

COST ALLOCATION RULES

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|-------------------------------|--|----------------------------------|
| Entity: | UOA for Korunní 810 Building | Korunní 810/104, Praha 10 |
| Identification number: | 27610993 | |
| Effective from: | for the period starting on 1 January 2017 | |

Total areas and units:

| Type | Number of Units | Area [m ²] | Unit No. according to Land Register |
|----------------|-----------------|------------------------|-------------------------------------|
| Apartments | 241 | 18,421.59 | 1-127 (excl. 20,40,60); 620-736 |
| Non-apartments | 47 | 7,818.20 | 20,40,60 and 128-171 |
| Garages | 448 | 5,840.09 | 172-619 |
| TOTAL | 736 | 32,079.88 | |

Overview of cost allocation method:

| ITEM | Cost allocation method | Area (units) for billing |
|---------------------------------------|--|--|
| Waste | Based on the floor area | Non-apartments (excl. units 128 and 142) |
| | | Apartments |
| Electricity – common areas | Based on the floor area | Apartments + non-apartments |
| Water charges – cold water | 100% CC, based on consumption | Apartments + non-apartments (*excl. units in Annex A) |
| Water charges – hot water | 100% CC, based on consumption | Apartments + non-apartments (*excl. units in Annex A) |
| Hot water heating | 30% BC, based on the area for hot non-potable water / 70% CC, based on consumption | Apartments + non-apartments (*excl. units in Annex A) |
| Heating | 40 % BC based on the area for heating / 60 % CC based on consumption | Apartments + non-apartments |
| Administrative charge | Divided by the number of all units | Entire building |
| Insurance | Based on the floor area | Entire building |
| Cleaning of Building | Based on the floor area | Apartments + non-apartments |
| Cleaning of Garages | Divided by the number of garage units | Garages |
| Elevators | Based on the floor area | Entire building |
| Landscape maintenance | Based on the floor area | Entire building |
| Remuneration to Committee | Divided by the number of all units | Entire building |
| Reception and security | Based on the floor area | Entire building |
| Cleaning of external areas | Based on the floor area | Entire building |
| Accountancy of UOA | Divided by the number of all units | Entire building |
| Cleaning of external glass | Based on the floor area | Apartments + non-apartments |
| Garage operation | Divided by the number of garage units | Garages |
| HVAC | Based on the floor area | Apartments |
| | | Non-apartments |
| | | Garages |
| Cooling | 40 % BC based on the area for cooling / 60 % CC based on consumption | Selected units as per ANNEX B |
| | Based on the floor area | Selected units as per ANNEX C |
| Inspection and professional servicing | Divided by the number of all units | Entire building |
| Ordinary maintenance and repairs | Based on the floor area | Entire building |
| Operation and extraordinary costs | Divided by the number of all units | Entire building |

| ALLOCATION OF COSTS OF COMMON UTILITIES AND SERVICES | |
|--|---|
| WASTE | <p>The costs of waste are allocated according to m² of the floor area of apartments and non-apartments. Such costs may include (without limitation): collection of waste from non-apartments, handling of containers, fee for collection of municipal waste for the Capital City of Prague, and collection of extraordinary waste.</p> <p>The total cost will not include the costs of waste from non-apartments as indicated on the invoices from AVE CZ, and such costs will be allocated based on the floor area of non-apartments (excl. 128/53101 and 142/53115 – “Billa” shopping area as it ensures its own collection of waste).</p> <p>The remaining part of the total cost is divided among the apartments based on the floor area.</p> |
| ELECTRICITY – COMMON AREAS | <p>The costs of electricity of common areas are allocated according to m² of the floor area of apartments and non-apartments. Such costs include the costs of electricity consumed by elevators (these are not identified separately in the invoices issued by the electrical energy supplier), incl. the electrical energy of the elevator the consumption of which is measured inside Unit No. 147/53204.</p> <p>The consumption of electrical energy for the operation of garages (such costs will be added to the operation of garages item) and the consumption of electricity for cooling (such costs will be added to the “cooling” item) based on the sub-meters readings will be deducted from the total cost of electrical energy of common parts. The unit price for the purposes of allocation of the costs of electrical energy consumption via the common meter (substation) is calculated as follows: the total costs of electrical energy consumption in the invoiced meter are divided by the total consumption measured by all sub-meters, and the result is the unit price per 1 kWh.</p> |
| WATER CHARGES – COLD WATER | <p>The costs of cold water charges are allocated according to the actual consumption measured by sub-meters installed in apartments and non-apartments.</p> <p>The total costs will be exclusive of the costs of greenery watering, where such cost is added to the “Landscape maintenance” item.</p> <p>The table “Units without meters” contains an overview of units which do not have cold water meters and are not supplied with cold water.</p> <p>The unit price for the purposes of allocation of water/sewerage charges is calculated as follows: the total costs of water/sewerage charges are divided by the total consumption measured by all sub-meters, and the result is the unit price per 1m³.</p> |
| WATER CHARGES – HOT WATER | <p>The costs of hot water charges are allocated according to the actual consumption measured by sub-meters installed in apartments and non-apartments</p> <p>ANNEX A - table “Units without meters” contains an overview of units which do not have hot water meters and are not supplied with hot water.</p> <p>The unit price for the purposes of allocation of water/sewerage charges is calculated as follows: the total costs of water/sewerage charges are divided by the total consumption measured by all sub-meters, and the result is the unit price per 1m³.</p> |
| HOT WATER HEATING | <p>The costs of hot water heating are allocated in compliance with Decree No. 269/2015 Sb. (Coll.), where 30 % of the costs are based on the floor area (BC = basic component) and 70 % of the costs are based on the actual consumption (CC = consumption component) measured by sub-meters installed in apartments and non-apartments.</p> <p>ANNEX A - table “Units without meters” contains an overview of units which do not have hot water meters and are not supplied with hot water.</p> |
| HEATING | <p>The costs of heating are allocated in compliance with Decree No. 269/2015 Sb. (Coll.), where</p> <ul style="list-style-type: none"> • 40 % the costs are based on the floor (BC = basic component); and • 60 % of the costs are based on the actual consumption (CC = consumption component) measured by calorimeters (heat meters) installed in apartments and non-apartments. <p>Such costs include the costs of gas, production and delivery of heat, operation and repairs of the boiler room and exchange rooms, cleaning of filters, costs of operation and maintenance, administrative and production overheads, preventive inspections of the heating system, inspection and servicing, emission charges and other relating costs in compliance with the applicable decree. Such costs may also include the funds deposited in the Reserve Fund for repairs and upgrades of such technology.</p> |
| ADMINISTRATIVE CHARGE | <p>The costs of administrative charges are divided equally among all units in the Building. Such costs include (without limitation) the following services: operation of the Building under the Contract of Mandate with the Administrator, employment contracts or other similar contracts; such costs also include other costs relating to the costs of the Building Maintenance.</p> |
| INSURANCE | <p>The costs of insurance are divided among all units in the Building based on m² of the floor area. Such costs include the costs of insurance of the Building (as specified in the insurance policy).</p> |
| CLEANING OF BUILDING | <p>The costs of cleaning of the Building are allocated according to m² of the floor area of apartments and non-apartments. Such costs include (without limitation) the costs of regular cleaning of the internal areas of the Building (wages, invoicing, detergents etc.) (in accordance with the Cleaning Schedule) and any extraordinary cleaning in common areas of the Building (excl. the area of the garages).</p> |

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| CLEANING OF GARAGES | The costs of cleaning of garages are divided equally among all the garage units. Such costs include (without limitation) the costs of regular cleaning of the garage hall (in accordance with the Cleaning Schedule) and the costs of extraordinary cleaning in the area of the garages (incl. water vacuuming). |
| ELEVATORS | The costs of residential and freight elevators and platforms are allocated among all units in the Building according to m ² of the floor area. Such costs may include (without limitation) the following services: servicing, inspection and ordinary repairs, regular checks, elevator operator trainings etc. |
| LANDSCAPE MAINTENANCE | The costs of landscape maintenance are allocated among all units in the Building according to m ² of the floor area. Such costs may include (without limitation) the overall landscape maintenance (such as mowing, fertilizing, minor additional planting, greenery maintenance etc.), piscicultural works in addition to regular activities (incl. materials), irrigation maintenance, water consumed for watering etc. |
| REMUNERATION TO COMMITTEE | The costs of remuneration and other costs relating to the performance of the UOA bodies are divided equally among the units in the Building. Such costs may include (without limitation) the costs of salary/remuneration, health insurance contributions, income tax and other charges, insurance, levies and taxes (if applicable) according to the applicable legislation. |
| RECEPTION AND SECURITY | The costs of reception and security of the Building are allocated among all units in the Building according to m ² of the floor area. Such costs may include (without limitation) the costs of reception and security service in the Building. |
| CLEANING OF EXTERNAL AREAS | The costs of external areas cleaning are allocated among all units in the Building according to m ² of the floor area. Such costs may include (without limitation) the costs of regular cleaning of external areas (in accordance with the Cleaning Schedule), cleaning of snow, snow emergency service and extraordinary cleaning of external areas. |
| ACCOUNTANCY of UOA | The costs of UOA accountancy are divided equally among all units in the Building. |
| CLEANING OF EXTERNAL GLASS | The costs of external glass cleaning are allocated among apartments and non-apartments according to m ² of the floor area. Such costs may include (without limitation) the costs of regular cleaning of glass areas which are difficult to access (cleaning using ropes, ladders, platforms or from the ground) in common areas (windows, balcony glass, glass facade, glass roofs and staircases). |
| OPERATION OF GARAGES | The costs of garage operation are divided equally among all the garage units. Such costs may include (without limitation) the costs of: electrical energy, disinfestation, inspection and servicing of fire fighting system components (flaps, fans), checks and calibration of CO ₂ detectors, servicing and repairs of garage doors and gates, and any other costs relating to the operation of the garages. |
| HVAC | The costs of HVAC are divided into three different groups: |
| | HVAC – apartments – The costs of HVAC in the apartments are allocated according to m ² of the floor area of apartments. Such costs may include (without limitation) the costs of professional servicing. |
| | HVAC – non-apartments – The costs of HVAC in the non-apartments are allocated according to m ² of the floor area of non-apartments. Such costs may include (without limitation) the costs of professional servicing. |
| | HVAC – garages – The costs of HVAC in the garages are allocated among all garage units. Such costs may include (without limitation) the costs of professional servicing. |
| COOLING | The costs of cooling are divided only among the owners of the units listed in Annexes B and C. Such costs may include (without limitation) the costs of professional servicing, operation of technology and consumption of electrical energy. The allocation of costs is done according to the rules applicable for each group. For the cost allocation purposes, the units using cooling technology are divided into the following groups: |
| | a) Characteristics: The units connected to the central cooling sources with cooling calorimeters installed in the units – Annex B Costs: The total costs of the “cooling” item will not include the costs relating to the operation of the cooling engine rooms located in A/3.PP, C1/3.NP, C2/3.NP, D-E/4.NP*, i.e. the costs of professional servicing, technology operation and electrical energy consumption thereof. Cost allocation: The costs are divided into the consumption and basic components, the same ratio as for the heat is applied: <ul style="list-style-type: none"> • 40% BC (basic component is based on the floor area), • 60% CC (consumption component according to the data of the cold calorimeter). |
| | b) Characteristics: The units connected to the central cooling sources without cooling calorimeters installed in the units – Annex C Costs: The total costs of the cooling item will be exclusive of the costs relating to the operation of the engine rooms located in Building A2/6.NP*, i.e. the costs of professional servicing, technology operation and electrical energy consumption thereof. Allocation of costs: The costs will be divided based on the floor area of the units. <i>(*PP = underground floor, NP= above ground floor)</i> |
| INSPECTION AND PROFESSIONAL SERVICING | The costs of inspection and professional servicing are divided equally among all units in the Building. Such costs may include the costs of inspection and professional servicing of fire protection equipment, I&C (Instrumentation and control); low energy equipment (intercom, EPS, STA/SAT, ACS, CCTV), UPS, fixed |

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| | firefighting systems (sprinklers), hydrants, engine-generator, heavy current equipment, HVAC etc. Inspection and professional servicing do not include repairs. |
| ORDINARY MAINTENANCE AND REPAIRS | The costs of ordinary maintenance and minor repairs are allocated according to m ² of floor area among all units in the Building. Such costs may include (without limitation): <ul style="list-style-type: none"> – Costs of regular and ordinary maintenance (incl. costs of material) not provided by professional servicing companies (servicing) and/or specialized inspection technicians (inspections) – Costs of ordinary repairs – Costs of emergency services |
| OPERATION AND EXTRAORDINARY COSTS | The costs of operation and extraordinary costs are divided equally among all units in the Building. The extraordinary costs may include (without limitation) court fees, legal services, postage charges, costs of assembly meetings, one-off repairs and other extraordinary costs relating to the operation of the Building. |

ADDITIONAL RULES:

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| COSTS OF DEMAND NOTES: | The costs of demand notes are charged to the owners to whom demand notes to pay the debts were sent in the applicable calendar year in compliance with the wording of the Articles (CZK 250, accruing monthly, plus additional costs incurred, such as the costs of the letter of formal notice, legal services and re-invoicing the postage costs of demand notes sent). If a member defaults any payment of the costs of utilities within the meaning of Act No. 67/2013 Sb. (Coll.) and/or defaults any payment of the costs of Building and Land Management, despite the demand note sent, the payment of the debt, incl. interest thereof, will be sought in a judicial proceeding. The debtor is obliged to reimburse the costs of legal services to the UOA in compliance with the applicable wording of Decree No. 177/1996 Sb. (Coll.), regulating lawyers' fees and costs of providing legal services (the Lawyers' Tariff). |
| ELECTRICAL ENERGY OF NON-APARTMENTS not included in the annual billing | The costs of electrical energy of non-apartments are invoiced each month directly to the non-apartments which are connected to the common meter (substation), the total consumption of which is invoiced each month by the electrical energy supplier. A unit price per 1 kWh is calculated from the total costs and consumption, and the costs are re-charged to each non-apartment based on the consumption measured by each sub-meter(s) of such units. Meter readings are done by an authorized technician at the beginning of the month following the invoice period. The owners will be newly charged for the consumption of electrical energy of HVAC within the unit, if such consumption is not directly allocated to the owner consumption. The unit price for the purposes of allocating the costs of electrical energy supplied through the substation is calculated as follows: total costs of electrical consumption in the invoiced meter are divided by the total consumption of sub-meters, and the result is the unit price per 1 kWh. |

| Building | Delivery point specification (for units number according to the Land Register/orientation number) | Designation of sub-meters | Recalculation coefficient *** |
|----------|---|---------------------------|-------------------------------|
| A | Cooling engine room | PJ 101 | x 120 |
| | 142/53115; 128/53101 | PJ 102 | x 120 x 0,1 |
| | 142/53115 (Platform) | PJ 103 | x 1 |
| | 132/53105 | PJ 104 | x 20 |
| | 133/53106 | PJ 105 | x 30 |
| | COOLING – APARTMENTS | PJ 106 | x 40 |
| | COOLING – NON-APARTMENTS | PJ107 | x 40 |
| | 131/53104 | PJ 102.4 | x 50 |
| | 141/53114 | PJ 102.1 | x 80 |
| | 140/53113 | PJ 103.3 | x 1 |
| | 138/53111 | PJ 103.4 | x 1 |
| | 130/53103 | PJ 104.1 | x 1 |
| | 137/53110 | PJ 104.2 | x 1 |
| | 129/53102 | PJ 104.3 | x 1 |
| | 135/53108 | PJ 104.4 | x 1 |
| C | 148/53301 | PJ 1 | x 1 |
| B | 145/53202 | PJ 2 | x 1 |
| | 146/53203 | PJ 3 | x 1 |
| | 147/53204 | PJ 4 | x 1 |
| C | 151/53304 | PJ 5 | x 1 |
| C | 150/53303 | PJ 6 | x 1 |
| | 152/53305 | PJ 7 | x 1 |

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|----------|--------------------------------|------------|------------|
| B | 144/53201 | PJ 8 | x 1 |
| B | OVERHEADS KD – facade lighting | PJ 9 | x 1 |
| B, C | OVERHEADS KD | PJ 11 | x 40 x 0,1 |
| Elevator | OVERHEADS KD | PJ 12 | x 1 |
| C | Cooling C1 | PJ 13 | x20 |
| C | Cooling C2 | PJ 14 | x25 |
| D | 153/53401 | PJ 1 | x 1 |
| | 154/53402 | PJ 2 | x 1 |
| E | 159/53506 | PJ 3 | x 1 |
| | 160/53508 | PJ 4 | x 1 |
| E | 158/53504 | PJ 5 | x 1 |
| D | 155/53403 | PJ 6 | x 1 |
| | 156/53404 | PJ 7 | x 1 |
| D/E | 149/53302 | PJ 8 | x 1 |
| D/E | OVERHEADS | PJ 9 | x 40 x 0,1 |
| D/E | Sub-cooling | PJ 10 | x30 |
| Garages | Substation | Substation | x 120 |
| A | Substation | Substation | x 160 |
| D/E | Substation | Substation | x 120 |
| B, C | Substation | Substation | x 160 |

*****Coefficient for electrical energy consumption recalculation in case of indirect measurement for the meter.**

| VOCABULARY: | |
|--------------------------------|--|
| Unit: | A defined part in the Building within the meaning of Section 2 letter g) of Act No. 72/1994 Sb. (Coll.), Apartment Ownership Act, as amended. |
| Apartments: | Units registered in the Land Register with the method of use “apartment”. |
| Non-apartments: | Units registered in the Land Register with the method of use other than “apartment” or “garage”. |
| Garages | Units registered in the Land Register with the method of use “garage” or “garage parking bays”. |
| Floor area: | Total area of the unit as registered in the Land Register. |
| Common areas: | Identical in meaning with the designation “common parts of the Building”, which include (without limitation) parts intended for common use by all owners of all Units in the Building within the meaning of Section 2 letter g) of Act No. 72/1994 Sb. (Coll.), Apartment Ownership Act, as amended. For the exact definition of common parts go to the Construction Contract. |
| Water meter: | A device used for measuring the flow-through volume of water (water consumption). |
| Calorimeter: | A device used for measuring the consumption of heat for heating, or cooling (as applicable). |
| Professional servicing: | A set of procedures carried out on a regular basis in order to ensure the operability of a device or equipment which is ensured by a professional company which is properly qualified to carry out such services. Professional servicing does not include repairs. |
| Inspection: | Checks and tests prescribed by the law in order to identify the technical condition and to ensure safe operability of the equipment. Such procedures may be carried out by a professional company or a person which/who obtained required legislative authorizations (licenses) to perform such inspection and check procedures. |
| Repair: | A technological procedure or a set of procedures whose aim is to return a worn-out or otherwise damaged thing into the original, or usable or operable condition. Repair may involve replacing damaged components, adding new components or restoring the correct structure of the components (by re-assembly, bonding, welding etc.). |
| Maintenance: | A set of procedures carried out in order to ensure operational condition of a device or equipment. Maintenance does not include repairs. |
| Technology operation: | A set of procedures carried out on a regular basis in order to ensure smooth operation of technological devices which are performed by a properly qualified and trained person in compliance with all applicable safety legislation and standards. |

ANNEXES

Annex A A list of units supplied with water without sub-meters

| Building | Unit (number according to the Land Register/orientation number) | Explanation/Note |
|----------|---|---|
| A | 128/53101 | Consumption measured in another unit |
| | 129/53102 | It is supplied with CW, it uses a boiler for heating water |
| | 143/53116 | It is supplied with CW, it uses a boiler for heating water |
| B | 144/53201 | Unit without water, used and measured in another unit |
| | 145/53202 | Unit without water |
| C | 149/53302 | Unit with heating, but without a heat meter – the consumption item is added based on the floor area |
| E | 157/53501 | Consumption measured in another unit |
| | 158/53504 | Consumption measured in another unit |

CW=cold water,

Annex B Units connected to central cooling sources with cold calorimeters installed in units

| Building | Unit (number according to the Land Register/orientation number) |
|----------|---|
| A | 128/53101, 129/53102, 130/53103, 131/53104, 139/53112, 140/53113, 141/53114 |
| B | 144/53201, 145/53202, 146/53203, 147/53204 |
| C | 148/53301, 150/53303, 151/53304, 152/53305 |
| D | 153/53401, 154/53402, 155/53403, 156/53404 |
| E | 158/53504, 160/53508 |

Annex C Units connected to central cooling sources without cold calorimeters installed in units

| Building | Unit (number according to the Land Register/orientation number) |
|----------|--|
| A | 12/51112, 13/51113, 32/51132, 33/51133, 41/51141, 42/51142, 43/51143, 44/51144, 45/51145, 46/51146, 47/51147, 48/51148, 52/51152, 53/51153, 61/51161, 62/51162, 64/51164, 65/51165, 66/51166 |

In Prague, on 24 November 2016