

NOTARY PUBLIC JOŽICA MATKO-RUŽDJAK with a registered seat in Zagreb, Kneza Višeslava 2, pursuant to the Article 277 of the Execution Act which was in force at the time of concluding insurance agreements in relation to the Article 369 of the Execution Act (OG 112/12) upon request of the proposer of the insurance, fiduciary creditor, **previous owner of the INA INDUSTRIJA NAFTE joint-stock company, Zagreb, Avenija Većeslava Holjevca 10, regarding notary public auction sale of the property of fiduciary debtor, the latter owner the BELVEDERE joint-stock company - in bankruptcy, Dubrovnik, Frana Supila 28,** announces

**PUBLIC AUCTION FOR SALE OF PROPERTY
(SECOND PUBLIC AUCTION)**

1. Description of the property:

Auctioned property is a latter property of a fiduciary debtor BELVEDERE joint-stock company-in bankruptcy, Dubrovnik, Frana Supila 28:

- registered in the land register file no. 1357, cadastral district Dubrovnik, as: registered land unit AI: bu. 3032 building, bu. 3052 building (in the part not covered within the maritime domain), bu. 3196 hotel, bu. 3198, bu. 3199, bu. 3200, cadastral plot 1877/4 pasture (in the part not covered within the maritime domain).

The following properties are not subject of sales in this process:

- a) land units II, III and IV registered in the same land register file;
- b) unit no. 4, registered land unit I, bu. 3197, which is fully included in the Study of determining the turning points coordinates of the maritime domain.

2. Registered recordations and seals:

Registered land unit I

a) Received on 21.December 2011, No. Z-6802/11

Pursuant to the Article 34, paragraph 1, of the Act on tourist and other construction land not evaluated in the transformation and privatization process (OG 92/10), proceedings prescribed in Article 27 of the said Act and initiated by City of Dubrovnik were recorded on registered land units bu. 3032, 3052, 3197, 3198 and 3199.

b) Registered land unit I

Appeal by DUBROVNIK-BABIN KUK joint-stock company, Dubrovnik, Dr. A. Starčevića 45 against the Decision Z.6802/11 from 31. October 2012 was recorded.

c) Registered land unit I

Appeal by PALME TURIZAM Ltd, Dubrovnik, Dr. A. Starčevića 45 against the Decision Z.6802/11 from 31. October 2012 was recorded.

d) Registered land unit I

Appeal by ELAFITI BABIN KUK Ltd, Dubrovnik, Dr. A. Starčevića 45 against the Decision Z.6802/11 from 31. October 2012 was recorded.

e) Registered land unit I

Appeal by BELVEDERE joint-stock company-in bankruptcy, Dubrovnik, Frana Supila 28, represented by Bankruptcy Trustee Ivanka Sušić against the Decision Z.6802/11 from 31. October 2012 was recorded.

3. Legal restrictions:

a) For the properties which are subjects of sale, the process of determining the maritime domain is in process.

According to the Opinion of maritime domain, unit of bu. 3197 entirely and parts of unit no. 3052 and no. 1877/4 cadastral district Dubrovnik (in nature petrol station building and a terrace in front of the hotel) are included in the Study of determining the coordinates of turning points of the maritime domain. Government of Republic of Croatia, according to the Statement of Committee for maritime domain from 27. March 2013 (twenty seventh of March two thousand thirteenth) has

not brought a Directive.

b) Seal No. Z-2716/2013: The State Attorney's Office in the City of Dubrovnik requested, through its proposal from 09. May 2013 (ninth of May two thousand thirteenth), deletion of recorded ownership right on the maritime domain and recorded maritime domain mark for a particle labelled as a building part no. 3197 cadastral district Dubrovnik.

The land registry excerpt for particle no. 1357 cadastral district Dubrovnik indicates that the competent court has not yet brought a decision on this proposal.

c) Seal Z-3936/2013: The State Attorney's Office in the City of Dubrovnik, through its proposal from 02. July 2013 (second of July two thousand thirteenth) requested a deduction of land particles from building constructed on that land with the land part 1877/6, bu. no. 3197 cadastral district Dubrovnik.

The land registry excerpt for particle no. 1357 cadastral district Dubrovnik indicates that the competent court has not yet brought a decision on this proposal.

4. Detailed development plan „Belvedere“

The City Council of Dubrovnik brought a Decision on the Detailed Development Plan „ Belvedere“ on 06. April 2013. All potential buyers prior to this public auction, are invited to examine Detailed Development Plan „ Belvedere“.

5. A buyer who will purchase the property is considered acquainted with all legal facts mentioned under points 1, 2, 3, and 4 of this announcement and has no right, after conclusion of the agreement, to invoke on legal deficiencies of purchased property as he/she did not know about their existence.

As an important part of the Sales Agreement, it will be stipulated that all risks in a process of the determining the maritime domain will be assumed by the buyer, and that the buyer is informed that he/she cannot acquire ownership rights for a property in a maritime domain status.

6. Property value and initial price

Property value (registered land unit 1, except unit bu. no. 3197) as estimated by the court appointed expert Boris Petljak, civil engineer, dating June 2013 (two thousand thirteenth) is **24.361.497,81 EUR** (twenty four million, three hundred sixty-one thousand and four hundred and ninety-seven kuna and eighty one lipa) in Kunas equivalent, according to the middle exchange rate of the Croatian National Bank on the date of payment.

On the second Public auction, the auctioned property cannot be sold for less than 1/2 (one half) of publicly announced initial price.

7. Place and time of the auction

Public auction for property sale will be held in the office of notary public Jožica Matko-Ruždjak, in Zagreb, Kneza Višeslava 2, first floor, **on 09. May 2014 (ninth of May two thousand fourteenth), Friday, starting at 10 (ten) a.m.**

8. Terms & conditions of auction

- All individuals and legal entities, domestic and foreign have right to participate in the Public auction,
- Auction participants are required to pay deposit of 10 (ten) percent of the initial price, in Kunas equivalent, according to the middle exchange rate of the Croatian National Bank on the date of deposit payment, 48 (forty eight) hours before the public auction takes place. Payment has to be transferred to a bank account of notary public Jožica Matko-Ruždjak "For other persons", Bank account No. 2340009-1560032097, at PRIVREDNA BANKA ZAGREB joint-stock company. The proposer of insurance, creditor of the Company, is released from paying the deposit if his claim reaches the amount of deposit, paragraph 3, Article 94 of the Execution Act.
- In case the proposer of insurance, previous owner, creditor gives the best offer for purchase of the property, is not required to deposit the purchase price if it is equivalent to his claim or less, except in the part of purchase price that corresponds to expenses regulated in Article 170 of Execution Act.
- In case of sale, paid deposit will be included in the purchase price of the auctioned property,

and in case that the auctioned property is not sold at the auction, paid deposit will be reimbursed to the depositors without interest, immediately after the conclusion of the auction.

- Sales tax and other costs associated with selling the property, any possible costs of notary fees and rewards regarding the purchase will be paid by the buyer and they are not part of the purchase price.
- Buyer is required to deposit the overall purchase price within 30 days after the conclusion of the auction, and within a further period of 15 days from the date of depositing the payment to sign the purchase contract with creditor, the previous owner.
- Seller is not in the possession of the property, fiduciary creditor has the possession.

9. Satisfaction of creditor claims

In case of sale, after the buyer deposits the whole purchase price and signs purchase contract, the notary public will submit the whole amount of purchase price to the insolvency judge, pursuant to Article 164 Paragraph 1 of Bankruptcy Act. From received amount, the insolvency judge will, pursuant to Article 164 Paragraph 2 of Bankruptcy Act: 1. abstract appropriate amount in the bankruptcy estate pursuant to the rules of Article 170 of Bankruptcy Act, 2. settle the claim of fiduciary creditor and 3. transfer the remaining part to the bankruptcy trustee (OG 44/96, 29/99, 129/00, 123/03, 82/06, 111/10, 25/12, 133/12).

OU-66/12

Notary public:
Jožica Matko-Ruždjak

***unofficial translation**