

**CALL FOR BINDING BIDS
TO PURCHASE A SET OF LAND PLOTS AT PARMOVA ULICA,
LJUBLJANA - DUTB ID 100031**

1. Subject of the sale

The subject of the sale contemplated in this call for binding bids to purchase a set of land plots in Ljubljana - Parmova ulica, DUTB ID 100031 (hereinafter referred to as: "the Call") - are real estate assets - 32 mostly developed building plots, with a total land area of 13,151 m², mostly occupied by older commercial buildings suitable for demolition, at the address Parmova ulica and Kurilniška ulica, Ljubljana, with land plots listed below (hereinafter referred to as: "Subject of the Sale"), which are currently partly owned by Družba za upravljanje terjatev bank, d. d., company registration number: 6339620000 (hereinafter referred to as: "Seller"), and which will be fully owned by the Seller once the Land Consolidation procedure is carried out.

cadastral district Bežigrad	Land plot number	Current ownership		Ownership after land consolidation	
		sized	Ownership in %	sized	Ownership in %
2636	2191/3	983	100	983	1/1
2636	2191/6	58	100	58	1/1
2636	2191/7	277	71	0	MOL
2636	2191/8	115	71	0	MOL
2636	2191/9	61	66	61	1/1
2636	2191/10	314	66	314	1/1
2636	2191/11	564	66	564	1/1
2636	2192/13	7	100	7	1/1
2636	2192/14	43	100	43	1/1
2636	2192/16	150	100	150	1/1
2636	2192/22	54	100	54	1/1
2636	2192/23	330	100	330	1/1
2636	2192/30	9	100	9	1/1
2636	2192/33	15	100	15	1/1
2636	2192/34	47	81	47	1/1
2636	2192/35	101	81	101	1/1
2636	2192/38	163	100	163	1/1
2636	2192/39	386	81	386	1/1
2636	2192/40	173	93	137	PART 36m ² MOL
2636	2192/41	243	93	243	1/1
2636	2192/42	3,169	93	3,169	1/1
2636	2192/43	976	10	0	MOL
2636	2192/44	104	10	0	MOL
2636	2193/5	163	100	163	1/1
2636	2196/1	4,008	100	4,008	1/1
2636	2196/10	13	100	13	1/1

2636	2196/11	335	100	335	1/1
2636	2196/14	484	100	484	1/1
2636	2196/2	409	100	409	1/1
2636	2196/26	1	50	0	MOL
2636	2196/27	1	50	0	MOL
2636	2196/3	74	100	74	1/1
2636	2196/4	182	100	182	1/1
2636	2196/5	490	100	490	1/1
2636	2196/6	58	100	58	1/1
2636	2196/8	13	100	13	1/1
2636	2196/9	13	100	13	1/1
2636	2197/3	75	7	75	1/1
2636	2197/4	1,097	7	0	MOL
2636	2187/4	209	0	0	MOL
Total m2		15,966	12,909	13,151	

With this Call, the potential buyer (bidder) is also made aware of the following:

- that the Subject of the Sale is only being sold as a complete unit consisting of individual parts;
- that the Subject of the Sale shall be sold on an "as is" basis;
- that the Seller does not have at its disposal a construction and use permit for the Subject of the Sale;
- that on 29 October 2018, the Municipality of Ljubljana issued a confirmation of eligible use of land ref. no. 3506-4156/2018-2-KF, which demonstrates that the real estate concerned constitutes building land plots, which is subject to pre-emption rights under the Spatial Planning Act (ZUreP-1) and the Decree Establishing the Pre-emption Right of the municipality of Ljubljana, and that these structures and their surrounding areas are of particular significance for defense;
- that the Seller is in indirect partial possession of the Subject of the Sale, since the Subject of the Sale is partially leased to leaseholders, whose leases have been terminated or expired and lawsuits to vacate the premises have already been initiated against them in court;
- that after making the payment of the purchase price agreed in the Sales Agreement, the buyer shall continue the court proceedings to vacate the premises, in reference to the expired lease agreements;
- that the land consolidation process is currently underway in order to consolidate the land plots in the urban planning zone BE-543, which includes the Subject of the Sale;
- that the sales agreement for the Subject of the Sale shall be executed after the land consolidation is finalized, after which the Seller shall become the exclusive owner of the Subject of the Sale, after obtaining the confirmation from the Municipality of Ljubljana that they decline the offer to purchase the Subject of the Sale, and after obtaining the consent to the land plot transaction from the Ministry of Defence.

2. Tendering procedure

The sale of the items for sale shall be conducted by the Seller. Domestic and foreign natural persons and legal entities that are permitted to obtain titles to property in the Republic of Slovenia pursuant to applicable legislation may participate in the sales process.

The Seller will only accept for consideration bids for the purchase of the item for sale that are both substantively and formally fully binding, and that are received by the deadline for submitting binding bids (in this invitation also referred to as the "submission deadline", via registered post or in person, in a closed envelope at the following address: Družba za upravljanje terjatev bank, d.d., Davčna ulica 1, 1000 Ljubljana, marked: **"DO NOT OPEN – BID FOR PURCHASE OF A COMPLEX OF LAND PLOTS IN PARMOVA ULICA, LJUBLJANA – BAMC ID 100031"**, and for which a bid bond as set out in this invitation (section 2.2) must be paid by the submission deadline.

Furthermore, the bid to purchase the Subject of the Sale must also contain a correctly completed and duly signed statement as part of the KYC process described in the 3rd paragraph of Point 2 of this Call (Appendices 2, 3 and 4 hereof).

The following shall be printed on the back of the envelope: the full name and address or the company name and registered office of the bidder.

The indicative price of the item for sale is set at EUR 2,600,000.00 + relevant tax.

The relevant tax will be stated in the sales agreement to be concluded at a later date (**2% RETT or 22% VAT with a "Declaration of selection of taxation of real estate transaction"**) and shall be paid by the buyer.

The deadline for the submission of binding bids (the submission deadline) shall be 11:59:59 on 10 December 2018.

Bids that arrive at the Seller's address by the submission deadline and for which a bid bond is paid pursuant to this invitation by the same deadline shall be deemed to be on time.

When the bid is received by the Seller as set out in paragraph 2 of this section, it shall be deemed to have been accepted by the Seller and the bidder, therefore from that moment onwards it will no longer be possible to withdraw or retract the bid, and it will no longer be possible to demand reimbursement of the bid bond except in the cases set out in paragraph 6 of section 2.2 of this invitation.

The bidder shall be deemed to have submitted a new (corrected, amended) bid on time if it withdraws its original bid before it is received by the Seller and submits a new bid, whereby the date and time of submission of the new bid shall be considered the date and time of submission of the bid.

In the event that the bid does not arrive at the above address on time or the bid bond is not paid on time, and at the same time no deposit can be seen on the Seller's bank account no later than one (1) working day after the expiry of the submission deadline, the bid will be excluded from further procedure and returned to the bidder at the address given on the back of the envelope. The bidder will receive the security deposit in the same way as other non-selected bidders, in accordance with the 6th paragraph of Article 2.2 of this Call for Bids.

2.1. Contents of the binding bid

During the sale process, the Seller shall take into account binding bids received on time and signed by the bidder or the bidder's legal representative and submitted on the form **"BID FOR PURCHASE OF A COMPLEX OF LAND PLOTS IN PARMOVA ULICA, LJUBLJANA – BAMC ID 100031"** (hereinafter: the form). The required bid template is enclosed as **Appendix 1 hereto**.

Bids to buy the Subject of the Sale must also contain the following forms (**Appendix 2 hereto**):

- **declaration of the circumstances of the purchase,**

- **declaration that the potential purchaser/investor is not a legal or natural person in the sense of Article 13 of the ZUKSB**
- **declaration on non-association of business entities,**
- **declaration of beneficial owners (Appendix 2);**
- **statement on related entities,**
- **bidder details, and**
- **declaration of any debts (existing or potential) to the BAMC on the part of the bidder.**

Each bidder may submit only one bid in this procedure. Packets containing more than one bid (form) will be excluded from further procedure in the sales process.

The following documents and declarations are mandatory and essential components of the bid and a condition for its substantive and formal completeness:

- **Duly completed form (Appendix 1 hereto),**
- **Duly completed and signed statement as part of the KYC process described in the 2nd paragraph of Point 2.1 of this Call (Appendix hereto).**
- **Timely and proper payment of the security deposit (Point 2.2 hereof).**

The winning bidder shall subsequently be invited to provide additional information, pursuant to the Slovenian Prevention of Money Laundering and Terrorist Financing Act (ZPPDFT-1).

If the bidder is a foreign legal entity, they must provide a certified Slovenian translation of the extract from the relevant commercial register in which the company is registered as a legal entity.

In all cases, foreign legal entities and natural persons must obtain a unique identification number in Slovenia before the concluding of a sales agreement.

Bids may be submitted in Slovene or English.

Bids are binding and irrevocable and shall be valid for **90 days** after the submission deadline.

2.2 Security Deposit

Bidders must make a **25,000.00 EUR** deposit in earnest (hereinafter referred to as "Security Deposit") within the Bidding Deadline, remitted via bank transfer to the Seller's transaction account no. SI56 2900 0005 1319 162, Unicredit Banka Slovenija d.d., with the additional payment specification "**SECURITY DEPOSIT TO PURCHASE A COMPLEX OF LAND PLOTS AT PARMOVA ULICA LJUBLJANA - DUTB ID 100031**").

The appearance of the payment on the Seller's abovementioned bank account no later than one (1) day after the submission deadline shall constitute an essential condition for the validity of the bid and the bidder's participation in this procedure of selection of the highest bidder.

Payment of the bid bond shall be valid only:

- if the bidder deposits the funds from a bank account at a bank in Slovenia (hereinafter: confirmed bank account at a bank in Slovenia),
- if the bidder deposits the funds from a bank account at a bank headquartered in the EU (excepting Cyprus, Romania, Bulgaria and Luxembourg) (hereinafter: confirmed bank account at a bank in the EU).

The confirmed bank account at a bank in Slovenia or the EU must be stated on the form and must be identical to the account from which the remainder of the purchase price will be paid in the event of the selection of the bidder as the buyer of the item for sale.

In the event that the bidder does not pay the bid bond within the submission deadline, specifically until the submission of the bid, and at the same time no deposit can be seen on

the Seller's bank account no later than one (1) working day after the submission deadline, that bidder's bid will be excluded from further procedure and the sales process.

Interest shall not be payable on the security deposit. Bidders whose bids have not been accepted will receive a refund of their Deposit within three (3) business days from signing the sale contract for the Subject of the Sale with the bidder or from the Seller's written confirmation of rejection of all submitted bids, or from the Seller's written confirmation that the sale process has been terminated, or within 90 days of Bidding Deadline expiration.

The Security Deposit shall be refunded into the bidder's Approved Bank Account in Slovenia or in the EU, as indicated by the bidder in the bid (Form). Should the bidder fail to state and confirmed bank account at a bank in Slovenia or the EU in the bid (form), the Seller may retain the bid bond until receipt of data on a confirmed bank account at a bank in Slovenia or the EU.

The bid bond is a monetary amount through which the bidder in the collection of binding bids confirms its obligation to conclude a sales agreement if it is successful in this procedure of collection of binding bids. The Security Deposit made by the winning bidder in the relevant binding bid selection process, provided said bidder has signed the contract of sale for the Subject of the Sale in question, shall count towards the down payment made in earnest, as confirmation of intent to execute the aforementioned sale contract.

2.3. Opening of the binding bids and bidder selection process

The opening of the binding bids **shall not be public**.

Ordinarily, the Seller will prepare a formal proposal and submit it to the relevant credit and investment committee for approval within **five (5) days** of opening the binding bids referred to in the preceding paragraph. **Within an additional five days** after the decision has been approved, the Seller shall inform all registered bidders about the outcome of the process and declare the winning bidder.

After finishing the procedures referred to in the preceding paragraph hereof, the Seller shall execute a contract of sale for the Subject of the Sale, which will include the clauses stipulated in Point 3.1 hereof.

3. Bidder selection criteria and signing the contract of sale

The Seller reserves the right to conduct additional negotiations with any bidder or not to select any bidder in the procedure, i.e. it is not obliged to conclude a sales agreement with any bidder for the item for sale or enter into any other legal relationship, as provided in Point 2.3 hereof.

The best bidder will be chosen based on the following criterion: **highest offered price**.

The bidder shall be obliged to sign the sales agreement within **eight (8) days** of receipt of the Seller's invitation.

If the winning bidder should fail to sign the contract of sale within the deadline stipulated in the second paragraph of this Section, the Deposit shall be retained by the Seller (i.e. it shall not be refunded to the winning bidder).

In case referred to in the previous paragraph of this section, the Seller has the right (but shall not be obliged) to conclude an agreement with any bidder who submitted an acceptable and valid binding bid, without repeating the bid collection procedure, where the provisions of point 2.3 hereof shall apply *mutatis mutandis*. The potential newly-invited bidder shall be obligated to commence procedures to execute the contract of sale in the manner and within the deadline stipulated in the 3rd paragraph of this Point.

All public levies and charges (VAT and RETT) incurred in connection with the execution and implementation of the contract of sale, including any notarial fees (except costs of notarization of the Seller's signature on the executed sale contract) , shall be paid by the winning bidder - the buyer.

3.1. Mandatory content of sales agreement

The sales agreement must include the following mandatory content:

- confirmation that the Seller is registered in the land registry as the owner of the Subject of the Sale;
- confirmation that the Subject of the Sale consists of 32 mostly developed buildable land plots with a total floor area of 13,151 m², occupied by several older business structures suitable for demolition, at the address Parmova ulica and Kurilniška ulica, Ljubljana;
- confirmation that the Seller is in indirect partial possession of the Subject of the Sale, since the Subject of the Sale is partially leased to leaseholders, whose leases have been terminated or expired and lawsuits to vacate the premises have already been initiated against them in court;
- confirmation that after making the payment of the purchase price agreed in the Sales Agreement, the buyer shall continue the court proceedings to vacate the premises, in reference to the expired lease agreements;
- confirmation that the land consolidation process has been carried out to consolidate the land plots in the urban planning zone BE-543, which included the Subject of the Sale and after it was carried out, the Seller became a full owner of the Subject of the Sale;
- a provision whereby the sales agreement shall be concluded on an "as-is" basis;
- a provision whereby any discrepancies between the surface area set out/agreed upon in the agreement and the actual surface area of the item for sale shall not constitute a change to the subject of the agreement and that the agreement cannot be dissolved nor can any demands be exercised on that basis;
- a declaration from the buyer confirming that the buyer has inspected the subject of the Agreement in detail and studied all the relevant facts and documentation related thereto (particularly the plot boundaries of the Subject of the Sale - potentially required parcellation and designation of boundaries and cornerstones are to be arranged by the buyer at its own expense; the breadth of the access via public path leading to the Subject of the Sale - the narrow accessway area, and other features if the Subject of the Sale, as well as all relevant circumstances related thereto), and that they are fully apprised of the legal and actual status of the subject of the Agreement and of the legal implications of purchasing the Subject of the Sale, having acquired advice from an expert the buyer engaged for this purpose;
- a declaration from the buyer stating that the item for sale possesses all the required and agreed characteristics, and complies with the intended use and purpose pursued by the buyer through this purchase;
- a declaration from the buyer waiving all claims against the Seller, specifically including those arising from warranties for any obvious or concealed legal and material defects in the item for sale, and that the aforementioned warranty is excluded;
- a provision whereby the payment of the down payment and the rest of the purchase price shall be valid only if the following are fulfilled by:
 - the buyer, by transferring funds from a Slovenian bank account (hereinafter referred to as: Approved bank account from a Slovenian bank),
 - the buyer from the buyer's bank account opened with a bank based in the EU, with exception of Cyprus, Romania, Bulgaria and Luxembourg, (hereinafter referred to as: Approved EU bank account),

- the buyer's commercial bank based in Slovenia, if the buyer took out a loan from it in order to finance the purchase price (hereinafter referred to as: Approved Slovenian Commercial Bank),
 - the buyer's commercial bank by the buyer's commercial bank based in the EU, with exception of Cyprus, Romania, Bulgaria and Luxembourg, if the buyer took out a loan from it in order to finance the purchase price.
- a provision whereby in the event of any discrepancy with the provision of the previous paragraph, the agreement shall enter into force under a suspensive condition that the Seller approve it in writing within ten (10) days of receipt of the purchase price;
 - a provision whereby if the Seller does not approve the payment of the purchase price pursuant to the provision set out in the previous paragraph of this section, the purchase price shall be returned to the payer within an additional deadline of 3 days, and the Seller shall notify the buyer thereof;
 - a clause that the buyer shall make a 10% down payment within 10 days of signing the contract of sale (where the Deposit shall count towards payment of the down payment and only the difference is paid);
 - a clause that the contract of sale is signed subject to the suspensive condition that the buyer mentioned in the preceding indent shall make the down payment, failing which the agreement shall be deemed null and void;
 - a clause that the agreed payment deadline is not more than **sixty (60)** days from signing the contract of sale;
 - a provision whereby the payment of the purchase price within the agreed deadline shall constitute an essential integral part of the agreement, and therefore the agreement shall be automatically cancelled, with no obligation to request payment of the purchase price, if the buyer fails to pay the purchase price within the agreed deadline;
 - a provision whereby the payment of the entire purchase price shall be a condition for the handover to the buyer of a notarised original of the sales agreement with land register approval;
 - a clause stating that the Subject of the Sale is delivered into the buyer's possession within **15 days** after the purchase price has been validly paid in full, at the latest;
 - an anti-corruption clause;
 - a provision on data confidentiality - FOR NATURAL PERSONS;
 - a provision on the management of personal data;
 - a declaration by the buyer stating that it is aware of the content of Article 13 of the ZUKSB, and a declaration and warranty (as relating to real estate) that as the buyer of the real estate it is not a legal entity or natural person referred to in the first and second paragraphs of Article 13 of the ZUKSB, whereby the term obligor shall refer to the entity that was the owner of the item for sale before title to it was acquired by the Seller.
 - a provision on restrictions to further sale, stipulating that the buyer may not sell the item for sale to an entity referred to in the first and second paragraphs of Article 13 of the ZUKSB (as relating to real estate) within 5 years of the concluding of the sales agreement, whereby the term obligor shall refer to the entity that was the owner of the item for sale before title to it was acquired by the Seller; in the event of a breach of this prohibition a contractual penalty shall be imposed against the buyer amounting to 50% of the purchase price pursuant to the sales agreement that will be concluded in the sales procedure on the basis of this Call.

4. Costs of the procedure and declaration of will

Bidders shall bear the costs of participation in this procedure of collection of binding bids regardless of their success in the procedure. The Seller reserves the right to amend the procedure and the conditions of sale.

By participating in the bidding procedure, bidders agree to the terms of the procedure, including those specified herein.

5. Right of cancellation and exclusion of the Seller's liability

The Seller reserves the right to change the planned course, steps or other elements of the procedure at any time and without explanation, and may also suspend the process of collection of binding bids, sale and/or negotiations, and shall bear no liability whatsoever in this regard. Bidders shall not file any claims against the Seller as the result of the aforementioned actions.

The Seller reserves the right not to conclude an agreement with any bidder.

The Seller's liability is entirely excluded.

6. Inspection of item for sale, documentation and additional information

Potential Bidders may view the Subject of the Sale and all available documentation, which shall be delivered to the buyer in the event of a successful sale, by appointment, and information can be obtained from the Seller's representative Maša Žlajpah Puš, phone number 01/42 93 483, 030 60 27 12, e-mail: masa.zlajpah-pus@dutb.eu, by **7 December 2018** (inclusive), weekdays 09:00 to 15:00 hours. In order to gain access to the documentation, a Non-disclosure Agreement (NDA) must be signed.

7. Appeal

Unsuccessful bidders have the right to file an appeal. Appeals are to be filed within five (**5**) **business days** after delivery of the seller's decision (e-mail notifications are deemed suitable notification) .

Appeals are to be filed either directly with the seller, by registered mail with receipt confirmation sent to: Družba za upravljanje terjatev bank, d.d., Davčna ulica 1, 1000 Ljubljana, or via e-mail to nepremicnine@dutb.eu. The appeal should contain a detailed explanation of the reasons for the appeal. The applicant should state the name and address of the party filing the appeal, the DUTB ID designation of the relevant real estate, the alleged violations, facts and evidence supporting the violations. The appeal will be reviewed by the seller's executive directors. Their decision will be passed on to the applicant.

8. Applicable Law and Jurisdiction

The law of the Republic of Slovenia and the related conditions shall apply to this invitation, and any disputes arising in connection herewith shall be resolved before the court of territorial and subject-matter jurisdiction in Ljubljana.

Ljubljana, 8 November 2018

Seller:

Družba za upravljanje terjatev bank, d.d.
Director of Real-Estate Management
Andrej Lazar



Družba za upravljanje terjatev bank, d.d.
Davčna ulica 1
1000 Ljubljana