

ANNOUCMENT OF REPEATED AUCTION

VOLUNTARY AUCTIONS

under Act No. 26/2000 Sb. as amended

Auctioneer:

PROKONZULTA, a.s., ID No. 25332953, with registered office at Křenová 299/26, 602 00 Brno
The company is incorporated in the Commercial Register maintained by the Regional Court in Brno, File B 4298
Lukáš Rychnovský: 777 948 131, e-mail rychnovsky@prokonzulta.cz
(hereinafter the 'Auctioneer')

Petitioner:

Horizont ISPL, v.o.s., ID No. 28599373, with registered office at Ostrava - Heřmanice, Koněvova 177/61, ZIP Code 713 00, insolvency administrator of the debtor RAN spol. s r.o., ID No: 00559687, with registered office at Slušovice, Veselá 228, ZIP Code 763 15
(hereinafter the 'Petitioner')

The owner of the subject of the auction:

RAN spol. s r.o., ID No: 00559687, with registered office at Slušovice, Veselá 228, ZIP Code 763 15

Auction Venue: in the PROKONZULTA, a.s. auction room, Křenová 26, Brno

Auction Date: 14th June 2017

Auction Time: 10:00 a.m.

Indication, specification and brief description of the subject of the auction: The subject of the auction is an aggregate of real estate:

- parcel No. 261 – arable land, registered area 94 m², form of protection - agricultural land resources
- parcel No. 262 - built-up area and yard, registered area 24 m²

A building stands on the parcel: No house/registration No., other buildings, without deed

- parcel No. 264/1 - other land, registered area 22.622 m², form of use - handling area
- parcel No. 264/2 - other land, registered area 1.994 m², form of use - handling area
- parcel No. 264/3 - other land, registered area 2.175 m², form of use - handling area
- parcel No. 264/4 - other land, registered area 777 m², form of use - other
- parcel No. 264/5 - other land, registered area 2.823 m², form of use - other
- parcel No. 264/6 - built-up area and yard, registered area 92 m²

The following building stands on the land: No house/registration No., other buildings

The building stands on parcel No.: 264/6

- parcel No. 264/7 - built-up area and yard, registered area 94 m²

The following building stands on the land: No house/registration No., other buildings

The building stands on parcel No.: 264/7

- parcel No. 264/9 - built-up area and yard, registered area 95 m²

The following building stands on the land: building under construction

The building stands on parcel No.: 264/9

- parcel No. 264/10 - built-up area and yard, registered area 362 m²

The following building stands on the land: building under construction

The building stands on parcel No.: 264/10

- parcel No. 264/11 - built-up area and yard, registered area 405 m²

The following building stands on the land: No house/registration No., other buildings

The building stands on parcel No.: 264/11

- parcel No. 264/13 - built-up area and yard, registered area 1.089 m²
The following building stands on the land: building under construction
The building stands on parcel No.: 264/13
- parcel No. 264/14 - built-up area and yard, registered area 88 m²
A building stands on the parcel: No house/registration No., other buildings, without deed
- parcel No. 264/15 - built-up area and yard, registered area 98 m²
A building stands on the parcel: No house/registration No., other buildings, without deed
- parcel No. 265 - built-up area and yard, registered area 434 m²
The following building stands on the land: No house/registration No., agricultural building
The building stands on parcel No.: 265
- parcel No. 266/2 - built-up area and yard, registered area 1.016 m²
The following building stands on the land: No house/registration No., agricultural building
The building stands on parcel No.: 266/2
- parcel No. 273 - built-up area and yard, registered area 1.153 m²
The following building stands on the land: No house/registration No., agricultural building
The building stands on parcel No.: 273
- parcel No. 274 - built-up area and yard, registered area 1.065 m²
The following building stands on the land: building under construction
The building stands on parcel No.: 274
- parcel No. 275 - built-up area and yard, registered area 1.593 m²
The following building stands on the land: building under construction
The building stands on parcel No.: 275
- parcel No. 276 - built-up area and yard, registered area 1.099 m²
The following building stands on the land: No house/registration No., agricultural building
The building stands on parcel No.: 276
- parcel No. 294 - garden, registered area 18 m², form of protection - agricultural land resources
- parcel No. 307 - built-up area and yard, registered area 444 m²
The following building stands on the land: No house/registration No., agricultural building
The building stands on parcel No.: 307
- parcel No. 704 - other land, registered area 1.133 m², form of use - other

all registered in the Land Registry maintained by the Land Registry Office for the Region of Zlín based in Zlín, Land Registry Zlín, for the municipality Veselá and Land Registry of **Veselá u Zlína**, deed No. 372.

The auction also includes any and all components and accessories of the aforementioned property to the extent to which the Auctioneer was entitled to use them and which are not registered in the Land Registry, i.e. exterior modifications, permanent stands of vegetation, etc.

Description: Real estate (complex) is located in village Veselá, Land Registry of Veselá u Zlína. Veselá is a larger Wallachian village with 817 inhabitants; is located in the northeastern direction of Zlín (about 11 km). The village is situated on the border between Hills of Hostýn and Highlands of Vizovice. The road of II. Class goes through Veselá village. The village has a good bus connection. The premises are made up of former production, storage and servicing (offices, dining rooms, porters) of real estates from the turn of the 1950s and 1960s. The area is largely unused. Basic security is provided. The complex is connected to all utilities. The technical condition as a whole is relatively good, but some objects show signs of neglected maintenance. The area is available on paved roads. Total land area: 41,680 m².

A detailed description of the property and its condition is included in the expert opinion, which is available upon request from the Auctioneer.

Detailed information on the auction can be found on the website of the Auctioneer: <https://www.prokonzulta.cz/drazba/areal-vesela-u-zlina-ran-spol.-s-r.o.-4984.htm>

Liens, easements and other obligations tied to the subject of the auction:

The subject of the auction is encumbered with liens under the above-mentioned deeds. According to the provisions of Act No. 182/2006 Coll., the Insolvency Act, as amended, by converting the subject, rights, claims or other assets into money during bankruptcy, the claim security of the secured creditor shall be terminated. Furthermore, the effects of the ordered execution of rulings or distraint and of issued distraint orders and other defects listed in the Insolvency Act shall be terminated to the extent they are related to the monetized assets.

These rights and notes shall be deleted from the Land Registry on the basis of the Application for Registration in the Land Registry submitted by the winning bidder after acquiring ownership to the auctioned subject and is accompanied by a confirmation of the termination of liens with notarised signature of the Petitioner.

Any and all liens and easements on the auctioned subject are registered in the Land Registry Office for the Region of Zlín based in Zlín, Land Registry Zlín, for the municipality Veselá and Land Registry of Veselá u Zlína, deed No. 372, which is available at the Auctioneer

The Auctioneer points out that there may be court rulings issued on the execution of the decision by the sale of the property or on court rulings on distraint as well as distraint orders for the sale of the property included in the subject of this auction and the record thereof may be registered in the Land Registry on the relevant deed. These decisions and distraint shall not affect the potential winning bidder; however, it is necessary to bear in mind that the deletion of these notes from the Land Registry Office may cause considerably delay.

The Auctioneer points out that the details of the subject of the auction, and in particular the description of its status, rights and obligations on the subject of auction, are given only according to the information available.

Price estimate of the auctioned

property: CZK 23.000.000

The value of the aggregate of real estate included in the auction has been determined by the expert Znalecký ústav Value Consulting a.s., expert opinion No. 172/232/2016 from 8th December 2016.

The lowest bid: CZK 25.000.000

Minimum bid increase: CZK 100.000

Auction security: CZK 2.000.000

Date, time and place of the inspection of the auctioned subject:

The inspections of the auctioned subject shall take place on the following dates and always at the site, with the participants meeting in front of the compound entrance at Veselá 228, Veselá 763 15. A person authorised by the Auctioneer shall arrange for the inspection and provide specific information. The participants are requested to provide a valid ID upon request of the authorised person and then shall be registered on the list of the inspection participants. Considering the nature of the compound, the participants shall only move as a part of a group or accompanied by an authorised person and must wear appropriate clothing and footwear.

First inspection on 22nd May 2017 at 3:00 pm.

Second inspection on 5th June 2017 at 11:00 am.

General information about the auction:

Auction participants pay no admission and have free access to the auction site at least 30 minutes before its commencement. Other persons may attend the auction as guests. Guest admission for the auction is CZK 100 per person per day. After documenting identity or submitting authorisation to act on behalf of an auction participant and confirming the auction security payment in accordance with this Auction Notice, the auction participants shall sign the list of auction participants and submit or sign in person an affidavit stating they are not individuals excluded from the auction. By signing the list of auction participants, they thereby agree with this Auction Notice and shall abide by its provisions and the guidelines of the Auctioneer and auction agent. Furthermore, their signature confirms that

they have paid the auction security in full and by the specified deadline, they have accepted their auction number and undertake to pay the auctioned prices if they become the winning bidder.

The auction shall commence with the auction agent's opening statement and shall continue with calling out the bid. The call-out includes the indication and description of the subject of the auction and its estimated or determined value, information about rights and obligations over and connected to the subject, if having any significant influence on the subject, information about lease agreements, the minimum price and the minimum bid increment. When prompted, the auction participants submit bids by clearly raising their auction number and calling out their bid. If there is no higher bid made by one of the auction participants after the auction agent calls out twice, the auction agent shall announce the last bid once more.

After this third call, the auction agent shall grant the hammer price to the highest bidder. This auction participant is bound by their bidding. The auction concludes by granting the hammer price. All bidding shall be made in Czech and the CZK currency – Czech crown.

Auction participants:

The auction participants shall be legally competent persons (persons can be represented by a representative under a power of attorney with a notarised signature). They cannot be persons not permitted to acquire ownership rights to the subject of the auction, persons in bankruptcy or who were denied an insolvency petition because their assets cannot cover the costs of the insolvency proceedings, for three years from the legal effect of such decisions; no person shall bid on their behalf.

Furthermore, they cannot be persons whose winning bid would prevent, restrict or disrupt economic competition and whose acquisition of ownership rights would violate Section 295 of Act No. 182/2006 Coll.

Auction participants must not be persons who have not paid the auction security or insufficiently confirmed its payment upon registration at the latest, a winning bidder who aborted an auction with the same subject by the same auction agent, the employees of the Trade Office and Ministry of Regional Development assigned to oversee the auction, the Auctioneer organizing and conducting the auction, persons who are the Auctioneer's statutory body or members of its statutory or other body, the auction agent, the Auctioneer's employees, the bankruptcy asset administrator, the insolvency administrator, the liquidator or the administrative receiver, if they are the auction Petitioners; no person shall bid on their behalf.

The auction participants must also not be persons connected to one of the persons listed in Section 3(5) of Act No. 26/2000 Coll. as a related person, business partner, controlled person or person with whom they form a concern; no person shall bid on their behalf.

Auction security:

Auction security payment

The auction participants are required to deposit auction security:

- a. by bank transfer to the Auctioneer's bank account No. 4200801118/6800 with Sberbank CZ, a.s. with the participant's 'personal ID No.' (natural entity) or 'company ID No.' (corporate entity) as the variable symbol.

The auction security payment is confirmed by a bank account statement of the auction participant confirming the debited amount and corresponding to the amount of auction security determined herein, credited to the Auctioneer's account.

- b. by a cash deposit to the Auctioneer's bank account No. 4200801118/6800 with Sberbank CZ, a.s. with participant's 'personal ID No.' (natural entity) or 'company ID No.' (corporate entity) as variable symbol. The auction security payment is confirmed by a bank receipt confirming the paid amount and corresponding to the amount of auction security determined herein, credited to the Auctioneer's account.
- c. Given the amount of the auction security, a payment in cash is not permitted.
- d. in the form of a bank guarantee – the terms and conditions must be consulted with the Auctioneer. The deadline for bank guarantee submission is on 13th June 2017 at 4:00 p.m. at the Auctioneer's headquarters. The time for the auction security payment begins on the date of the announcement at the Central address and ends with the commencement of the auction, excluding the option of a bank guarantee, as stated above. Auction security payment confirmation must be submitted upon registration on the list of auction participants preceding the auction. Auction security payment by credit card or check is not permitted.

Auction security refund

After the auction, the unsuccessful bidders shall be refunded their auction security by a transfer to their account or in cash, if it had been paid in cash. It is therefore necessary to inform the Auctioneer of the bank account to which the auction security shall be returned, otherwise it shall be refunded to the bank account from which it was transferred. If it was in a form of a bank guarantee, it shall be refunded in the same way.

Right of first refusal:

Persons with a right of first refusal to the subject of the auction shall present the Auctioneer with the originals or certified copies of documents under which these rights were created by the commencement of the auction.

Payment of the auction price:

The winning bidder is the auction participant with the highest bid under which the hammer price was granted. The winning bidder is required to sign the auction report immediately after the auction has ended.

The auction security and interest shall be counted toward the payment of the auction price.

Under Act. No. 26/2000 Coll., the winning bidder shall pay the auctioned amount to the Auctioneer immediately after the auction has concluded.

If this amount exceeds CZK 500,000, then no later than 14th August 2017, inclusive.

The auctioned amount shall be paid to the Auctioneer's bank account No. 4200801118/6800 with Sberbank CZ, a.s. by bank transfer, deposit or in cash with the bidder's 'personal ID No.' (natural entity) or 'company ID No.' (corporate entity) as variable symbol.

The auctioned amount may not be subsequently reduced. The auctioned amount may not be paid by offsetting. Payment by bill of exchange, credit card or check is not permitted. The auction itself shall be free for the winning bidder, excluding the costs associated with the handover and receipt of the auctioned subject, as stated below.

Transfer and certification of ownership:

If the winning bidder pays the auctioned amount by the specified deadline, the ownership of the auctioned subject shall be transferred to the bidder as of the time of granting the hammer price. Otherwise, the ownership rights cannot be transferred to the winning bidder and the auction is aborted on its account.

The Auctioneer shall issue to the winning bidder who acquired said ownership without undue delay two written copies of an ownership confirmation for the auctioned subject and the documents necessary to apply for registration of the ownership of the auctioned subject in the Land Registry. Unless the subject is movables, the Auctioneer's signature on the ownership confirmation must be notarised.

Aborting the auction by the winning bidder:

If the auction is aborted by the winning bidder or if the auctioned subject is auctioned off to a person excluded from the auction, the auction security paid by the winning bidder is used to cover the costs of the aborted auction. If the auction recurs, the rest of the auction security paid by the winning bidder who had aborted the auction is used to cover the new auction.

After covering the costs of the former and recurring auction, the winning bidder who had aborted the auction shall receive the remaining money. Upon the Auctioneer's request, the winning bidder who had aborted the auction shall cover the part of the auction costs not covered by the paid auction security. This also applies to the costs of the recurring auction taking place due to the abortion of the former auction by the winning bidder.

Terms and conditions for the handover of the auctioned subject:

If the winning bidder acquires the ownership of the auctioned subject, the Auctioneer shall handover the auctioned subject together with the documents confirming ownership and which are necessary for exercising rights to the subject without undue delay.

The subject shall be transferred to the bidder by the deadline determined by agreement between the bidder and the Auctioneer, after the payment of the rest of the auctioned amount and after covering the costs of handover and takeover of the auctioned subject. These costs shall be charged upon the handover of the auctioned subject and will not exceed CZK 13 000. These costs include VAT at the statutory rate, and the Auctioneer shall issue a proper tax document for this amount as soon as the bidder conducts the payment. The winning bidder shall pay the amount using

the same account used to pay the rest of the auctioned amount. The Auctioneer shall draw up a handover report according to Act No. 26/2000 Coll., as amended.

Risk of damage, liability for defects:

The risk of damaging the subject of the auction passes from the Petitioner to the winning bidder on the day of the handover of the auctioned subject. If the bidder is behind in the takeover of the subject, the bidder shall bear the risk. The bidder takes over the subject of the auction “as is” and can therefore seek compensation for defects whose absence was expressly assured. The Petitioner guarantees the characteristics of the auctioned subject and is responsible for its defects to the extent determined herein.

Handover of the auctioned subject:

Unless determined otherwise herein, the winning bidder is obliged to take over the subject of the auction in writing within 5 business days after the rest of the payment for the subject was made.

If the winning bidder does not take over the auctioned subject by this time, it is assumed that the handover and takeover of the auctioned subject was conducted upon the payment of the rest of the auctioned amount. The benefits (e.g. rent) arising from the subject of the auction belong to the Petitioner until the date of the payment of the rest of the auctioned amount (inclusive). The winning bidder shall be entitled to the benefits beginning the following day.

Tax aspects and fees:

The winning bidder shall pay the property acquisition tax and related charges. The tax base is the auctioned amount.

In Brno on 3th May 2017

Auctioneer PROKONZULTA, a.s.