

CALL FOR TENDERS

Object of the present call for tenders are two real properties in the city of Tartu (Republic of Estonia). Real properties will be sold only together, as one unit. Seller has all legal rights to sell these real properties on auction. Detailed description of real properties is added to the present document (Appendix 1). The Following documents are electronically available on webpage www.kvissental.com: information of call for tenders, a draft of notary sales contract and additional documents, including prospectus, detailed plan (explanatory letter, main map, technical network chart, construction stages map), valid rights for construction, contract of law of obligations with Tartu city, regulations and resolutions of Tartu city government and Tartu city council, photos, etc. Upon making a bid, the Bidder admits and confirms that it has thoroughly examined and understood all documents and that the Bidder agrees to all terms and conditions.

Seller

Seller and executive organiser of present auction is Fausto Residentsid OÜ, registry code 11479388, address Jaama 76, Tartu 50605, Estonia. Fausto Residentsid OÜ is a subsidiary company of real estate company Fausto AS. Affiliated group Fausto has developed or is developing following real property objects: Veeriku Selver (in Tartu), Jaamamõisa Selver (in Tartu), Jaamamõisa Ärimaja (in Tartu), Jõgeva Selver (in Jõgeva), Kohtla-Järve Maxima XX (in Kohtla-Järve), Narva mnt offices (in Tartu), Orange apartment house (in Riga), Maramaa residential district (in the Community of Tartu), etc.

Present call for tenders is coordinated by contact person Kenneth Karpov, member of the board of Fausto Residentsid OÜ (e-mail: kenneth@sapteek.ee; GSM: +372 525 98 51).

Terms of auction

Initial price has been determined to real properties. Initial price for both real properties together is 15,000,000 EEK (~958,700 EUR), which makes 44 EEK/m² (~2.8 EUR/m²). It is not permitted to make bids that are lower than the initial price. Deposits upon making bids are not required. The bid made by a bidder must be valid for at least 120 days.

The Seller determines the order of bids starting from the bid that has the highest price and approving the bid with the highest price as a winning bid. If the winning Bidder doesn't show up or shows up, but does not conclude notary sales contract of real properties on the conditions determined in the call for tenders and its appendices (a draft of notary sales contract on webpage www.kvissentali.com) and with the price of it's winning bid, the Seller reserves a right to recognize the next best bid as a winning bid or to acknowledge that the auction has failed and that the properties will not be sold.

The time and place (Tallinn) of the notary sales contract is determined by the Seller. The winning Bidder is given this information by the Seller at least 30 days in advance via e-mail. The winning Bidder must pay all the sales price on the bank deposit of Mrs Annika Kuimet, the public notary at Tallinn on the day of concluding the sales contract at the latest or to give a letter of guarantee by a credit company acting in Estonia that the sales price will be paid within 3 days after concluding the contract.

Bidder is responsible for paying all auction participation cost and all other costs related to bidding. These costs are not compensated by Seller. Bidder is also responsible for all costs related to concluding a notary sales contract between Bidder and Seller (state taxes, fees, notary charges, etc).

Bid must be presented in Estonian, Russian or English. Following information must be presented:

- ✓ Individual or juridical person: name, registry or personal code, contact information (including e-mail address);
- ✓ Sum of bidding in Estonian kroons or in Euros (both in numbers and words);
- ✓ Name and signature of bid proposer and a letter of attorney (if needed);
- ✓ Letter of understanding (that the Bidder has examined, understood and accepted all terms and conditions of present call for tenders).

Deadline of present call for tenders is Wednesday, 31st of March in 2010 at 18.00 o'clock. Only bids arriving on time are taken into consideration. Bids can be sent to e-mail kenneth@sapteek.ee or on paper to Fausto Residentsid OÜ, address Jaama 76, Tartu 50605, Estonia. Fausto Residentsid OÜ is answering to bids (sent by e-mail) during 2 working days after receiving a bid.

Additional information

Bidder has a right to acquire additional information. If informed in advance, Seller can perform a tour on site. If additional information is needed, please contact to Kenneth Karpov (contact information is added to this document).

Inseparable parts of present call for tenders are following documents:

- Appendix 1. Prospectus - Kvissentali põik 10 ja Aruküla tee 34 (following);
- Appendix 2. A draft of notary sales contract (available on webpage www.kvissental.com);
- Appendix 3. Description of city district (available on webpage www.kvissental.com);
- Appendix 4. Detailed plan (including explanatory letter, main map, technical network chart, construction stages map) (available on webpage www.kvissental.com);
- Appendix 5. Valid licence for construction (available on webpage www.kvissental.com);
- Appendix 6. Contract of law of obligations with Tartu city (available on webpage www.kvissental.com).

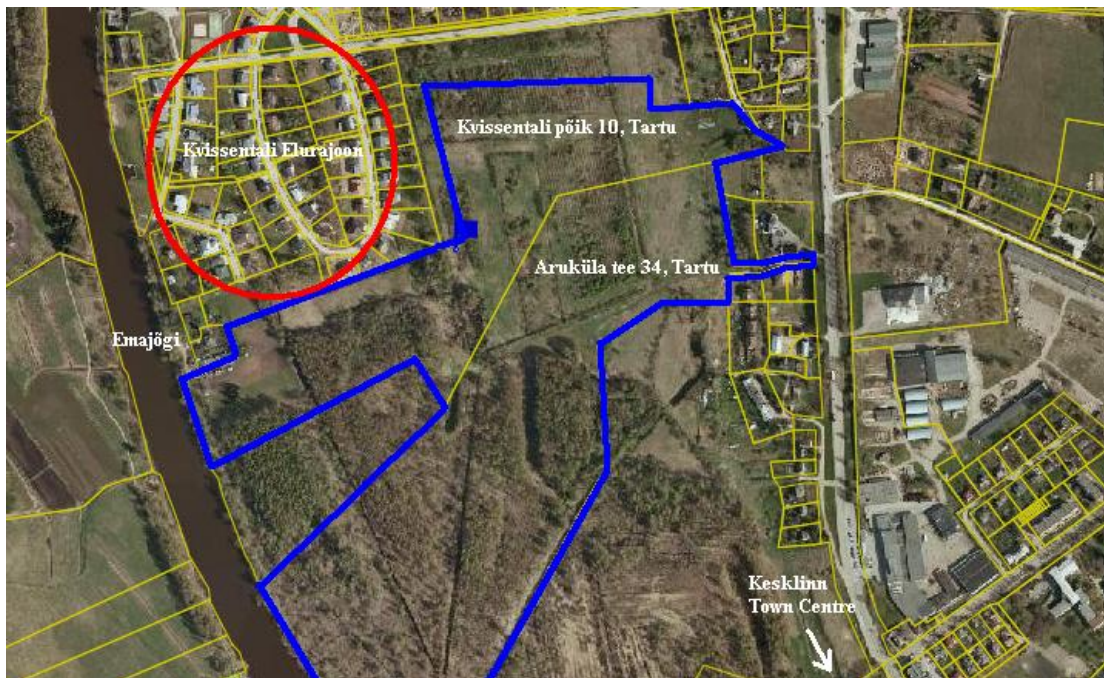
Kenneth Karpov
Member of the Board
Fausto Residentsid OÜ

Appendix 1

Kvissentali põik 10 and Aruküla 34, city of Tartu

Auction objects: two unified plots in the city of Tartu, Estonia. Kvissentali põik 10 (land register code 79514:037:0020, area 129,694 m²) and Aruküla tee 34 (land register code 79514:037:0092, area 209,911 m²). Total area of real properties is 339,605 m².

According to the valid detailed plan 145 new plots will be formed: 89 plots for detached houses (130,072 m²), 38 plots for apartment houses (58,638 m²), 3 plots for commercial buildings (17,914 m²) and 15 plots for parks, streets, substations, wastewater pump houses and communication boxes.



Picture 2. Location of real properties.

Tartu city council has validated a detailed plan by a resolution nr.563 on the 8th of October in 2009. Full detailed plan, resolutions of Tartu city government and city council, licence for construction are available on the web-pages www.kvissental.com and www.tartu.ee.

Real properties are situated in beautiful and prestige surroundings on the left bank of Emajõgi river. There is partial high refurbishing on the property. Real properties are the largest pieces of land suitable for residential areas inside the borders of Tartu.

Nearby is situated the most prestige old Kvissentali residential area (marked with red circle in the Picture 2) in Tartu where no matter of the high price of plots (a detached house plot over 700 EEK/m²) all plots have been sold out quickly.

Considering a situation of current real estate market, price of detached house plot is up to 44 EUR/m² (700 EEK/m²), plots of apartment houses and commercial buildings are 51–70 EUR/m² (800-1100 EEK/m²). In conclusion, total income from a sale of fully developed plots is up to 11,200,000 EUR (175,000,000 EEK).

Item	Quantity	Total area	Licence for construction	Unit selling price per 1m ²	Total income
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Detached house plots	89	130,072 m ²	59,330 m ²	700 EEK (44 EUR)	91,050,400 EEK (5,820,000 EUR)
Apartment house plots	38	58,638 m ²	20,860 m ²	1100 EEK (70 EUR)	64,501,800 EEK (4,125,000 EUR)
Commercial building plots	3	17,914 m ²	13,860 m ²	1100 EEK (70 EUR)	19,705,400 EEK (1,260,000 EUR)

Table 1. Possible sale of plots.

Real properties are situated in Tartu city, so water and canalization pipes can be connected to Tartu city networks. In addition, it is possible to be connected to natural gas supply, communications, electricity and distance heating.

According to contract of law of obligations between Owner and Tartu city government, Tartu city is obliged to maintenance all streets and greenery areas.

Regular completion of maintenance obligation of Tartu city is assured by sanctions in favour of real property owner. In addition, Tartu city is obliged to establish downfall water collectors. Contract is available on the webpage www.kvissental.com.