

GENERAL BUSINESS TERMS AND CONDITIONS OF RESIDENCE D.O.O.

I GENERAL PROVISIONS

General business terms and conditions of Residence d.o.o. Belgrade, in Krunska Street no. 22/10, ident. no. 20576502, TIN 106314487, the company engaging in consulting services and real estate brokerage transactions, leasing and investments, regulate the business relations between Residence d.o.o. (hereinafter: Residence) and natural and legal persons hiring Residence for the referred business activities.

A person entering into a contract with Residence regarding business activities performed by Residence within its registered scope of activities, confirms familiarity and compliance with the General business terms and conditions. With the conclusion of the appropriate agreement the acceptance of the General business terms and conditions is confirmed.

Residence performs activities within its scope of business activities via authorized agents or its own authorized representatives, depending on the type of the activities for which Residence is hired. Residence shall designate a single or several agents in accordance with the business organization, or its own authorized representatives who shall be responsible for direct cooperation with a specific client. The client is entitled to request for the assignment of a specific person by Residence or the change of the assigned person delegated by Residence with another person, without holding any liabilities for listing the reasons for the change.

On request of the stakeholders Residence shall submit the relevant extracts from the public registers proving the authorization of Residence for engaging in the activities belonging to its own registered business activities.

II INTERPRETATION OF CERTAIN TERMS

Principal is a natural or legal person to conclude the Brokerage agreement with Residence.

Third party is a person Residence is endeavoring to connect with the Principal for the purpose of concluding legal transactions.

Related parties:

Concerning a specific natural person related parties are:

- his/her blood relatives in a straight line of descent indefinitely speaking, blood relatives in a cross line of descent to the third degree of consanguinity, spouses, and cohabiting partners of these persons,
- his/her adopter or adoptee, as well as his/her descendants,
- other persons cohabiting with the person in the same household,

Concerning a specific legal person related parties are:

- a legal person where the legal person in question has a significant real estate interest, or the right for obtaining such interest from convertible bonds, warrants, options, etc.,
- a legal person where the legal person in question is a monitoring community member (controlled community),
- a legal person who together with the legal person in question is under the control of a third party,
- a person where the legal person in question has a significant real estate interest, or the right for obtaining such interest from convertible bonds, warrants, options, etc.,
- a person being a monitoring member of the legal person in question,
- a person being a director, and/or a managing body or the surveillance member of the legal person in question.
- persons delegated by the legal person for cooperating with Residence on the brokerage transactions.

A related party will be considered any person present at the real estate presentation with the Principal or at the real estate inspection as well as the persons to whom the Principal delivers the data he received from Residence and which represent a trade secret concerning General business terms and conditions.

Bringing in a relationship to conclude the transactions:

It is considered that Residence provided the Principal with the relationships with the third party (natural or legal person) so as to conclude the legal transaction, in case the Principal is by the brokerage of Residence enabled to connect to the third party, especially if Residence has:

- immediately taken, or directed the Principal, or a person related to him to the real estate object visiting tour,
- organized a meeting between the Principal and the third party for the purpose of negotiating the conclusion of the legal transaction,
- listed to the Principal the name, phone number, fax, or e-mail of the third party interested in conclusion of the legal transaction, or in case he has been informed about the precise location of the real estate.

III BROKERAGE AGREEMENT

Residence performs brokerage based on the Brokerage Agreement it shall conclude with the Principal.

Brokerage Agreement shall be concluded in a written, and/or

e-form pursuant to the law regulating the e-commerce. Brokerage Agreement shall be concluded for a specified period of time. Duration of the agreement shall be determined by the agreement itself, whereas the duration can be indefinitely extended. The Principal and/or Residence shall inform the other agreement party on the cancellation of the Brokerage Agreement 15 (fifteen) days at the latest prior to the agreed end of the agreement duration, unless they want to extend the duration of the agreement. Notice on the agreement cancellation shall be submitted in a

written form. Otherwise, in case the Principal and/or Residence do not notify the other party on the agreement cancellation, the agreement shall be considered implicitly extended for the same initially agreed duration.

Aside from the rights and obligations of Residence and the Principal, the Brokerage Agreement especially contains the information on Residence and its Register of real estate brokers enlisted number, then the information on the Principal, type and relevant elements of the legal transaction for the conclusion of which Residence is brokering, the brokerage fee payment amount, method and deadline, the agreement duration, the type and amount of the costs of additional services in case they were contracted.

The Brokerage Agreement shall cease to have a legal effect by concluding the legal transaction for which the brokerage took place, with the expiry of the agreement duration which was initially concluded or with the unilateral termination by any of the agreement parties submitted in the form or in the method determined by the agreement itself, the General business terms and conditions, as well as by the positive regulations of the Republic of Serbia.

Brokerage agreement termination need not be elaborate and it shall have the legal effect upon its delivery to the other agreement party, provided that the Agreement itself did not specify it otherwise. The legal provisions regulating obligations in the area regarding the brokerage order cancellation are accordingly applied on the Brokerage agreement termination. The Principal shall compensate the incurred costs to Residence only if it was specifically determined to be borne by the Principal, regardless of the brokerage success.

The Principal may have Brokerage agreements concluded with several brokers simultaneously (except in the case of exclusive brokerage).

IV EXCLUSIVE BROKERAGE AGREEMENT

All of the provisions of the General business terms and conditions also refer to the Exclusive brokerage agreement, regarding the issues not resolved otherwise by the Agreement itself, provided that they are not contrary to the positive regulations of the Republic of Serbia regulating the Exclusive brokerage agreement and to the legal nature of the Exclusive brokerage agreement. The duration for which the Exclusive brokerage agreement is concluded is considered a significant element of the Agreement.

V BROKERAGE RECORDS

In accordance with the positive regulations of the Republic of Serbia Residence shall keep brokerage records. The records shall contain all the information prescribed by the positive regulations of the Republic of Serbia.

VI REAL ESTATE OFFER

Real estate offer is based on the information provided to Residence orally or in writing by the real estate proprietor or the representatives authorized by the proprietors. Residence retains the possibility of mistakes in data, the advertised real estate already being sold (leased), the sale (lease) cancellation by the proprietor, price changes, or the possibility for the price changes through negotiations, and that Residence was not subsequently notified by the proprietor or his/her representatives about this. For the listed reasons the persons interested in any real estate properties offered by Residence, may directly contact Residence to check if all of the offered information is accurate and up to date.

VII DATA STORAGE

Residence shall store the personal information of the Principal, and based on the written order of the Principal it shall keep the real estate data as a trade secret the real estate brokerage and leasing of which it is performing, or the data related to the real estate brokerage or the transaction. In case Residence reveals the data to the persons it is endeavoring to connect the Principal with this is not considered a violation of data storage obligation, for this was necessary so that Residence would meet its obligation from the Brokerage Agreement. In case Residence delivers data on the request of the state authorities of the Republic of Serbia with the aim of maintaining public registers or other proceedings before the referred state authorities, this is not considered a violation of data storage obligation.

The obtainer of the data such as the offer, information about real estate, Principals, as well as other notices given by Residence, shall keep as a trade secret, and is allowed to transfer them to other persons only with the written permit issued by Residence.

VIII GENERAL OBLIGATIONS OF RESIDENCE IN REAL ESTATE BROKERAGE AND LEASING

Residence shall endeavor to find and connect with the Principal the third parties for the sake of concluding the transaction which is the subject of the Brokerage Agreement.

Residence shall notify the Principal about all of the aspects it is familiar with or it must be familiar with relevant to the subject transaction.

Residence shall give an objective opinion to the Principal about the real estate price or the lease amount. Residence shall familiarize the Principle with all of the real estate characteristics which might affect the price and the opportunity for sale or lease, as well as with the activities the Principal might perform with the objective of better real estate positioning in the market and achieving the best possible sale or lease prices.

Residence shall also familiarize the Principal with the average market price of the similar real estate properties. Residence shall issue the referred notices to the Principal in accordance with the real estate characteristics, market opportunities, as well as with other circumstances it deems relevant.

Residence shall inspect all of the personal documents proving the property rights or other real estate or obligation rights which are being brokered in terms of real estate and leasing. Residence shall enable and provide the Principals with the entire inspection of the evidence on ownership and other real estate related rights provided to Residence by a person selling and/or leasing the real estate, or by the competent state authorities.

Residence shall not bear the costs for obtaining the required documents fees, especially not for public records extracts (birth register, cadastre real estate register, Business registers agency, etc.) as well as the costs for conduct of the proceedings necessary for updating the documents, but instead the Principal selling and/or leasing the real estate shall bear the costs. The Principal interested in the real estate shall bear the referred costs in case he/she wants to subsequently obtain a document related to the real estate or the proprietor which he/she has already obtained by Residence or which Residence is not able to provide.

Residence shall warn the Principal about: evident disadvantages and possible risks related to the unregulated legal status, land registry state, registered real estate or other real estate rights of the third parties, legal consequences for not fulfilling the obligations to the third parties, disadvantages of the construction and use permit, aspects and obligations of pre-emption rights perusal or any other existing or possible rights related to real estate, provided that this can be learned from the documents inspection.

Residence shall take photos and/or video recordings of the real estate and also record all the data relevant for the adequate presentation and advertisement of the real estate property. The obtained photos and/or video recordings as well as other data Residence shall not use for other purposes, except for the purpose of presenting the subject real estate property to the third party, and by advertising it.

Residence shall broker in negotiations and it shall endeavor to reach the Agreement conclusion. In cases when Residence provides brokerage services for both negotiating parties, Residence undertakes to partake in the negotiations in an objective manner, as well as to protect the interests of both contractual parties based on the positive regulations of the Republic of Serbia, equity, justice, and rules for good business.

Residence shall provide the preparation of purchase or real estate lease preliminary and/or agreement in line with the terms and conditions agreed between the contractual parties and shall also attend the conclusion of the legal transaction for which it has performed brokerage. The representative of Residence shall attend the handover of the real estate.

IX GENERAL OBLIGATIONS OF THE PRINCIPAL IN REAL ESTATE SELLING AND LEASE TRANSACTIONS

The Principal shall notify Residence on all the circumstances relevant to the brokerage performance.

The Principal shall provide all of the information on real estate and its characteristics, price, as well as its possible hidden disadvantages and legal shortcomings.

The Principal shall provide total inspection to Residence of all existing documents and those proving the property rights of the Principal and other real estate or obligation rights and show all registered and unregistered burdens and limitations of the real estate to Residence as well as other legal transactions which might be concluded in terms of the subject real estate. Submit to Residence the certified copies of all documents proving the own real estate rights at the latest upon the conclusion of legal transaction brokerage.

The Principal shall notify Residence in writing about all the subsequent changes related to brokerage and especially about: real estate legal status, characteristics, price, available budget, preferred method of payment, important deadlines, and all the rest of the changes not listed here which might be relevant to Residence and third parties with whom Residence is endeavoring to connect the Principal. The Principal must notify Residence on all the changes within 3 (three) days from the incurred changes. In case the Principal does not inform Residence on the incurred changes and Residence finds out about the changes, Residence is entitled to, without obtaining special permit by the Principal, modify the relevant data in its data bases and in the advertisement places.

The Principal shall provide Residence with the possibility for the real estate inspection as well as with taking photos and/or video recordings with the aim of the presentation and advertisement of the real estate property and he/she shall also provide Residence with the possibility for the real estate inspection together with the third party in the agreed method and at the agreed time.

The Principal shall immediately notify Residence if the third party or the person related to it with whom Residence has brought the third party into connection with the aim of concluding the legal transaction subject to brokerage, has shown interest to conclude the legal transaction being the subject of Residence brokerage without the brokerage of Residence, or to conclude another legal transaction related to real estate which can be considered the consequence of Residence's endeavors.

The Principal shall pay the brokerage fee to Residence, and if it was specially agreed he/she shall compensate other costs incurred during the brokerage as well as the costs of additional services, in the method and within the deadlines determined by the General business terms and conditions and by the Brokerage Agreement.

The Principal shall pay any material or non-material damage as well as any costs incurred during the brokerage caused by Residence due to its actions which are not in line with the positive regulations of the Republic of Serbia, the General business terms and conditions, Brokerage Agreement, principles of good faith and rules of equity, justice, and good business, in case he/she has committed a fraud, hidden or given false information relevant for the brokerage transaction.

X RESPONSIBILITY OF RESIDENCE

Residence shall act in a manner of a good entrepreneur while performing activities within its scope of activities.

Residence shall be responsible for any incurred damage in accordance with the General business terms and conditions, contracts it concludes with and positive regulations of the Republic of Serbia.

Residence shall not be liable for meeting obligations of any of the contractual parties in the transaction, both of which have assumed with the conclusion of the legal transaction.

Residence shall not be liable for the real estate property quality subject to sale or lease nor for the hidden disadvantages and legal shortcomings (except if notified in writing by the Principal or the competent state authority that the real estate property has hidden disadvantages and legal shortcomings, the information concealed by Residence).

Residence shall conclude the Insurance Agreement against the damage liabilities pursuant to the Law on Mediation in Real Estate and Leasing.

XI ADVERTISEMENT

Residence shall conclude the Brokerage Agreement of each real estate property it advertizes in accordance with the positive regulations of the Republic of Serbia.

Residence shall advertize real estate and provide adequate marketing presentation in accordance with the intended purpose, real estate values and its operating policy, and all in the manner determined by the positive regulations of the Republic of, the General business terms and conditions, and Brokerage Agreement. In case the Brokerage Agreement so agreed Residence shall perform other contracted activities exceeding a regular presentation, for which it is entitled to special, pre-reported costs.

Residence shall also advertise the information regarding price, location, surface, and real estate structure upon advertising concerning trade and leasing of real estate, aside from the information on the trade name and number under which it is registered in the Register of real estate brokers.

XII REALIZATION OF THE RIGHTS TO BROKERAGE FEE, OTHER COSTS AND FEES

Residence acquires the right to brokerage fee at the moment of concluding the preliminary agreement or the agreement it has brokered for in accordance with the Brokerage Agreement.

Residence shall not require a partial payment of the brokerage fee in advance, that is prior to concluding the preliminary agreement, that is the agreement it has brokered for, in accordance with the previous paragraph.

The amount of the brokerage fee, that is the method of determining the brokerage fee amount, as well as the type and amount of the additional services costs and other brokerage fee costs, is determined by the appropriate agreement between Residence and the Principal.

The Principal shall compensate the brokerage fee to Residence provided that Residence was the first to offer or provide real estate inspection, that is if Residence was the first to introduce the Principal with the subject real estate or connect him/her with the third party, interested in concluding a legal transaction for which Residence is performing brokerage. In case the Principal has inspected the subject real estate or has been familiarized with the offer for the subject real estate in other way or has already been associated with the third party interested in concluding a legal transaction for which Residence is performing brokerage, and prior to Residence offering, showing him/her the real estate, or associating him/her with the party interested in concluding a legal transaction, the Principal shall notify Residence on this so as to avoid potential disputes. In case the Principal does not perform this, it will be considered that Residence first offered the real estate or associated with the third party interested in concluding a legal transaction for which brokerage was performed.

Residence may agree with the Principal on the compensation right for additional costs necessary for performing the order, regardless of the brokerage success. Residence may require the payment for the additional allocations costs in advance, provided that this was explicitly stated in the Brokerage Agreement.

Residence is entitled to receive the brokerage fee in case the brokered legal transaction is concluded instead of with the Principal, with the party associated with and also in case the Principal, instead of with the third party Residence has associated him/her with, concludes the brokered legal transaction with the related party of the third party in question. Residence is entitled to receive the brokerage fee also in case that the Principal enables any natural or legal person to conclude a legal transaction with the third party based on the data received by Residence.

If following the end of the Brokerage Agreement duration based on the cancellation of the Principal, and within a period not longer than a month from the end of the Agreement duration, the Principal concludes a legal transaction being a direct consequence of Residence brokerage prior to the end of the Brokerage Agreement duration, the Principal shall compensate the agreed brokerage fee to Residence, additional costs and additional services costs in entirety, unless stated otherwise in the Brokerage Agreement.

If under the terms and deadline stated in the previous paragraph, the Principal concludes a legal transaction significantly being the consequence of Residence brokerage prior to the end of the Brokerage Agreement duration, he/she shall compensate Residence proportional brokerage fee and entire additional costs and additional services costs, unless stated otherwise in the Brokerage Agreement.

Residence is not entitled for the brokerage fee if it concludes with the Principal an agreement on its own behalf, as a contractual party, which is subject to brokerage, and/or if such an agreement is concluded with the Principal by a person performing legal transactions at Residence.

Residence shall not return the compensated brokerage fee (in case of the Agreement or Preliminary Agreement cancellation, withdrawal of a contractual party, etc.), unless it was stated otherwise in the Brokerage Agreement.

In case the Principal unilaterally terminates the Agreement before the end of the Brokerage Agreement duration, he/she shall compensate all of the brokerage costs to Residence incurred until the moment of the Agreement termination within 7 (seven) days, whether or not the payment of the costs was explicitly agreed by the Brokerage Agreement.

When the Brokerage Agreement duration ends due to its expiry, the contractual parties shall not have any demands to each other except for the obligation of the Principal to pay the costs to Residence which have been explicitly agreed to be paid by the Principal separately disregarding the brokerage success.

In the event that the Residence is hired as a broker separately by each party interested in concluding a legal transaction that Residence is brokering for (with each of the interested parties Residence has concluded separate Brokerage Agreement), Residence is charging each party the full amount of the agreed brokerage fee, other costs and fees.

The price and method of payment of all other fees charged by Residence for the transactions performed in the framework of its registered scope of activities are exclusively agreed by the agreement concluded by Residence with the person hiring it for the transactions in question.

The Brokerage fee, additional costs as well as the additional services costs and all the rest of the fees for transactions performed by Residence in the framework of its registered scope of activities which are calculated in per cent regarding the agreed price expressed in a foreign currency, are paid in the dinar equivalent at the average exchange rate of the National Bank of Serbia valid on the day of payment or on the day of invoice issuance, unless stated otherwise.

XIII OTHER CONTRACTS CONCLUDED BY RESIDENCE

The relevant articles of the General business terms and conditions as well as the positive legal regulations of the Republic of Serbia regulating the conclusion of the agreements in question are applied on all other agreements Residence concludes while performing its registered business operations (Consulting Agreement, business and technical cooperation, etc.).

XIV FINAL PROVISIONS

Positive regulations of the Republic of Serbia regulating specific legal transactions between Residence and other legal and natural persons are applied on the relationships between Residence and other persons which are not regulated by the General business terms and conditions or by the appropriate contract.

All interested persons may send additional information, suggestions, comments, notices, or complaints in writing to Residence on address Belgrade, Krunska Street, no. 22/10, email: office@residence.rs, and also in person at the Residence offices.

The General business terms and conditions represent an integral part of any contract Residence concludes in the framework of its registered scope of activities, which are visually prominent at the premises of Residence.

First Basic Court in Belgrade is the competent authority for all disputes between Residence and other persons.

In Belgrade 1/8/2014

For Residence d.o.o. General Manager Branislav Janković