immovable and movable property of Factory for Juices in Lepenica and immovable and movable property at other locations forming part of DP PK "Delišes" In Restructuring Vladičin Han, Svetosavska 78, by the means of public bidding, the Decision of the Privatization Agency of the Republic of Serbia on acceptance of New Amended Program of Restructuring No. 10-3315/08-56/02 dated 17 November 2008, and the Decision of the Privatization Agency of the Republic of Serbia on acceptance of Amendments and Supplements of the Program of Restructuring No. 10-1912/09-56/02 dated 24 April 2009, the Contract of Authorization No. 1-2304/08-56/02 dated 04 December 2008, as well as Annex 1 to the Contract of Authorization No. 1-287/09-56/02 dated 10 February 2009, and Annex 2 to the Contract of Authorization No. 1-737/09-56/02 dated 5 May 2009 concluded between DP PK "Delišes" In Restructuring Vladičin Han as the Instructing Party and the Privatization Agency as the Authorized Party, Privatization Agency is issuing the following:

**PUBLIC INVITATION FOR PARTICIPATION IN PUBLIC BIDDING
FOR PURCHASING THE PROPERTY OF ORGANIZATIONAL ENTITY
FACTORY FOR PRESERVED FRUIT AND VEGETABLES IN VLADIČIN HAN AND
MANUFACTURING ENTITY AGRICULTURE - PLANTATIONS IN ŽITORADJA FORMING
PART OF DP PK "DELIŠES" IN RESTRUCTURING VLADIČIN HAN**

**Sale Code:
R-220909- 3339P**

1. Subject of Sale

Subject of Sale are immovable and movable property of organizational entity Factory for Preserved Fruit and Vegetables in Vladičin Han and Organizational Entity Agriculture – Plantation in Žitoradja forming part of DP PK "Delišes" In Restructuring Vladičin Han, (hereunder: Company or Seller):

1) Buildings:

- 1/3 of the Facility for Food Industry and Beverages Production – New Administration Building, part of ground floor and first floor, socially owned, with a total area of 750 m², built on cadastral plot 50/1 of a total area of 12,146 m², Immovables Document 1327, Cadastral Municipality Vladičin Han, with proportionate right of use of state owned land;
- 12 socially owned facilities (defined as 8 auxiliary buildings, garage and prefabricated garage, one transformer station, and one health care facility) with a total area of 9,463.19 m², built on cadastral plot 50/3 of a total area of 13,666 m², Immovables Document 1327, Cadastral Municipality Vladičin Han, with right of use of state owned land;
- Vehicle balance of 30 t, socially owned, with auxiliary facility with a total area of 9.45 m², built on cadastral plot 50/4 of an area of 170 m², Immovables Document 1327, Cadastral Municipality Vladičin Han, with right of use of state owned land;
- Pool for incoming raw materials, socially owned, with a total volume of 6,000 m³, built on cadastral plots 43 of an area of 836 m² and 44 of an area of 617 m², Immovables Document 1327, Cadastral Municipality Vladičin Han, cadastral plots 45 of an area of 772 m², 46 with an area of 26 m² and 47 of an area of 279 m², Immovables Document 579, Cadastral Municipality Vladičin Han, with right of use of state owned land;
- 3 facilities – buildings for other industrial activities – Main Boiler Plant, Auxiliary Storehouse, and Crude Oil Tank, socially owned, with a total area of 482 m², built on cadastral plot 55/1 of a total area of 1,510 m², Immovables Document 579, Cadastral Municipality Vladičin Han, with right of use of state owned land;
- Porter's booth with a total area of 27 m², built on cadastral plot 2759/2, socially owned, Immovables Document 1162, Cadastral Municipality Žitoradja, with right of use of state owned land with a share of 16/27;

- 7 facilities, socially owned – Vehicle Balance, Administration Building with Warehouse, Warehouse Accompanying Administration Building, Goods Warehouse, Warehouse, Mechanical Workshop, and Overhang of Gas Station, with a total area of 5,603 m², built on cadastral plot 956/1 of a total area of 328,478 m², Immovables Document 64, Cadastral Municipality Žitoradja, with right of use of state owned land
 - Agricultural buildings – Warehouse Nikoličeva kuća with an area of 158 m², built on cadastral plot 1317 of a total area of 2,361 m², Immovables Document 1159, Cadastral Municipality Žitoradja, with ownership right of socially owned land;
 - 3 agricultural buildings – Building with Mess Hall and Warehouses, Warehouse for Reproduction Materials, and Auxiliary Warehouse, with a total area of 546 m², built on cadastral plot 958 of a total area of 6,927 m², Immovables Document 1159, Cadastral Municipality Žitoradja, with ownership right of socially owned land;
 - Irrigation system facility, located on privately owned land, built on cadastral plot 2115 of a total area of 5,340 m², Immovables Document 423, Cadastral Municipality Vladičin Han – Prekodolce;
 - Farm facility – Larger and Smaller Warehouse with a total area of 700 m², socially owned, built on cadastral plot 525 of a total area of 15,630 m², Immovables Document 285, Cadastral Municipality Prekodolce, with right of use of state owned land;
 - 2 facilities – Building in the Field – Warehouse for Packaging Belo Polje and Well in Belo Polje, with a total area of 80.32 m², socially owned, built on cadastral plot 338/1 of a total area of 614,148 m², Immovables Document 285, Cadastral Municipality Prekodolce, with right of use of state owned agricultural land;
 - Auxiliary building built on cadastral plot 2303 with a total area of 45 m², Immovables Document 1779, Cadastral Municipality Prekodolce, with right of use of socially owned land;
 - Auxiliary building, socially owned, with a total area of 24 m², built on cadastral plot 967/6 of an area of 45 m², Immovables Document 1163, Cadastral Municipality Žitoradja, with ownership right of socially owned land with a share of 144/270;
- 2) **Agricultural land, socially owned**, on cadastral plots 1846, 1865, 1866, 1867 and 1917, Immovables Document 774, Cadastral Municipality Vrbovo with a total area of 4.264 m² with multiyear plantations in existence on mentioned cadastral plots;
- 3) **Multiyear plantations** in existence on agricultural land, socially owned, on cadastral plots 1864, 1865, 1866, 1867 and 1917, with a total area of 4,264 m², registered in Immovables Document 774, Cadastral Municipality Vrbovo;
- 4) **Multiyear plantations** in existence on agricultural and other land, state owned, of which the Seller is the user according to Books, for cadastral plots:
- 95/1 and 1653, with a total area of 37,018 m², registered in Immovables Document 36, Cadastral Municipality Gramadje,
 - 1, 4/3, 9/1, 697, 700/1, 947, 956/1, 967/1, 967/3, 967/5, 1157, 1320/1, 1320/2 and 1653/1, with a total area of 1,432,695 m², registered in Immovables Document 64, Cadastral Municipality Žitoradja;
 - 347, 419, 1189, 1412, 1416, 1417, 1418, 1419, 1655, 3729 and 3732, with a total area of 434.391 m², registered in Immovables Document 285, Cadastral Municipality Prekodolce;
 - 1092/1, 1093/1, 1093/2, 1828, 1860, 1861, 1862, 1863, 1868, 1869, 1870, 1871, 1872, 1873, 1874, 1875, 1881, 1882, 1884, 1895, 1899, 1900, 1906, 1907, 1909, 1915, 1923, 1924, 1943, 1948, 1950, 1952, 1957, 1961, 2288, 3101, 3143/2, 3246, 3303, 3305, 3311 and 3312 with a total area of 306,007 m², registered in Immovables Document 367, Cadastral Municipality Vrbovo;
 - 1898, 1921 and 1922, with a total area of 6,874 m², registered in Immovables Document 449, Cadastral Municipality Vrbovo;
 - 1896 and 1897, with a total area of 10,763 m², registered in Immovables Document 115, Cadastral Municipality Vrbovo;
 - 2348, 2350 and 2351 with a total area of 94,935 m², registered in Immovables Document 273, Cadastral Municipality Beliševo;
 - 193, 213, 222, 470, 525, 721, 726, 5686, 5700, 5703 and 5705, with a total area of 30,400 m², registered in Immovables Document 492, Cadastral Municipality Kunovo;

- 5708/1 with a total area of 3,164 m², registered in Immovables Document 807, Cadastral Municipality Kunovo;
 - 1, 1834 and 3483, with a total area of 11,677 m², registered in Immovables Document 47, Cadastral Municipality Jovac;
 - 1200, 1253 and 1731 with a total area of 85,521 m², registered in Immovables Document 238, Cadastral Municipality Kacapun;
 - 3901/1, 3901/3, 4041 and 4060, with a total area of 53,456 m², registered in Immovables Document 341, Cadastral Municipality Ravna Reka;
 - 3371 with a total area of 42,366 m², registered in Immovables Document 174, Cadastral Municipality Ružić; and
 - 4047, with a total area of 111,223 m², registered in Immovables Document 140, Cadastral Municipality Donja Koznica.
- 5) **Equipment** for performing activities, according to the Specification contained in the List of Movable Property in the Sale Documentation.

Immovable and movable property which is the subject of sale is presented in the List of Property which forms an integral part of the documentation for public bidding (Sale Documents).

The property is sold on "as is" basis, without possibility for subsequent shortage claims.

2. Documents for Public Bidding

The Sale Documents Fee is **3,000.00 EUR** (three thousand euros) if the Participant is a foreign individual or legal entity, i.e. **3,000.00 EUR** (three thousand euros) in dinar (RSD) counter value according to the median official exchange rate of the National Bank of Serbia as at the date of the invoice, if the Participant is a domestic legal entity or individual.

Buying of Sale Documents is obligatory, and during pick up, a Confidentiality Agreement shall be signed.

The Agency hereby invites all interested parties to submit a written request to purchase Sale Documents relating to the Subject of Sale no later than **15 September 2009**.

Sale Documents will be available starting on **24 August 2009**.

The written request for purchasing Sale Documents shall be delivered by e-mail or fax at the address below, clearly marked:

"Request for Purchasing the Sale Documents – Sale Code **R-220909- 3339P**".

Upon introducing evidence of payment, Sale Documents can be obtained at the following address: Privatization Agency, Center for Auctions and Compulsory Liquidation, Terazije 23 (5th floor), 11000 Belgrade from 9:00 AM until 4:30 PM from **24 August 2009** to **15 September 2009**.

3. Opening Price & Sale Conditions

The Opening Price for the Subject of Sale on Public Bidding is set in the amount of **1,128,000 EUR** (letters: one million one hundred and twenty eight thousand euros).

The deposit for participation in the Public Bidding is **115,000 EUR** (letters: one hundred fifteen thousand euros).

The Decree on the Procedure and Manner of Restructuring of Entities Undergoing Privatization ("Official Gazette RoS" Nos. 52/05 and 96/08), envisages the possibility that the Buyer of property of Entities Undergoing Privatization can pay the amount of the Sale Price in no more than six annual installments. The first installment shall amount to no less than 30% of the Sale Price and shall be paid within the deadline set in the Sale and Purchase Agreement, with the remaining amount of the Sale Price divided into five equal annual installments increased for the amount of interest calculated as EURIBOR + 2%. Installments shall be calculated in euros. If the Buyer is a domestic legal entity or individual, the annual installment shall be paid in dinar

contra value according to the median exchange rate of the National Bank of Serbia as on installment due date.

Obligations of the Buyer of the Subject of Sale are established by the Sale and Purchase Agreement, which forms an integral part of the Sale Documents. Participants shall be offered two options of the Sale and Purchase Agreement, with payment of the Sale Price at once, and in installments, as an integral part of Sale Documents.

By concluding the Sale and Purchase Agreement, the Buyer undertakes to employ full-time the employees employed by the Seller at the time of this sale process of the Subject of Sale, according to the list provided as integral part of the Sale Documents.

The Buyer Undertakes to maintain continuity of production of the Factory for Preserved Fruit and Vegetables in Vladičin Han and of Manufacturing Entity for Agriculture – Plantation in Žitoradja during the period and in the manner envisaged by the Sale and Purchase Agreement.

By submitting an application for participation in public bidding, a Participant agrees to fully accept all terms specified in the Instructions for Participants and the Sale and Purchase Agreement (option selected by participant), which form an integral part of the Sale Documents.

4. Eligibility to Participate in Public Bidding and Obligations of Participants

Participation at the public bidding is open to any domestic or foreign legal entity or individual that have:

- a) Purchased the Sale Documents,
- b) Paid the Deposit or submitted the Bid Bond for participating in the public bidding and
- c) Submitted the application for participating in the public bidding;

The right to participate in the public bidding also has a Consortium which consists of legal entities and/or individuals ("Consortium") that fulfils the above stated conditions. One of the Consortium members, i.e. the person authorized by the Consortium, must be appointed as Consortium representative ("Authorized Representative of the Consortium"), and to act in the name and for the account of the Consortium.

The Buyer of the immovable and movable property cannot be: 1) a domestic legal entity which operates with majority socially-owned capital; 2) a legal entity and individual that has due, but unsettled liabilities toward the Seller, 3) subsidiaries of the Seller, and 4) a person who was convicted or against whom proceedings have been brought for criminal offences defined by Article 12 of the Law on Privatization ("Official Gazette RoS" No. 123/2007). Such applications shall be rejected without consideration.

The right to participate in the sale process has any individual or legal entity with limitations given in Instruction for Participants, that buys Sale Documents, submits the application for participating in the public bidding and pays the Deposit in the amount of: **115.000,00** EUR (letters: one hundred fifteen thousand euros) or submits a First Class Bank Guarantee of the same amount according to Instructions for Participants.

In case that the means for paying the Deposit is a submitted Bank Guarantee, it must be chargeable in 48 hours from proclamation of the Buyer at the Public Bidding.

Participant in procedure is obliged to pay the Deposit in the amount that is given in Article 4 or to submit a Bid Bond for participating in the public bidding of the same amount, not later than **18 September 2009**.

5. Other Special Conditions:

Exceptionally, if the interested Participant is a foreign individual or legal entity that fulfills all conditions from Article 4 of the Public Invitation, but can not be the Buyer of the Subject of Sale, in accordance with Article 1 of the pending Law on Agricultural Land, the Buyer can be its domestic subordinated company, provided that such a subordinated company has a seat in the Republic of Serbia and operates with capital 100% owned by the foreign individual or legal entity fulfilling conditions from Article 4 of this Public Invitation, and provided that the same

foreign individual or legal entity shall be the guarantor for fulfillment of Buyer's obligations from the Contract of Purchase and Sale of the Subject of Sale.

This term from Article 5 shall also be applied to a Consortium, whose member/members are a foreign legal entity or individual.

6. Due Diligence Procedure

Upon signing the Confidentiality agreement and buying of the Sale Documents, i.e. in period from **24 August 2009** to **15 September 2009**, the Participant may review the property representing the Subject of Sale, hold meetings with persons responsible and inspect data relevant to the property.

7. Application for Participating in the Public Bidding

The deadline for submitting application for participating in the public bidding is **18 September 2009** at 4:30 PM Belgrade time. Applications are submitted to the Privatization Agency in closed envelope clearly marked:

APPLICATION FOR PARTICIPATING IN THE PUBLIC BIDDING **R-220909-3339P**
PRIVATIZATION AGENCY
CENTER FOR AUCTIONS AND COMPULSORY LIQUIDATION
TERAZIJE 23, 5th FLOOR, 11000 BELGRADE

If the name of the Subject Of Sale or full Sale Code is found on the envelope, the application will be rejected. The application for participating in the public bidding is filled on the special form, that is part of Sale Documents and that must contain data given in the Instruction to Participants, evidence of payment of the Deposit and number of the account for the return of the Deposit. Incomplete and untimely applications will not be considered. The Purchase Commission will inform all applicants at least two working days before the public bidding if their applications are approved.

8. Public Bidding

The public bidding will be held on **22 September 2009**, at 2 PM Belgrade time at the premises of the Privatization Agency, Terazije 23, Belgrade, in the Large Hall on the 2nd floor. Registration of Participants in Public Bidding will be at the same address on **22 September 2009** from 1 PM to 1.50 PM.

Terms for conducting the public bidding and signing the Sale and Purchase Agreement are explained in detail in the Instruction for Participants.

Deposit will be returned to all Participants that are not proclaimed as Buyers within the time period specified in the Instruction for Participants.

For the Participant that first gives the highest bid and is proclaimed the Buyer, the deposited amount will be included in the Purchase Price, while the proclaimed buyer must pay the difference between the deposited amount and Purchase Price to the Privatization Agency account according to the terms of the Sale and Purchase Agreement. In case of desisting from signing of the Sale and Purchase Agreement, the Deposit will be withheld.

All questions pertaining to this Public Invitation may be addressed to persons listed hereunder, in the Serbian or the English language.

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