

According to Article 96 of Law on Planning and Construction (Official Gazette of Republic of Serbia No. 72/09 and 81/09), Administration for Real Estate and Inspection of City of Nis announces

**PUBLIC AUCTION
RELATED TO LEASE OF UNDEVELOPED CONSTRUCTION LAND
IN PUBLIC OWNERSHIP**

I – For the purpose of development of:

1. Structures for warehouse and service manufacturing functions with mix-use: Block A – Cadastral Parcels: 1,2,3,4,5,6; **Block B** - Cadastral Parcels: 2,3,4,5; **Block V** - Cadastral Parcels: 1,2,3,4,6,7,8; **Block D** - Cadastral Parcels: 1,2,3,4.

2. Structures for warehouse and service manufacturing functions with limited use: Block B - Cadastral Parcels: 6,7,8; **Block G** - Cadastral Parcels: 1,2,3,4,5,6; **Block D** - Cadastral Parcels: 6,7,8,9,10.

3. Shop (retail): Cadastral Parcel 11/172 with area of 520 sqm and 11/173 with area of 520 sqm, K.O. Donje Medjurovo, pursuant to General Plan of Nis 1995-2010 (Official Gazette of City of Nis No. 13/95, 2/02 and 51/07), Regulation Plan of Service and Warehouse Zones in part of Working Zone „Donje Medjurovo“ (Official Gazette of City of Nis No. 37/2001) and Decision on Implementation of Urban Plans Brought before Coming into Force of Law on Planning and Construction (Official Gazette of City of Nis No. 28/2003 and 53/2003), with total area of 9ha 85a 67sqm, namely:

Block A (7 parcels - total 1ha 95a 28sqm)

1. Cadastral Parcel: 11/123 of 4150 sqm
2. Cadastral Parcel: 11/124 of 2406 sqm
3. Cadastral Parcel: 11/125 of 2604 sqm
4. Cadastral Parcel: 11/126 of 2994 sqm
5. Cadastral Parcel: 11/127 of 3072 sqm
6. Cadastral Parcel: 11/128 of 3201 sqm
7. Cadastral Parcel: 11/129 of 1101 sqm - use: zone of transmission line protection corridor

Block B (8 parcels - total 2ha 33a 94 sqm)

1. Cadastral Parcel: 11/132 of 5546 sqm - use: zone of transmission line protection corridor
2. Cadastral Parcel: 11/133 of 2549 sqm
3. Cadastral Parcel: 11/134 of 2952 sqm
4. Cadastral Parcel: 11/135 of 4092 sqm
5. Cadastral Parcel: 11/136 of 2130 sqm
6. Cadastral Parcel: 11/137 of 2145 sqm
7. Cadastral Parcel: 11/138 of 2079 sqm
8. Cadastral Parcel: 11/139 of 1901 sqm

Block V (8 parcels - total 1ha 55a 94sqm)

1. Cadastral Parcel: 11/140 of 1833 sqm
2. Cadastral Parcel: 11/141 of 1975 sqm
3. Cadastral Parcel: 11/146 of 1731 sqm
4. Cadastral Parcel: 11/147 of 1648 sqm
5. Cadastral Parcel: 11/148 of 1403 sqm - use: zone of transmission line protection corridor
6. Cadastral Parcel: 11/152 of 2130 sqm
7. Cadastral Parcel: 11/153 of 2714 sqm
8. Cadastral Parcel: 11/154 of 2160 sqm

Block G (6 parcels-total 1ha 51a 88sqm)

1. Cadastral Parcel: 11/159 of 2801 sqm
2. Cadastral Parcel: 11/160 of 3486 sqm
3. Cadastral Parcel: 11/162 of 2545 sqm
4. Cadastral Parcel: 11/163 of 2423 sqm
5. Cadastral Parcel: 11/164 of 2043 sqm
6. Cadastral Parcel: 11/165 of 1890 sqm

Block D (10 parcels - total 2ha 38a 23sqm)

1. Cadastral Parcel:11/142 of 1886 sqm
2. Cadastral Parcel:11/143 of 1882 sqm
3. Cadastral Parcel:11/144 of 2100 sqm
4. Cadastral Parcel:11/145 of 1850 sqm
5. Cadastral Parcel:11/149 of 1566 sqm - use: zone of transmission line protection corridor
6. Cadastral Parcel:11/150 of 2834 sqm
7. Cadastral Parcel:11/151 of 2790 sqm
8. Cadastral Parcel:11/155 of 3564 sqm
9. Cadastral Parcel:11/156 of 2538 sqm
10. Cadastral Parcel:11/157 of 2813 sqm

1. Cadastral Parcel:11/172 of 520 sqm – **use: shops (retail)**
2. Cadastral Parcel:11/173 of 520 sqm - **use: shops (retail)**

**Initial amount of fee per sqm for lease of construction land equals:
- entire location „Donje Medjurovo” – the amount of 2.000,00 RSD, bid increment is 500,00 RSD.**

- separate block of cadastral parcels:

- shops – amount of 1.500,00 RSD
- Block A - amount of 1.500,00 RSD
- Block B - amount of 1.800,00 RSD
- Block V - amount of 2.200,00 RSD
- Block G - amount of 2.350,00 RSD
- Block D - amount of 2.200,00 RSD

The initial amount of fee includes lease fee and construction land development fee in ratio 40%:60%. Lessee pays the fee on the grounds of lease of undeveloped construction land, which will be determined in public auction procedure, including lease fee in the amount of 40%, and construction land development fee in the amount of 60%.

With regard to payment of fee, Lessee is entitled to grace period of 2 years, starting on the day of court verification of lease agreement (however, Lessee is obliged to pay 20% of fee determined in public auction procedure, not later than 8 days as of signing of lease agreement), and the remainder upon expiry of grace period, namely in 6 (six) equal semiannual installments, increased by consumer prices index, according to Statistical Institute of Republic of Serbia, for each installment separately.

Adjustment of the remainder will be done according to consumer price index calculated from the moment of conclusion of lease agreement to the moment installment becomes due. In case of late payments, the default interest will be applied.

As a collateral, Lessee will submit either bank guarantee or certified mortgage statement, which will serve as a legal grounds for establishing of mortgage in favor of Lessor on other real estate owned by Lessee.

The deadline for putting to intended use of construction land is between 3 to 5 years, as of the date of conclusion of lease agreement regarding offered construction land, dependant on leased property and fact whether the construction is carried out through phases or not.

II – PARCELLATION

Parcellation is done according to defined blocks and planned roads. It is allowed new parcels to be formed within the block, putting planned parcels together, with no limitations regarding the size of parcel.

III – INTENDED USE OF LAND

Structures for warehouse and service manufacturing functions with mix-use, structures for warehouse and service manufacturing functions with limited use and shops (retail), in accordance with General Plan of Nis 1995-2010 (Official Gazette of City of Nis No. 13/95, 2/02 and 51/07), Regulation Plan of Service and Warehouse Zones in part of Working Zone „Donje Medjurovo“ (Official Gazette of City of Nis No. 37/2001) and Decision on Implementation of Urban Plans Brought before Coming into Force of Law on Planning and Construction (Official Gazette of City of Nis No. 28/2003 and 53/2003).

Cadastral parcels 11/129, 11/132, 11/148 and 11/149, K.O. Donje Medjurovo, are located in the zone of the transmission line protection corridor. The objects cannot be constructed on the axis distance of the above-ground transmission lines on both sides within the width of 8-12m. This zone is intended for: greenery, parking and open warehouses.

IV - CONSTRUCTION RULES

- Zone of new construction,
- structures are positioned along planned construction line, 8.00 to 10.00 meters away from regulation line,
- commercial structures have maximum floors up to P+2 (ground and two floors),
- Allowed Land Use Index:
Construction Coefficient: 2,1
Occupancy Index: 70%

V – UTILITY LAND DEVELOPMENT

The construction land is offered as undeveloped and equipped with infrastructure (water, sewage, public roads, public light and one transformer).

If needed, pursuant to Law on Planning and Construction, investor is obliged to finance rendering of urban and technical documentation for implementation of plan documents.

VI – OBLIGATIONS REGARDING CONSTRUCTION LAND DEVELOPMENT INVESTOR:

- to order the rendering of respective urban documentation, and obtain construction permit.
- to build the infrastructure within the construction lot, parking and block development.
- Construction, that is, participating in construction of power and telephone systems, in accordance with conditions of respective utility companies.
- Fulfillment of all requirements related to environment protection.

VII - APPLICATION TERMS AND CONDITIONS

All interested natural persons and legal entities are entitled to participate in the public auction.

An investor who offers the highest rent amount for the lease of construction land is entitled to obtain respective construction land.

The lease of entire location is subject of public auction.

In case that public auction for lease of entire location „Donje Medjurovo“ prove not to be successful, that is, the best offeror is not announced, the public auction of group of blocks or single block will take place immediately.

Along with application, participant in public auction is obliged to submit an evidence of paid deposit in the amount of 10% of initial fee amount, determined in public announcement for lease of entire location, with total area of 98567 sqm, and in case of offer for single block or group of blocks, determined according to respective total area, paid to Finance Administration deposit account number: 840-564804-15, with reference number 1561-6/2009-03.

Applications for participation in public auction shall be submitted to Administration for Real Estate and Inspection of City of Nis, indicating “**COMMISSION FOR TRANSFER AND LEASE OF CONSTRUCTION LAND IN PUBLIC OWNERSHIP FOR LOCATION DONJE MEDJUROVO**”, not later than 45 days as of public announcement.

Application for participation in public auction of natural person contains:

1. Reference number for construction land and date of public auction
2. First and last name
3. Address, personal number, and signature (for foreigner nationality)
4. Statement on accepting terms and conditions of public announcement
5. Evidence of paid deposit
6. Bank account number for reimbursement of deposit

Application for participation in public auction of legal entity contains:

1. Reference number for construction land and date of public auction
2. Company and registry number
3. First and last name of director/authorized person and signature
4. Certified copy of excerpt of registration from Business Registers Agency
5. Certified copy of power of attorney regarding representation for public auction
6. Certified statement of authorized person on accepting terms and conditions of public announcement
7. Evidence of paid deposit
8. Bank account number for reimbursement of deposit

If the applicant for public auction is foreign legal entity which has company or branch registered in Serbia, the application has to be accompanied with abovementioned documents. Otherwise, foreign legal entity is, inter alia, obliged to submit evidences on its legal status, in accordance with regulations of country of origin (verified excerpt from court register, etc.).

Applicant who submitted late and incomplete application cannot get the status of participant in public auction.

The respective construction land is offered for 99-year lease period to investor who offers the highest fee amount.

VIII – The deposit will be applied toward the final price for the participant who is granted the lease of respective land, and deposit will be returned to other participants upon conclusion of public auction, with no right to any interest.

The public auction will take place on 06 April 2010 at 11 AM, in the main hall of the City of Nis Assembly, 24 Nikole Pasica Street.

Notification on the results will be delivered to participants and will be posted on bulletin board of City of Nis administration, not later than 8 days from the date of executing of deed granting construction land lease.

Upon final validity of deed granting construction land lease, and not later than 30 days as of this day, investor is obliged to enter into construction land lease agreement.

Investor who fails to enter into construction land lease agreement, as well as the investor who signed lease agreement, but the agreement is terminated due to his default, is not entitled to reimbursement of paid deposit.

More detailed information related to respective construction land may be obtained at Administration for Real Estate and Inspection of City of Nis, 24 Nikole Pasica Street, Office number 27-a, during working hours, at website of City of Nis: www.ni.rs and at website: www.colliers.com .