

# Client Change Management Rules

## Hvězdová Residence

Future Seller and Future Buyer have mutually agreed on the principles of possible application of the requirements of client changes (hereinafter also referred to as "CC") according to these rules of client changes.

### 1. Applying client changes

The condition for starting negotiations with the Client on client changes is a duly concluded "Agreement on future purchase agreement" (hereinafter referred to as "AoFPA") for the relevant residential or non-residential unit, and also paid (agreed in the AoFPA) advance payments from the Future Purchase Price including VAT. The amount of the minimum necessary paid payment is determined according to the CC category.

The Client is allowed to resolve client changes in accordance with these rules, provided that the request is resolved in the form of processing and signing the Protocol on Negotiation of Client Changes (hereinafter "PC") and paying the relevant fee for processing CC to the bank account prescribed in PC, and it must be made within a time limit which is acceptable in terms of implementation.

### 2. Principles of client changes

The Future Buyer may require only such CC, which will not interfere with the perimeter walls, ceilings, statics of the building, vertical distribution of all media, fire protection measures, and will be without any impact on the external appearance of the building and common parts of the building.

In exceptional cases, e.g. when connecting or dividing housing units, it is possible to intervene in load-bearing structures (only on the basis of the consent of the designer and structural engineer). In some cases, there may be, for example, a change in the building permit, etc. The Future Buyer shall pay all costs and fees associated with the client change.

Due to the overall organization of the construction, it is not possible for the Future Buyer to ensure the supply of materials necessary for the execution of the CC outside the system of the general contractor of the construction and selected subcontractors during the construction of the building. All works and deliveries are performed by this contractor, who will ensure the complete implementation of the relevant CC.

CC must not devalue, limit or otherwise disadvantage other adjacent units and premises and must be in accordance with applicable laws, decrees and standards.

### 3. Client change categories

Client changes are divided according to the nature and complexity of the change into three categories, marked **CC-A**, **CC-B** and **CC-C**. The individual categories have a set amount of non-refundable financial compensation in the form of a processing fee. This fee already includes the processing of the CC project documentation. The prospective buyer is entitled to request changes corresponding to the given CC category and lower categories.

#### 3.1. Client change CC-A - processing fee CZK 5,000 without VAT.

For this CC, a paid advance payment from the Future Purchase Price of the apartment in the minimum amount of 10% is required.

This is a client change without interfering with the layout of the unit. The subject of this category are individual requirements for the exchange of individual items of the quality standard, for which the Future Purchase Price according to AoFPA is calculated. Upon agreement, it is possible to replace the client's preferred products from the range of selected subcontractors (floor studio, bathroom studio, etc.), which are commonly available and architecturally compatible with the project. This category mainly includes requirements for changing floor coverings and tiling, interior apartment doors (without changing the size of the door opening and changing wiring), replacement of end sanitary fittings (without changing installations and wiring) from variants of standards and above standards of the Future Seller, or the contractual partner(s). When choosing above-standard variants, the balance budget of the apartment is issued and the amount of the surcharge is additionally calculated. The balance budget is the difference between the prices of non-standard and standard items.

**3.3. Client change CC-B - processing fee CZK 10,000 without VAT.** For this CC, a paid advance payment from the Future Purchase Price of the apartment in the minimum amount of 10% is required.

This involves a change in installation and wiring and positions of their end elements, non-standard solutions for preparing installations for the kitchen, partial modifications to the layout of the apartment, which are completely without interference with vertical and horizontal load-bearing structures, statics, fire protection, vertical wiring of all energy, etc. Client change CC - B contains changes already mentioned above in client change CC - A.

**3.4. Client change CC-C - processing fee 50,000 CZK without VAT.** For this CC, a paid advance payment from the Future Purchase Price of the apartment in the minimum amount of 10% is required.

These are changes which, by their nature, require an individual approach to their solution and processing. This category includes, among other things, the merging (division) of two or more apartments with subsequent modifications to the layout and all changes requiring consultations and opinions of structural engineers, specialists, etc. These are modifications such as replacement - extension - shortening - removal of partitions and / or door opening - also includes the necessary modifications of installation networks caused by these changes, etc. Upon agreement, it is possible to replace the client's preferred products from the range of selected subcontractors (floor studio, bathroom studio, etc.), which are commonly available and architecturally compatible with the project. The same system as for CC-A and CC-B applies to these changes. Only those CC will be solved, which will have no impact on the external appearance of the building and common parts of the building. The Future Seller decides whether a CC implies inadmissible intervention.

#### **4. Deadlines for applying client changes**

In the event that the Future Buyer is interested in applying the client changes, it is desirable that he starts their discussion immediately after the conclusion of the AoFPA. Future Buyers must respect the latest deadlines for the application of client changes due to the link to the degree of construction in progress.

The Future Buyer must inform the Future Seller about the current possibility of applying a specific category of CC. The Future Seller will check the situation in relation to a specific apartment with the general contractor of the construction.

In general, however, it is necessary to agree on CC and make payments according to point 5.5 in due time:

CC-A: 60 days before the implementation of tiling, paving and floors on the construction site

CC-B: 45 days before the implementation of masonry structures on the construction site

CC-C: 45 days before the start of concreting the ceiling above the 1<sup>st</sup> floor

If the Future Buyer fails to discuss their request for a client change within the deadline from the point of view of the implementation process acceptable and / or subsequently fails to execute the Price Offer for client changes to the unit standard and / or fails to pay the specified payments within the set deadlines, the housing unit in question will be realized according to the quality standard, which is an annex to the AoAFP.

## **5. Procedure for negotiating, valuing, implementing and billing CC**

**5.1.** The changes will be specified in the “Protocol on the discussion of client changes” (hereinafter “PC”) and its annexes taking into account the Client’s requirements. PC must be approved by the Client (each sheet of the protocol and its annexes shall be signed). This applies to all categories of CC.

**5.2.** After signing the PC, the Future Buyer shall pay a non-refundable financial payment in the form of a fee for processing the CC in the amount prescribed for the CC category, into which the summary of changes by its nature is included, to the prescribed bank account no later than 5 working days. Without payment of this non-refundable fee, CC will not be processed in terms of design and CC will not be valued.

**5.3.** Based on the Client’s requirements specified in the CC and its annexes, the Client will prepare the necessary CC documentation and a CC valuation will be performed. The valuation must cover all costs necessary to realize the required CC and according to the exact specification of CC. The Future Buyer acknowledges that CC negotiating may be done directly with the Future Seller’s business partner. The construction contractor will process the pricing of the required changes, which are listed in the client change protocol. The pricing for the Future Buyer will include all costs necessary for the implementation of the required CC, including a fee and a coordination surcharge for the processing of CC, which is 15% of the total price.

**5.4.** After processing the price offer, the Future Buyer will be immediately invited to discuss this offer and to make a final statement. The Future Buyer is obliged to accept or reject the price offer in writing and submit this statement to the Future Seller, but no later than within three working days of receiving the price offer.

**5.4.** Deductions of individual items when changing, in particular, floor coverings and tiling, interior apartment doors, final sanitary fittings and other elements of standard equipment will be calculated from the agreed prices between the Future Seller and the General Contractor.

**5.5.** In the event that the Future Buyer agrees with the submitted price proposal of the relevant CC, this Price Offer for client changes to the unit standard (hereinafter referred to as the “Price Offer”) will be mutually agreed in writing within 5 working days at the latest. This Price Offer, including appendices, becomes an integral part of AoAFP. If the Client does not sign this Price Offer within 5 working days of receipt, the Contractor has the right to perform the unit in the standard finishing.

Based on the signed Price Offer, the Future Buyer is obliged to pay 100% of the agreed price for KZ to the prescribed bank account under the agreed variable and specific symbol no later than within 7 working days from the signing of the Price Offer.

**5.6.** Based on the timely payment, an Implementation Order (hereinafter “IO”) will be issued for the actual execution of the client change.

In the event that the price for CC is not credited to the prescribed bank account within 7 working days from the signing of the Price Offer, the change will not be implemented and the non-refundable processing fee will be forfeited.

**5.7.** In the event that the Future Buyer does not agree with the price offer and withdraws from the client change for this or any other reason, the non-refundable processing fee will be forfeited.

**5.8.** In the event of withdrawal of the Future Buyer from the AoAFP, all costs related to bringing the housing unit back to the original quality standard will be included in the final statement.

**5.9.** Each additionally required CC will be solved and assessed separately according to these rules, including the obligation to pay a non-refundable financial payment, i.e. the processing fee.

**5.10.** Any deductions meaning a negative final price of CC will be the subject of the final settlement of the additional payment of the Future Purchase Price.