

Based on Federal Government Decision No. 212/2014 dated February 5, 2014
(Official Gazette of FB&H No. 12/14), Federal Agency for Privatization
announces:

PUBLIC INVITATION
TO BID AT AUCTION FOR REAL ESTATE BUNDLE OF RIGHTS OVER
PROPERTY CONSISTING OF "ĐURO SALAJ" HOTEL IN GRADAC -
REPUBLIC OF CROATIA, AND LAND ATTACHED

I. SUBJECT OF SALE:

The subject property is a Bundle of rights over Hotel „Đuro Salaj“, Gradac, Republic of Croatia. The 4 story hotel occupies a 8.957 m2 lot, with a lot coverage of 4.448,57 m2 for objects, and the rest for the land attached. Hotel building is partially ruined. The Hotel premises offered with utilities already setup (water supply and waste lines, telephone lines and electricity).

Hotel „Đuro Salaj“ is offered for sale „AS IS“. Director of Federal Agency for Privatization is granted Power of Attorney (POA) by the legal successors (SOUR „Titovi rudnici uglja“ Tuzla, and „Aluminij“ d.d. Mostar) thus being legally authorized to sign Purchase Agreement on their behalf. All expenses related to registration and transfer of ownership shall be borne by the Buyer.

Hotel „Đuro Salaj“ real estate lot is situated in the urban area of seaside city of Gradac. The land attached to hotel property consists of an electrical power substation, and the sale of bundle of rights over it will be conducted based upon a current Land registration and Cadastre condition and existing planning regulations of Municipality of Gradac.

The existing lot coverage of the property determined at Cadastre Authority is registered under following entries:

Cadastral # 854 VINEYARD Total SF: 802 m2,
Cadastral # 855/1 VINEYARD Total SF:163 m2,
Cadastral # 855/2 VINEYARD Total SF:701 m2,
Cadastral # 855/3 VINEYARD Total SF:463 m2,
Cadastral # 855/4 VINEYARD Total SF:745 m2,
Cadastral # 855/5 VINEYARD Total SF:363 m2,
Cadastral # 856/1 VINEYARD Total SF: 453 m2,
Cadastral # 856/2 VINEYARD Total SF:331 m2,
Cadastral # 864/1 VINEYARD Total SF:194 m2,
Cadastral # 864/2 VINEYARD Total SF:176 m2,
Cadastral # 865 VINEYARD Total SF:300 m2,
Cadastral #866/1 CONSTRUCTION SITE Total SF:171 m2,
Cadastral #866/2 CONSTRUCTION SITE Total SF:202 m2,
Cadastral #866/3 CONSTRUCTION SITE Total SF: 403 m2,
Cadastral # 867 VINEYARD Total SF:884 m2,

TOTAL LOT SF: 6351 m2,

Municipal Land Registration #1683 Gradac, Municipal Court of Makarska registered as equitable title conveyed to „SOUR Titovi rudnici uglja“ Tuzla, property registered as:

Cadastral # 868 VODICA - PLANTATION Total SF:310 m2, VODICA - OLIVE PLANTATION Total SF: od 311 m2, VODICA - FOREST Total SF: 619 m2, Cadastral # 869 VODICA - PLANTATION Total SF:341 m2, VODICA - FOREST Total SF: 1025 m2, TOTAL PROPERTY SF: 2.606 m2, legal title registered under Municipal Ownership document No. 564 in Gradac, legal title conveyed to "SOUR Titovi rudnici uglja" in Tuzla with 1/1 ownership.

TOTAL LAND SF: 8.957 m2.

II. PRICE

Starting price for subject of sale is determined based on market value of the real estate, and upon an expert survey, where assessed value was determined in the amount of 4.250.000,00 EUR (Real estate survey No. 02-08-2013 dated: August 26, 2013), converted to domestic currency @ 1,95583 equals 8.312.277,50 KM (convertible marks).

Purchase price shall not be lower than starting price.

III. RIGHT TO PARTICIPATE

Any legal entity and/or natural person is entitled to participate after submitting a required application form and paying a deposit in the amount of **EUR 50.000 (fifty thousand Euro)**. The required conditions must be fulfilled no later than the date set for applying for the Auction. Application form can be downloaded from the Agency's website: www.apf.gov.ba or obtained in person at our premises:

Federal Agency for Privatization
41 Alipašina Street
71000 Sarajevo
Bosnia and Herzegovina

Payment confirmation for the deposit fee shall be attached to application form when applying. The payment of deposit in the amount of EUR 50.000 shall be made to FEDERAL AGENCY FOR PRIVATIZATION at our bank account held with Intesa Sanpaolo bank dd Sarajevo, as follows:

Beneficiary Name:	FEDERAL AGENCY FOR PRIVATIZATION
Currency/Amount:	EUR 50.000
IBAN:	BA 39 1540012000051021
SWIFT :	UPBKBA 22
Payment details:	Deposit for the Auction

Or for domestic currency transactions please use the following instruction:

Beneficiary Name:	FEDERAL AGENCY FOR PRIVATIZATION
Account Number:	1540012000051021

Beneficiary's Bank: Intesa Sanpaolo bank dd Sarajevo
Currency/Amount: 97.791,50 KM
Payment details: Deposit for the Auction

As said above, the deposit must be payed before the deadline for submittance of the applications. The application form with Confirmation of Payment shall be submitted in person, or sent via postal service lo later than March 26th 2014, 16:00 CET, at the following address:

Federal Agency for Privatization
41 Alipašina Street
71000 Sarajevo
Bosnia and Herzegovina

Registration process for the participants will commence 2 hours before the auction. The auction itself will take place **April 2, 2014 at 11:00 CET** in the FPA Auction Center, at the following address:

Federal Agency for Privatization – Auction Center
1 Mustajbega Fadilpašića Street
71000 Sarajevo
Bosnia and Herzegovina

During the registration process, every participant shall receive a copy of Auction Rules and a ***non-refundable participation fee of KM 200 (two hundred convertible marks)*** shall be payed by each participant individually.

Auction Application Form, Rules of Auction and Draft Sale and Purchase Agreement are posted (and can be downloaded from) the Agency's website www.apf.gov.ba , attached to this Public Invitation or can be obtained in person from our official representative:

Mr. Senad Rahimić
Assistant Director for Passive Sub-Balance
Federal Agency for Privatization
Phone: 387-33-586-231, 586-240
e-mail: apfbih@bih.net.ba

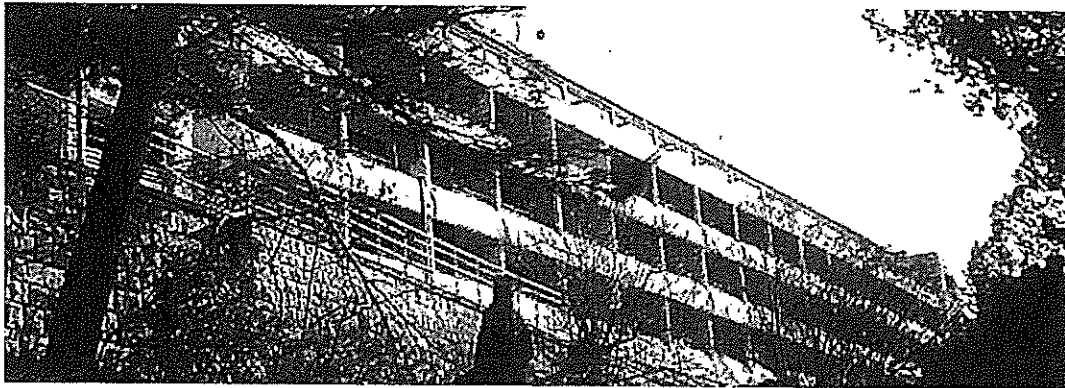
If the purchase is completed (signed PSA-Purchase and Sale Agreement) the deposit will be credited to the buyer (winner of the auction) as part of the purchase price. The Buyer is obliged to sign the PSA immediately after the auction. In the event the buyer does not complete the purchase, the deposit paid by the buyer will be forfeited to the seller.

The deposit paid by other participants will be fully refunded, and transferred interest free to participants' accounts within 8 days, starting from the auction date. The Auction Winner and Director of Federal Agency for Privatization are obliged to attest the Sale and Purchase Agreement before the selected Notary in the Republic of Croatia.

By applying for the auction, participants confirm that they fully understand the implications of the sale of rights, and any other legal aspect regarding the subject of sale from this Public Invitation.

Federal agency for privatization reserves the right to refund deposits, refuse any and all application(s) for participation, or cancel the sale, without giving a reason, and without penalty or obligation, until the Sale and Purchase Agreement before the selected Notary is attested.

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This Public Invitation is posted here:
<http://apf.gov.ba/aktuelna-prod/aukcije/0/?id=2888>