

On the basis of Article 18 of the Real Estate Brokerage Act (Official Gazette (NN)Number: 107/07, 144/12, 14/14, 32/19), the limited liability real estate company LEONA REAL ESTATE d.o.o., Medvedski breg 17, 10 040 Zagreb, Personal Identification Number (OIB): 24655908113, represented by the director Nikolina Rustan Šušković, Personal Identification Number (OIB): 73164131803, Medvedski breg 17, 10 040 Zagreb, adopts the following:

## **GENERAL TERMS AND CONDITIONS OF OPERATION**

### **GENERAL PROVISIONS**

#### **Article 1**

1.1. The General Terms and Conditions of Operation for real estate brokerage (hereinafter: General Terms) defines and regulates the business relationship between the real estate agency (hereinafter: Broker) and the natural or legal person (hereinafter: Principal) with whom the Broker enters a written contract of mediation for buying, selling, exchanging, renting or leasing real estate.

1.2. By concluding a written brokerage agreement, the Principal confirms that he is familiar with and agrees to the General Terms and Conditions of Operation of LEONA REAL ESTATE d.o.o..

#### **Article 2**

2.1. Certain terms used in the General Terms and Conditions shall have the following meanings:

**Broker:** The real estate agency LEONA REAL ESTATE d.o.o., Medvedski breg 17, 10 040 Zagreb, Personal Identification Number (OIB): 24655908113, represented by the director Nikolina Rustan Šušković, Personal Identification Number (OIB): 73164131803, Medvedski breg 17, 10 040 Zagreb, a company that qualifies as a real estate broker as defined by the Real Estate Brokerage (hereinafter: Broker).

**Real Estate Agent:** A natural person registered in the Register of Real Estate Agents.

**Mediation in Real Estate:** A Broker's activities as an intermediary between a Principal and a Third Party, this includes negotiations and preparations for legal transactions involving specific real estates, especially for buying, selling, exchanging, renting, leasing, etc.

**Real Estate:** A parcel of land along with everything which is permanently attached to it above the ground or underneath it, in accordance with the provisions of the general regulations on ownership and other rights in rem.

**Principal:** A natural or legal person who enters into a written brokerage agreement with the Broker (as a seller, buyer, landlord, tenant, lessor, lessee or any other possible participant in real estate transactions).

**Third Party:** A person that the Real Estate Broker endeavors to connect with the Principal for the purpose of negotiating legal transactions regarding a specific real estate, and irrespective of whether the Agent has entered into a brokerage agreement with the Third Party or not (hereinafter: Third Party).

**Brokerage Fees:** The amount which the Principal is obliged to pay the Broker for mediation services.

## **ABOUT THE GENERAL TERMS AND CONDITIONS OF OPERATIONS**

### **Article 3**

3.1. The General Terms can be found at the main office as well as at the Broker's office and on the the Broker's website: - [www.leonaneekretnine.com](http://www.leonaneekretnine.com).

3.2. The General Terms and Conditions apply to the Principal together with the individual mediation agreements entered, and form an integral part thereof.

3.3. If an individual contract or agreement differs from the General Conditions, the provisions of the individual contract apply.

## **LISTING**

### **Article 4**

4.1. The Listing is based on the information received in writing and/or orally and/or electronically from the Principal.

4.2. The offer and/or the information about the real estate are considered confirmed when the brokerage agreement between the Principal and LEONA REAL ESTATE d.o.o. is signed.

4.3. The Broker retains the possibilities of errors in the description and/or price of the real estate as well as the possibility that the listed real estate is already sold and/or rented or leased and/or that the owner of the real estate will pull out sale of the listed real estate .

4.4. The Broker is not liable for errors in paragraph 3 of this article, except in the case of deliberate errors and/or negligence on the part of the Broker.

4.5. The Broker is not liable for the errors or negligence of the Principal.

4.6. The Principal shall keep the Broker's offer as a professional secret and is only allowed to share it with a third person if given written permission by the Broker to do so.

4.7. If the Principal is already familiar with the real estate which is being offered to them, they are required to immediately inform the Broker of this in writing (by email, fax, certified letter, etc.).

## **REAL ESTATE PRICES**

### **Article 5**

5.1. Real estate prices can be expressed in Euros, and are payable in Croatian Kunas at to the agreed exchange rate of the HNB (the Croatian National Bank) or any commerical bank registered in the Republic of Croatia on the day of payment.

## **BROKERAGE AGREEMENTS**

### **Article 6**

6.1. The Real Estate Brokerage Agreement (hereinafter: Agreement) obliges the Broker to endeavor to find and connect the Principal with a Third Party in order to negotiate and conclude a certain legal transaction to transfer or establish a certain right over a certain real estate object and/or related to a certain real estate. The Principal is obliged to pay the determined commission (hereinafter: Commission) if such a deal is concluded. The term „concluded legal deal“ is understood to include the conclusion of a pre-contract agreement in which both parties commit themselves to enter into the main brokerage agreement to transfer or establish certain rights over and/or related to a real estate object.

6.2. The Agreement is entered in writing with a fixed-term. If the parties do not stipulate the term of the Agreement, it shall be deemed concluded for a fixed period of 12 months from the date of entering the Agreement.

#### **Article 7**

7.1. Mediation orders can be given to the Broker orally. In such and in similar cases, all the provisions and guidelines stated in the General Provisions, the Price list as well as the Real Estate Brokerage Act and the Civil Obligations Act shall apply.

7.2. On the basis of an explicit verbal order, the Broker can advertise the real estate on their website and record it in their brokerage log. When a potential counterparty is interested in the real estate object, the Broker shall inform the Principal. Should the Principal refuse to sign a Brokerage Agreement, the Broker is not obliged to connect the potential counterparty with the Principal. In this case, the Broker can arrange the payment of the brokerage fees in full from the counterparty.

7.3. The Broker is in no way liable if during or after a written Brokerage Agreement is entered with the Principal the potential counterparty withdraws or refrains from concluding the agreement.

#### **Article 8**

8.1. For the sale of real estate objects with multiple owners, all the owners or their authorised representatives must enter into a Real Estate Brokerage agreement with the Broker allowing him to act in the name of and on behalf of all the owners.

8.2. The authorised representatives from Paragraph 1 of this Article must be authorised to sign the Real Estate Brokerage Agreement on the basis of a special authorisation certified by a notary public.

#### **Article 9**

9.1. The Real Estate Brokerage Agreement is entered with a fixed-term and shall cease on expiration of the contracted term if the Broker has not mediated a contract within that term, or if it has been terminated by any of the responsible parties.

9.2. The Principal shall pay the Broker for the costs specifically contracted to be paid by the Principal.

9.3. If the Principal enters a legal transaction within 12 months after termination of the Agreement that is the result of the Broker's activity prior to the termination of the Real Estate Brokerage Agreement, the Principal is obligated to pay the full Commission to the Broker, unless the Agreement states otherwise.

## **EXCLUSIVE BROKERAGE AGREEMENTS**

### **Article 10**

10.1. The Real Estate Brokerage Agreement may prohibit the Principal to engage another Broker (Exclusive Brokerage Agreement) for mediating any legal agreements, and whose responsibility must be specifically stipulated.

10.2. If during the duration of the Exclusive Brokerage Agreement the Principal bypasses the Broker and enters into a legal transaction through another broker in a matter for which the Broker was exclusively given instructions to mediate, the Principal is liable to pay the contracted Commission to the exclusive Broker as well as any additional actual costs incurred during the mediation (in as much as the fees are explicitly agreed upon).

10.3. If the Exclusive Brokerage Agreement so stipulates, the Principal is obliged to pay the Broker the agreed upon Commission/Fine as well as the actual costs and expenses incurred during the mediation, this includes if the Principal independently enters into a legal agreement with a third person during the duration of the Real Estate Brokerage Agreement.

10.4. On entering the Exclusive Brokerage Agreement, the Broker shall specifically warn the Principal of the meaning and legal consequences of this contractual clause.

10.5. The Exclusive Brokerage Agreement is entered with a fixed-term and shall cease on the expiration of the contracted term, if during this term no contract has been entered as a result of the Broker's mediation, or if any of the responsible parties have not terminated the Agreement in accordance with the Provisions of the Exclusive Brokerage Agreement.

10.6. The provisions of Articles 9.2. and 9.3. of the General Terms and Conditions also apply to the Exclusive Brokerage Agreement.

## **DUTIES OF THE BROKER**

### **Article 11**

11.1. The Broker's duty in mediation of sales contracts, rental agreements or real estate lease agreements is to specifically perform the following:

1. endeavor to find a person to connect with the Principal for the purpose of carrying out brokerage activities,
2. acquaint the Principal with the average market price of similar real estate,
3. obtain and check the documents/titles proving ownership or other right in rem on the real estate in question,
4. perform the necessary activities to present the real estate on the market, adequately advertise the real estate and perform all other activities agreed upon in the Real Estate Brokerage Agreement including those which exceed standard presentation and for which the Broker is entitled to specific, previously agreed upon fees,
5. facilitate the viewing of the real estate,
6. mediate in negotiations and endeavor to reach an agreement, if the Broker has specifically agreed to do so,

7. keep and protect the Principal's personal data and written instructions, keep confidential the particulars of the real estate for which he is mediating, as well as of anything related to that specific real estate object or the deal being mediated,
8. if the object of the contract is land, check that the allocation of the land is in compliance with the regulations on zone planning pertaining to the land,
9. inform the Principal of all the circumstances related to the intended deal which the Principal is or must be aware of,
10. Draw up a sales contract in a cooperation with a law firm with which the Broker has Business Cooperation Agreement, and bear the costs of verifying the signature of sales contract with a notary public (the above applies only to the legal aspect of the sale).
11. acquaint the Principal with the provisions of the Law on Prevention of Money Laundering and Terrorism Prevention  
(Official Gazette (NN) 108/17, 39/19).

11.2. The Broker may also carry out his duties through another person who is a business partner, an employee or someone else's employee who is in some way connected to the Broker. The Broker is authorised to contact and cooperate with other real estate brokers in order to carry out the orders of the Principal.

### **Article 12**

12.1. Along with the duties stated in Article 11 of the General Terms and Conditions, at the request of the Principal, the Broker may undertake the following in collaboration with a law firm:

- drawing up a preliminary contract for the legal services for which the Real Estate Brokerage Agreement is concluded,
- make the transfer of ownership in the designated land register courts and other public registers
- register the Principal as the new user with the companies providing public utility services.

12.2. In the case of Paragraph 1 of this Article, the Principal must sign a Power of Attorney for the Broker to represent them in the law firm with which the Broker cooperates, with a sufficient number of copies for the execution of the required additional actions.

## **DUTIES OF THE PRINCIPAL**

### **Article 13**

13.1. On entering the Brokerage Agreement with the Broker, the Principal assumes the following obligations:

1. to inform the Broker of all circumstances relevant for mediation, to present precise real estate data, and any existing location or building permits, and/or operating licences. The Principal must submit for inspection any location or building permits and/or operating licences which exist for the real estate which is the object of the Agreement. The Principal must also provide evidence of the fulfillment of obligations with respect to the Third Party,
2. to provide the Broker all and any documents for inspection which demonstrate the Principal's ownership of the real estate or other rights in rem therein of the object of the Agreement and draw the Broker's attention to all registered and unregistered encumbrances existing on the real estate,
3. to guarantee the Broker and the interested Third Party interested in entering the mediation deal a viewing of the real estate,
4. to inform the Broker of all significant data related to the requested real estate which includes the description and the price of the real estate,

5. to pay the Commission to the Broker upon entering the Pre-Contract Agreement or Agreement, unless the Real Estate Brokerage Agreement stipulates another form of Commission (e.g. installment payments),
6. to indemnify the expenses that exceed the usual expenses of mediation incurred by the Broker during the mediation,
7. to notify the Broker in writing of any changes related to the tasks for which the Broker was authorised, particularly any changes related to the ownership of the real estate,
8. in the event of any Third Party claims against the Broker for damages, and on any grounds related to the content submitted by the Principal or the published content by the Broker based on the information and documentation provided by the Principal to the Broker, the Principal assumes all legal responsibility and the obligation to take any necessary steps to defend and protect the Broker against all such claims. Otherwise the Principal agrees to indemnify the Broker for any damages that may arise as a result of the Third Party's claims on this legal basis,
9. to submit to the Broker all the necessary information and material in the prescribed format for publication on the website. When real estate is published on the website, these should be reviewed immediately and any objections must be submitted in writing no later than five days after publication. If this is not done, the published content is considered approved in its entirety.
10. to answer all calls and respond to all inquiries by the Broker related to any of his services, as well as to cooperate and not interfere with the execution of the services.

13.2. The Principal is not under any obligation to enter into negotiations in order to enter brokerage activities with the Third Party found by the Broker, nor to enter into any legal transactions. In this case, the Principal will be liable to the Broker for any damages if he has not acted in good faith, and is obliged to reimburse all expenses incurred during mediation. These, however, cannot exceed the contracted fee.

13.3. The Principal shall be liable for damages if he acted fraudulently, if he withheld or gave inaccurate information relevant for the mediation with the goal of entering into brokerage activities, and in particular if the Principal did not warn the Broker that the property which is the object of the Brokerage Agreement involves a marital/extra-marital acquisition.

## **THE BROKER'S COMMISSION**

### **Article 14**

14.1. The Commission amount is defined by the Brokerage Agreement. The contracted Commission covers all of the Broker's activities referred to in Article 11 of the General Terms and Conditions.

14.2. In the case of activities performed that are not covered in Article 11 of the General Terms and Conditions, and especially with regards to those referred to in Article 12 of the General Terms and Conditions, in addition to the agency fees referred to in Article 11 of the General Terms and Conditions, the Principal must also pay for the performed activities referred to in Article 12 of the General Terms and Conditions. The Broker's hourly fee is 350.00 HRK (three hundred and fifty HRK).

14.3. In the case of activities not covered by Article 11 of the General Terms and Conditions, and especially with activities referred to in Article 12 of the General Terms and Conditions, in addition to the brokerage fees, the fees referred to in Paragraph 2 of this Article, the Principal

shall pay the court, administrative and other fees for the purpose of registering property rights, verifying pre-contract signatures or transferring utility services.

14.4. While informing the Principal of the possibility of providing additional services as referred to in Article 12 of the General Terms and Conditions, the Broker has the obligation to specifically and explicitly inform the Principal about the fees referred to in Paragraph 2 of this Article, as well as the obligation to pay the fees referred to in Paragraph 3 of this Article.

14.5. Value Added Tax may be added to all amounts (referred to in Paragraphs 1 and 2).

### **Article 15**

15.1. If the concluded legal transaction includes a pre-contract agreement in which the Principal and the Third Party have agreed to enter into a main contract related to the real estate which is the object of the mediation, and for which the pre-contract agreement foresees the payment of a down payment retainer and/or part of the contractual sales price prior to concluding the Main Sales Contract, the Principle commits to paying the brokerage fee in two equal parts, the first of which is due on the date of the payment of the down payment and/or part of the contracted sales price, and the second on the date of conclusion of the the Main Contract, that is, on the expiration date of the deadline determined by the pre-contract for the conclusion of the Main Contract.

15.2. If the legal transaction involves entering into a pre-contract in which the Principal and the Third Party have agreed to enter into a Master Contract with respect to the real estate which is the object of the mediation, but which does not specify the payment of a down payment and/or part of the agreed sales price, the Principal is obliged to pay the brokerage fee on the date of the conclusion of the Main Contract, that is, on the date of expiration of the period specified in the pre-contract for the conclusion of the Main Contract.

15.3. In the event that the legal transaction exclusively involves the conclusion of a Main Contract with respect to the real estate which is the object of the mediation, the Principal shall agree to pay the Commission Fee on the day the Sales Contract is concluded.

15.4. Should either the Principal or the Third Party with whom the Principal has entered into a pre-contract with respect to the real estate which is the object of the mediation withdraw, or should the Principal or the person with whom the Principal has entered into an Agreement with respect to the real estate which is the object of the mediation withdraw, this does not affect the obligation of the Principal to pay the Broker the Commission for the amount established in Article 14 of the General Terms and Conditions since the fulfillment of the concluded Contract does not affect the obligation of the Principal to pay the Broker.

15.5. The Principal shall pay the fee referred to in Article 14, Paragraph 1 of the General Terms and Conditions, if the Principal enters into a legal transaction with the Third Party, to whom he has been referred by the Broker, and with whom the Broker has put him in touch, even if this transaction is different from the transaction mediated by the Broker with the Third Party, but by which the same purpose is achieved as with the mediated deal or deal in which the real estate is object of the mediation.

15.6. In the case of the conclusion of a legal transaction different from the one for which the mediation was established, but which achieves the same purpose as the mediation, or the object

of the legal real estate transaction which is the subject of the mediation, the Principal shall pay the fee in accordance with the Broker's Price List, which is an integral part of these General Terms and Conditions.

#### **Article 16**

16.1. The Broker shall be deemed to have facilitated the contact between the Principal and the Third Party if:

- the Principal was taken or sent to directly to view the real estate object in question,
- or
- organized a meeting between the Principal and the Third Party to negotiate a legal transaction,
- or
- provided the Principal with the name, surname, or the company name, the telephone number, fax number, and/or e-mail address of the Third Party authorized to enter into a legal transaction or to communicate the exact location of the requested real estate.

16.2. Upon termination of the Brokerage Agreement, the Broker is entitled to a Commission within 12 months, this also applies if the Principal enters a legal transaction with a Third Party which is a result of the Broker's activity prior to the termination of the Brokerage Agreement.

16.3. If the Principle withdraws in the course of the mediation transaction (after being provided an acceptable offer by the Broker), the Principal shall pay the Broker the contractual fees.

16.4. The Broker is entitled to a Commission if the spouse or life partner, offspring or parent of the Principle; or the company, institution, or other legal entity for which the Principal his/her spouse, life partner, offspring, or parent is the founder or legal representative; or with whom the Principal has an employment contract or service contract, enters a mediation transaction with a person with whom contact was established by the Broker.

### **DAMAGE LIABILITIES AND PENALTY CHARGES**

#### **Article 17**

17.1. If the Broker should breach his/her professional confidentiality obligations, the Broker shall indemnify the injured parties for the actual damage suffered as a result of the disclosure and non-professional confidentiality. It is not considered a breach of professional confidentiality if a Broker reveals information while transferring a Brokerage Agreement to another Broker. It is not considered a breach of professional confidentiality if the Broker discloses confidential information to other brokers with whom the Broker collaborates or persons whom the Broker is trying to put in contact with the Principal.

17.2. If the Principal enters into a legal transaction for which the mediation or legal transaction is different from the mediated one, and which is of the same value as the mediated legal transaction, or which achieves the same purpose as the mediated legal transaction, for the duration of the intermediary contract or within 12 (twelve) months, upon termination, with the person with whom the Broker put the Principal in touch, with the aim of depriving the Broker of the Brokerage Fees, the same shall be considered a breach of contractual obligations and a reason for terminating the Brokerage Agreement. In this case, the Principal is obliged to pay the Broker a contractual penalty in the amount of the contracted Brokerage Fee, in addition to the Commission Fees. This is due on the day of the conclusion of the legal transaction of the same value or for the same purpose as the mediated legal transaction.



17.3. If the Principal, contrary to the principle of good faith and honesty, enters into negotiations with a Third Party without the genuine intention to enter into a contract with that Party, this shall be deemed a breach of the contractual obligations and a reason to terminate the Brokerage Agreement. In this case, the Principal shall pay the Broker the contractual penalty in the amount of the contractual commission due on the day of the termination of the Agreement.

17.4. The Principal is liable for damages if he/she acts fraudulently, or withholds and/or gives incorrect information relevant for mediation activities - information which he knew or should have known. The Principal is also liable for damages caused by extreme reckless behavior towards the Broker and/or the Third Party with whom the Broker has established contact for the Principal. The described cases are deemed reason for terminating the Agreement, and the Principal is obliged to pay the Broker the contractual penalty amounting to the Brokerage Fee which is due on the day of the termination of the Brokerage Agreement.

17.5. In the event that the Broker enters into an Agreement with the Third Party for mediated legal transactions, and which the Principal has agreed to, and the Principal, after the negotiations are terminated, during the conclusion of the transaction, withdraws from the legal transactions without a justified reason or changes essential terms of the mediated contract and thus prevents the conclusion of a legal transaction, this shall be deemed a justified reason for terminating the Brokerage Agreement. In this case, the Principle shall agree to pay the Broker the contractual penalty in the amount of the brokerage fee, which is due on the day of termination of the Brokerage Agreement.

## **FINAL PROVISIONS**

### **Article 18**

18.1. The Broker reserves the right to update or change the Terms and Conditions of Use at any time and without notice.

18.2. If the Terms and Conditions of Use are updated or modified, the General Terms and Conditions that were in force at the time of entering into the Brokerage Agreement shall apply to the Principal.

### **Article 19**

19.1. The relations between the Broker and the Principal and the Third Party concerned which are not regulated by these General Terms and Conditions or the Real Estate Brokerage Agreement, shall be subject to the provisions of the Law on Real Estate Brokerage and the Civil Obligations Act of the Republic of Croatia and other applicable positive regulations of the Republic of Croatia.

19.2. The place jurisdiction for all disputes is the competent Court in Zagreb.

### **Article 20**

20.1. The General Terms and Conditions apply from 17 October, 2019.

Zagreb, 16 October, 2019.

LEONA REAL ESTATE d.o.o.