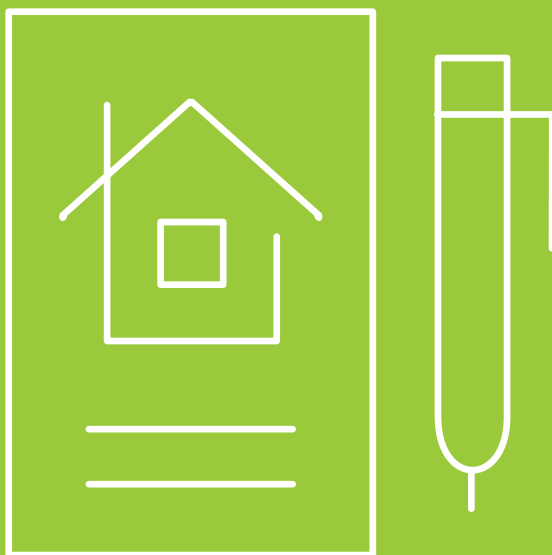




# METRODOM

A LEGJOBB OTTHON



## CUSTOMER GUIDE



# DEAR CUSTOMER,

Thank you for your interest in our company, Metrodom, and in the properties we have built and will be building! We hope you will find an apartment that meets your requirements, and that, as our customer, you will be satisfied with the purchased property and with our company's services in every respect.

Buying property is always a major step, if only because of the amount of money being spent. One does not buy property everyday as a routine task. You will certainly have a number of questions to ask and difficult decisions to make both before and after signing the contract. This holds true especially when you buy property in a foreign country and the contracts are made and procedures conducted in a language foreign to you.

We hope that you will find plenty of information in this guide on the topics you are interested in, as well as answers to a lot of questions you may not have even asked yet! We suggest that if you seriously intend to make a purchase, you read this guide carefully in order to avoid any unpleasant surprises or disappointments later on due to unknown rules or regulations.

We have tried to draw up this guide in a simple and easy-to-understand way, using as few legal expressions as possible. The information presented here includes points that are specific to our company as well as general rules related to new-build property purchases in Hungary, also useful if you end up buying your apartment from another Hungarian company. We suggest you consult our property advisors with regards to any specific figure or data, as the stamp duty and tax regulations tend to change quite often (see our website [www.metrodom.hu](http://www.metrodom.hu) for the latest prices and information.)



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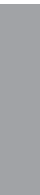
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## **ANNEX**



# OUR COMPANY, METRODOM

**Metrodom began operations in Hungary in 2012, Metrodom Kft. was established that year. With the expansion of activities and the increase in the number of projects, the number of Metrodom companies further grew and Metrodom Group came to exist. Metrodom is owned by several international companies (Wildetio Limited, Nevali Enterprises Limited, Darvon Holding Limited, etc.) engaged as investors primarily in real estate development projects in the Central Eastern European market.**

**Metrodom has since become one of the largest new build property developers in Hungary. We offer a wide selection of property and build houses from various sized apartment buildings to entire residential complexes of thousands of apartments. Metrodom currently employs over 100 staff directly and secures the livelihood of hundreds of families through subcontractors.**

## **1.1 SALES**

Our property advisors will be happy to help you with regard to the presentation and selection of our properties to the signing of the contract. Should you need any document, floor-plan or other information, or wish to inspect a construction site or a home, they will always be at your service. Our property advisors speak intermediate level English and will be able to provide information on the purchasing process and the piece of property in that language. Sales contracts and technical descriptions are available in English, the other documents however (especially permits and certificates issued by the authorities) are only available in Hungarian. You can find the contact details of our property advisors on our website, <http://en.metrodom.hu/sales>

Please note that you need to contact only one of our property advisors: every advisor will give you the same information; no one of them will tell you more information or give you a better offer than the other, whereas if you contact more than one advisor at the same time (which the advisors can see), they might easily think you are already being dealt with, in which case you might not get an answer to your questions, or you might get the answers late. The property advisor will assist you until the signing of the contract, following this, a

customer service staff will take care of issues related to your purchase.

## **1.2 CUSTOMER SERVICE**

Following the signing of the contract, our customer service staff will be there to help you with all remaining matters. Contact details of our customer service department are available on our website, or else simply call (+36 1) 919 3305, (+36 1) 919 3326, (+36 1) 9193290 or (+36 1) 919 3295! Our customer service staff will record your payments, make arrangements for the handover of the property, and if necessary, take part in the related bank administration, and are also responsible for handling any problems or possible complaints that may arise, so if you have questions or problems please get in touch with them first! Like the property advisors, our customer service staff will be at your service communicating in English, spoken or in writing. All of our houses have their own dedicated administrator, who knows the house from top to bottom and is also very familiar with our customers buying property there, so you will always be talking to the same, competent person.

## **1.3 TECHNICAL CONSULTATIONS**

Following the purchase, certain modifications can still be made. Tiles, interior doors can be selected or premium products requested. Metrodom's technical consultations team will assist you making your selections, for contact details please refer to our website at <http://en.metrodom.hu/tech-con>. Detailed information is available on technical consultations in Chapter 6.

## **1.4 METRODOM'S GENERAL CONTRACTORS**

All of Metrodom's residential buildings are built by one of its own general contractor, Metrodom Kivitelező Kft. or Metrodom Építő Kft, which guarantees high-quality work and ensures that deadlines are kept. The employees of the general contractors have a decade's worth of professional experience in building residential property, and the construction managers in charge of building the houses have successfully managed the construction of apartment buildings consisting of hundreds of units.



Our customers do not get into direct contact with representatives of the contractor during the purchase process, nevertheless the contractor provides warranty services. More information is available in Chapter 12

## **1.5 THE LAW OFFICE**

We have assigned Kocsis és Társai Attorneys-at-Law to draw up the bi-lingual contracts in Hungarian and English, see to the Land Registry Office procedure, establish the apartment building and register the title to the property. The contributing solicitors and articulated clerks are not, we should emphasize, employed by our company: they carry out their work on behalf and in the interests of both parties. Should a conflict of interest arise between the parties, or should the parties become embroiled in legal action, then they will not participate in that; they will not represent either of the parties against the other.

Nevertheless, our customers can involve their own lawyers to help prepare the contract or to participate in coordinative discussions at any point, and we will be happy to cooperate with them in all such matters.



# WHAT YOU NEED TO KNOW ABOUT NEW-BUILD APARTMENTS

## 2

**When looking for a residential property, the first question is always the same: used or new? The price difference between a used and a new-build apartment of the same size and in the same location can be rather high. It is therefore important to thoroughly examine offers appearing to be a bargain as there always is a reason for “good” prices. There is a single, albeit rather powerful argument in favor of used property: they are certainly cheaper than similar-sized new-build homes in a similar location and with similar orientation. There are, however, a number of arguments in favor of new-build homes, most of which can be measured in Forint terms as well. Though by no means a complete list, here are 17 arguments in favor of new-build homes.**

### **2.1 STAMP-DUTY DISCOUNT**

When purchasing a new-build home in Hungary, the buyer is entitled to a substantial discount off the stamp duty: there is no stamp duty to be paid on the first HUF 15 million (about EUR 50,000) of the purchase price of new-build homes, which means you can save HUF 600,000 (about EUR 2,000) in the case of an apartment with a price tag of HUF 15 million. In the case of more expensive homes, costing up to HUF 30 million (about EUR 100,000), the buyer must pay 4% duty on the part of the purchase price in excess of HUF 15 million. The full stamp duty is payable only for new-build homes worth more than HUF 30 million, so the stamp duty discount is also applicable if you would like to purchase a studio or a one-bedroom apartment for investment purposes.

### **2.2 FAMILY HOUSING SUPPORT PROGRAM (CSOK), INTEREST-SUBSIDIZED LOANS**

The state also supports new-build purchases, with eligibility for such support usually depending on apartment size, energy class and the number of children. The provisions of CSOK can potentially reduce the price of an apartment by millions of Forints and the benefits of interest subsidy manifest themselves in the discounted monthly instalment payable on the loan. Since the relevant legal regulations are rather complicated and tend to change often, it is worth enquiring

about eligibility and the specific amount of the support at major banks (OTP, FHB, etc.). These subsidies are not only available to Hungarians, but also to citizens of the European Union, but not to nationals of third countries.

## **2.3 EASIER ACCESS TO CREDIT**

It is easier to get a loan for a new-build home – particularly from the project-financing bank – than it is for a used home. You will not be faced with the unpleasant surprise that the valuer assesses the value of the home at 60% of the actual purchase price after the transaction, and you will not need to buy an expensive insurance policy for the property as security for the loan as all of our buildings are insured. Should any problem arise in the course of taking out the loan, you can always count on the assistance of our customer service staff who will contact your loan administrator directly and forward to him the deed of foundation of the apartment building or other required documents, saving you a lot of time and effort. In case you are not a Hungarian national and your income also comes from another country, you are strongly advised to make preliminary enquiries regarding loans.

## **2.4 LEGAL SECURITY**

In the case of a new-build apartment, there will be no surprises in relation to the title deed, there is no chance of there being any outstanding, problematic ownership issues, and you do not have to worry about swindlers either. The sale transaction will be arranged by a highly-experienced law office that specializes in property law, and whose work will only be completed when your title to the property is registered.

## **2.5 AN APARTMENT BUILDING WITHOUT ANY LEGAL OR FINANCIAL PROBLEMS**

Like cooperatives, condominiums operate as single units in Hungary, they have their own supervisors (the common representative), proprietorial supervisory bodies (audit committee) and general meetings composed of the owners. Just like in the case of companies, the operations and diligence of condominiums can vary to a large extent from

building to building, some are successful while others may be badly managed, may even go bankrupt. There is nothing to be worried about the “past life” of our newly established apartment buildings, as they start off with a completely clean sheet. You can be sure that the house is not indebted and is not the subject of litigation from the neighbors or residents – and you will certainly not get a letter after you have moved in from the joint representative asking you to urgently provide a few hundred thousand forints because the elevator, the roof or the gas pipes are old or are in a dangerous state of repair.

## **2.6 LOWER MAINTENANCE COSTS**

Hungary is a member state of the European Union therefore the energy performance requirements of the EU are applicable also in Hungary. Thanks to heat insulation that meets higher standards than the mandatory requirements (our houses have “CC – State-Of-The-Art” energy performance certificates) and to the house’s central heating system, you will not have to pay high heating bills, and there is no need to contend with costs of repairing and maintaining the boiler or gas convectors either. Thanks also to individual heat and water meters, you will only have to pay for what you actually consume, and the communal charges will not be inflated by items such as high renovation-fund contributions.

## **2.7 MODERN, INEXPENSIVE HEATING AND HOT WATER SUPPLY**

In our houses, heating and hot water supply are provided by central gas-fueled boilers. This is one of the most cost-efficient solutions available, and it is also the most convenient for residents. Within the apartments, the temperature in each room can be adjusted to your own preferences using smart home integrated thermostats, the meters in the corridors can be read without disturbing the owner, and everyone pays according to what they consume – a convenient and economical solution.

## **2.8 HIGH-QUALITY BUILDING MATERIALS AND CONSTRUCTION WORK**

In the case of a new-build home, not just the apartment, but the building itself is also brand new, including the walls, the

heat and water insulation, the roof, the staircase, the pipes and wiring, the lifts – everything. Here there is no need to worry, as you do when buying an apartment “renovated for sale”, about what you might find underneath the fresh coat of paint. And everything is not just brand new, but high-quality and modern as well. The materials used are all European made brand-name products with the required certificates, so you will not have to contend with the hassles of frequent pipe breakages, lifts that are out of order, warped window frames, or creaking parquet floors, as you might in older buildings.

## **2.9 METRODOM GUARANTEE+ - EXTENDED GUARANTEE**

We provide a fully comprehensive guarantee on our buildings and apartments for three years from handover, which is honored by our general contractor. The guarantee does not just cover external features of the building – we guarantee the quality and operation of the covered parts as much as the visible ones. This guarantee covers not only the apartment, but the entire building, the common areas, as well as the engineering and electricity systems, including the boilers, the paneling, the flooring and the roof – virtually everything. Our Metrodom guarantee+ service offers even more. In addition to the comprehensive guarantee coverage, we also provide emergency assistance and repair services for unexpected events not normally covered by insurance, such as a broken key stuck in the lock. A free insurance policy covering moveable property in the apartment is also part of our service, not only offering protection against technical problems or accidents but also damages arising out of burglary. (See more in Chapter 13.)

## **2.10 HIGH-QUALITY LIVING AREA AND QUALITY OF LIFE**

This is one of the most difficult aspects to quantify, but nonetheless one of the most important: we feel entirely differently in a new building and a new apartment than we do in an old one; it is like stepping out of a thirty-year-old vehicle into a brand-new car, fresh from the showroom. All the little problems – the broken mailbox, the dirty bins, the loose tiles in the corridor, the pipelines making gurgling sounds, the grated apartment doors fitted with half a dozen

locks, we could literally go on for pages – suddenly disappear. Of course, it is very easy to get used to the change, after a short while we hardly notice it – that is, until we visit an old building again. No wonder those who bought a new apartment will often insist on a newly or recently built property when moving again.

## **2.11 GOOD COMMUNITY**

New-build homes are bought by people who have above-average standards with regards to themselves and to their environment. In our buildings, you will not find any graffiti on the walls, dog muck in the lifts, or corridor doors with broken glass panes in them, and you will not have to listen to drunken neighbors bawling at night. Here you will find a genuine community of residents: people keep a look-out for each other and the house, and there are far fewer problems when it comes to payment of the communal charges than there are in an average house.

## **2.12 A NEW-BUILD APARTMENT IS GOOD INVESTMENT**

Buying new-build property is a good investment, especially at the beginning of constructions as the value of the property increases some 10-15% by the time construction completes. In the course of a year or two this increase is significant, especially that only 20% of the purchase price is payable upon the signing of the contract. Buying new-build apartments is also good investment in the long run as they hold their value and can easily be rented out or sold any time.

## **2.13 CUSTOMIZABILITY**

In the case of pieces of property purchased in the early phases of construction, you can customize the apartment to your own taste at no extra cost: you can choose the color of the doors and the parquet floor or select from the types of wall and floor tiles on offer, and you can also choose which way the doors will open or where the wall-sockets will be. For an additional charge, you can choose from an even wider range of options in order to put together a genuinely custom-built home.

## **2.14 CONVENIENCE SERVICES IN THE BUILDING**

While in old houses services are usually limited to weekly cleaning, new houses, thanks to the relatively high number of units, can afford, besides regular professional cleaning, a caretaker, a gardener and, if the residents choose to have one, a 24-hour reception service. As a result, the house and the garden are always clean and tidy, with no burnt-out light bulbs, blocked gutters or broken locks. Additional services, such as playgrounds, storage for pushchairs and bicycles, gym and baby playroom, are also available in our buildings free of charge to our customers – please ask our property advisors about these!

## **2.15 CAREFULLY CONCEIVED DESIGN; PRACTICALITY AND COMFORT**

New buildings and apartments must meet the effective, stringent and detailed building regulations, and they go far to take into account residents' expectations that were still not self-evident as little as a decade or two ago. In a new house, you do not have to carry your baby's pushchair up the stairs, stumble along dark, badly lit corridors, or put up with people peeping into your living room or kitchen from the corridor – and there is a designated place for washing machines and dishwashers. New houses are far safer, more ergonomic, practical and easier to live in than buildings constructed many decades ago.

## **2.16 SECURITY OF PROPERTY**

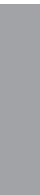
This issue, which is a serious problem for residents of old buildings, is virtually unknown in our houses, as the steel-framed, steel-plate security doors we use are practically burglar-proof and quality-assured by the Hungarian insurers' association, MABISZ – so unless you leave your house key under the doormat, you do not need to worry about burglars. And those of our houses that have security-camera system, a reception service or a security guard are given a wide berth by even the most ambitious of burglars.

## **2.17 SMART HOME SYSTEM**

Each Metrodom apartment is equipped with a modern smart home system controlling lighting and heating. The open



system can be then expanded and complemented as required by our customers, who can also request Metrodom's assistance to implement such upgrades. If you already know that you will want products requiring 230V power feed, such as a surveillance camera or power shades, the required additional electricity endpoints can be ordered at the first round of technical consultations. Metrodom does not undertake to procure, mount and install additional smart products and accessories, such products may be ordered from the supplier of the system or from other contractors following the takeover of the property.



# WHAT QUESTIONS FROM NEW-HOME BUYERS

# 3

**Despite the many positive arguments, there are some serious concerns that tend to arise in relation to the purchase of new-build homes. In the past decades, many foreigners who bought apartments in Hungary have been disappointed by the quality of the purchased property, the deadlines, the services promised, and the guarantee, with the responsibility for this borne in most cases by the property developer and the general contractor. Consequently, the most important rule when buying a home – just as when buying a car – is to check who you are buying from! Below, we have compiled the most frequently expressed concerns of foreign buyers, and have answered them.**

## **3.1 WHAT IS THE GUARANTEE THAT THE COMPANY WILL COMPLETE THE CONSTRUCTION PROPERLY?**

Metrodom's houses are built using bank financing. This means that the construction work is financially independent from sales, buyers' payments and the external financial environment. Financial resources required to build our houses are provided by major Hungarian banks (FHB, OTP, etc.), so no construction project will come to a halt for lack of funds. Furthermore, as our general contractor only undertakes works for Metrodom subcontractors are also financially secure and will not suffer losses due to non-payment on the part of another general contractor.

## **3.2 WHAT GUARANTEES THE SECURITY OF BUYERS' PAYMENTS?**

In the case of bank financing, buyers' payments arrive to a blocked security-deposit account managed by the bank financing the project (cash payments are not even accepted by the company), and these will only be released to Metrodom after the entire building has been completed and the full project-financing loan has been repaid. Our customers do not have to worry even if something happens to us; the financing bank undertakes to give their consent to have their mortgage title removed from apartments fully paid for and the lawyers submit the declaration consenting to the registration of title. Consequently, you will acquire unencumbered ownership of the title if you have paid for the apartment in full.

### **3.3 WHAT GUARANTEES THE QUALITY OF THE CONSTRUCTION WORK?**

The key guarantee to quality is that the buildings are constructed by Metrodom's own construction companies, so there is no way that the contractor will favor its own interests by cutting costs at the expense of those of its clients and the buyers. Quality is also guaranteed by the regular inspections that are carried out by the bank's independent technical expert and by the trade authorities, which is certified at the end by the issuance of the occupancy permit. The 3-year general guarantee, complemented by the Metrodom guarantee+ service, also serves to provide security.

### **3.4 What is the applicable VAT?**

Pursuant to the stipulations of Act LXXXII/2018 on the amendment of the law on VAT, two types of new-build apartments can be distinguished.

If apartments on projects having received the final and legally binding building permit before November 1, 2018 are only encumbered with 5% VAT regardless of the date of completion of the building, handover of the apartment or payment. Of our current offer, City Home, Metrodom Park, all phases of Metrodom Panoráma, Metrodom Madarász38 and Metrodom Zuglói all belong to this category.

For projects, which did not yet have a final, legally binding building permit (like Metrodom Őrmező), only payments made until December 31, 2019 will have 5% VAT, payments made later will be encumbered with 27% VAT. As this is to be paid by our customers, early payment of the purchase price is recommended.

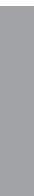
Whether the 5% VAT is applicable irrespective of the date of payment or only to payments made until December 31, 2019 is indicated on our website next to the building concerned, however you may also check the building permit and the issuance date for yourself under the downloadable documents section next to each project.

### **3.5 WHAT GUARANTEES ARE THERE THAT THE COMPLETION DEADLINE WILL BE KEPT?**

In the event of failure to keep to the contractual deadline stipulated for the completion of the building (technical handover) (with the exception of force majeure), the company undertakes to pay a monthly penalty of 1%, which more than covers the damages caused by the delay (e.g. the costs of temporarily renting a flat). In the case of a longer delay, exceeding three months, the buyer is entitled to withdraw from the purchase agreement and to reclaim twice the amount of the advance payment. Let us add however, that no delay of handover of apartments built by our company has ever occurred.

### **3.6 WHAT GUARANTEES THAT THE SALE AND PURCHASE CONTRACT SERVES AND PROTECTS THE INTERESTS AND RIGHTS OF THE BUYER AS MUCH AS THOSE OF THE SELLER?**

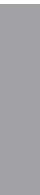
A law office independent of our company participates in the conclusion of the sale and purchase contract and in the Land Registry Office procedure, representing both parties to an equal extent in accordance with the Lawyers' Act. The buyer receives the draft, bi-lingual (Hungarian and English) contract by email or fax prior to the signing of the contract and can have it checked by his or her own solicitor, who can also take part in the conclusion of the contract, on behalf of the buyer.



# DATA MANAGEMENT AND DATA PROTECTION

# 4

**Managing your personal data is becoming increasingly important, as nobody likes their personal data ending up in various databases and on lists, which is inevitably followed by unwanted emails, direct marketing letters and phone calls. As property developers, we also manage our customers' personal and financial data, and so we have greater responsibility than usual in this regard. You can access Metrodom's data protection regulations at the bottom of our website ([www.metrodom.hu](http://www.metrodom.hu)), by clicking on the Data Protection link in the footnote, but at the end of our customer guide, you will also find the full text of the data management policy adopted on February 14, 2018 in compliance with the stipulations of Act CXII/2011 on the Right of Informational Self-Determination and on Freedom of Information.**





# SELECTING, VIEWING, RESERVING

**Choosing the apartment is one of the most important and stressful decisions you make when buying a new-build property; there are a lot of options to think through and to take into account. When doing so, you will need to have all the available information at your disposal – and we will help you get it.**

# 5

## **5.1 CONTACT AND BASIC INFORMATION**

If you wish to become familiar with our houses and apartments, we primarily recommend you our website, [www.metrodom.hu](http://www.metrodom.hu), where you can find all of our properties. On our website, you will find comprehensive, detailed information, from prices to floor plans and from technical descriptions to location information, plus a lot of photos about the house, the neighbourhood and the construction. Our website is updated regularly with news and special offers, which you can read and see first there.

If there is something you cannot find, or if you would like to have a personal meeting or to look at an apartment, our property advisors will be happy to help you. You can also find their contact details on our website by clicking on the 'Contact Us' menu item.

## **5.2 THE AVAILABLE DOCUMENTS**

Our price lists, the floor plans of the apartments, 3D plans and floor plans as furnished, the technical description, the building permit, the energy performance certificate, the occupancy permit, the resolution registering the apartment building, the deed of foundation and the Organizational and Operational Regulations (with the last few of these being subject to the level of completion) can be downloaded from our website. Our property advisors will also be happy to give you a printed copy of any of these documents. Technical descriptions are also available in English, permits of authorities however are only provided in their original form, in Hungarian.

As for our sale and purchase contracts, we have some "rough templates". However, as the final contracts can differ to a great extent depending on the phase of construction, the method of financing and on individual needs, there is little point in

sending sample agreements. After the specific property has been selected and the method of financing specified, we will be happy to send you the specific draft agreement by email or fax. Agreements can only be concluded in English or Hungarian.

We are unable to hand over the planning documentation for the whole building for reasons of copyright and due to the size of the documentation, but you can view this at our central office after making an appointment.

The title deeds of the properties, Metrodom's certificate of incorporation, and copies of the specimen signatures of those authorized to represent the company are public documents. These can be freely obtained from the Land Registry Office and the company registration court. We can also give you duplicate copies of these based on the latest documents available to us, or our solicitors can obtain the original copies for a separate fee.

Our agreements with subcontractors (including our financing contracts with the banks) constitute business secrets of the two partners, and therefore they will not be passed on to third parties and it is not possible to view them either.

### **5.3 VIEWING THE PROPERTIES**

It is possible to view the properties depending on the level of completion. If you would like to arrange a viewing, please contact our property advisors working at the on-site sales office, though any of our employees will be happy to help you in this regard. Please make an appointment first, otherwise you may find there is no one in the office, as our colleagues may be showing an apartment to customers at another building or helping them with the signing of a contract at our central office when you turn up.

Until all the external windows and doors are fitted and the walls completed, it is unfortunately not possible to visit the buildings, and it is possible to enter the construction site itself only at very limited times, accompanied by the construction manager and wearing a safety helmet and closed shoes. You can make

an appointment with our property advisors. (The law classifies construction as a “hazardous operation”, and therefore we bear a far stricter responsibility than usual for anything that happens at the building sites.). As our apartments usually are sold before the building reaches structural completion we also have a fully furnished and equipped sample apartment, where our customers can examine the quality of finishing and of the materials used.

After the fitting of the external doors and windows, it is possible to visit (it is still compulsory to wear closed shoes!). However, viewing may be restricted until completion of the construction work due to the nature of the work that is currently under way, and for safety reasons, children are not allowed to enter the construction site even then, and visiting is not recommended for old people and heart patients because the lifts are switched off.

After the building is completed, there are no special rules to be observed, but please take into account the working hours of our property advisors. We are unable to be at your disposal in the early hours of the morning or late at night, and we thank you in advance for your understanding in this regard.

#### **5.4 WHAT YOU SHOULD LOOK OUT FOR WHEN VIEWING A PROPERTY**

In the case of a completed building, please pay appropriate attention also to the car parking bays and the storage unit to make sure that they fully meet your expectations and that you will be able to use them comfortably, as we are unable to accept complaints about these later on.

An important rule to note is that we do not make any changes to parts of the building that have already been completed, and after completion of the construction work we sell our properties specifically in their “as is” state, with this also being stated in the contract. This does not mean that we exclude a warranty, only that we are unable to change the place of heating-, electricity- and water connections, or the location of radiators and doors, even if you deemed that to be reasonable later on for whatever reason. Even a change regarded as minor, such as changing the direction a door

opens, can often constitute a major technical problem and incur costs in the tens or even the hundreds of thousands of forints. Completed apartments may deviate from what is included in architectural plans and the marketing floor plan of the apartment. If a completed apartment is purchased, the subject matter of the contract will be the sales and purchase of the apartment actually built, the rebuilding of the apartment to comply with the original specifications or design may not be requested.

In the finished apartments, we do not repair what are known as micro-damages, that is, damages caused during inspections and customer visits, such as tiny scratches on the parquet floor, or on the doors or door-frames. Naturally, we will repair any major damage, and you can request the repair of parts that do not or do not properly function either before or after the handover. (For more details, see Chapter 12.) Should you have any doubts or question regarding this matter, please do not hesitate to contact our property advisor. If requested, we will take a record of the state of the apartment and of the repairs before signing the contract.

In the course of viewing the property, we suggest that you pay attention to all the details that are particularly important to you. If you are interested in how much noise comes in through the open window, then make sure you open it, and leave it open for a while, even if it is winter. If you are worried about the noise of the lift, ask a friend to come with you and use the lift a few times while you are in the apartment. If you want to know what angle the sun shines into the apartment, make sure you see it both in the morning and in the afternoon. If you fail to check these sorts of things out, we will not be able to do much about any complaints you have of this kind after you've moved in.

## **5.5 THE PRICE OF THE PROPERTY**

The price of our apartments is public information; our latest price list is always accessible on our website. Apart from any advertised special offers, these prices are fixed – we can't give you any further discounts off them. To avoid disappointment, please do not expect us to be able to bargain over the price

when buying an apartment, the way you usually can when buying used property – in this sense our company is similar to a fast food or a supermarket chain, not a small family business, and our prices are fixed the same way as they are at such larger companies.

Please note that our published price lists do not constitute a price guarantee or a binding offer in any respect; we reserve the right to change these at any time, without prior notice until you have reserved the apartment.

Prices on our website are provided in gross amounts for easier understanding, the sales contracts however contain net prices, i.e. exclusive of VAT. Please be aware that payments made until December 31, 2019 for apartments of projects that did not yet have a final, legally binding building permit on November 1, 2018 (such as Metrodom Őrmező) will be encumbered with 5% VAT, while 27% VAT will be levied on sums paid on or after January 1, 2020. The VAT increase is borne by our customers. For more details on the VAT content of our projects, please refer to Item 2.4.

In our price list and also in the contract, we will specify the price in forints, payments can be made in any currency calculated at the applicable exchange rate. In case of payments made in foreign exchange, the Forint equivalent of the amount will be credited on our bank account, converted using the daily exchange rate of the bank. We cannot undertake to pay for any losses that may occur in relation to the conversion. Defining our prices in any currency other than Forint is now permitted according to our internal financial regulations, nor are they under the financing contracts concluded with our banking partners, Euro prices published on our website are therefore for reference only. We do not accept part-exchange properties or any type of payment offered in lieu of cash (product or service).

The purchase price includes the legal fees for the solicitor's Hungarian-language administration procedures, and the fee for the Land Registry Office procedures. No other compulsory fees or costs charged in relation to contract conclusion, registration, connection to the public utility networks, or on any other basis are payable to Metrodom.

## **5.6 WHAT IS NOT INCLUDED IN THE PURCHASE PRICE**

In addition to the purchase price, the buyer only has to pay a fee to either Metrodom or the participating law office in the following cases:

- in the case of a contract amendment initiated by the buyer after the signing of the contract, the solicitor's fee and the Land Registry Office procedure fee must be paid
- English-language contract conclusion and solicitor's procedure
- costs of changing the technical content of the apartment (reconstruction, ordering additional furnishings, etc.) will increase the purchase price of the apartment

The purchase price of the property does not include kitchen furniture or appliances, other furnishings (e.g. built-in wardrobe) and the stamp duty on the purchased property. For further information on the stamp duty, see section 2.1.

## **5.7 RESERVING THE APARTMENT**

At Metrodom Kft. you can't "reserve a property" in the classic sense – that is, we will not keep it for you and turn down other potential buyers while you are thinking whether to buy it or not. Although you may have been to see an apartment, perhaps more than once, or you may be in the middle of checking out loan options or waiting for some contingent event (e.g. the sale of another property of yours) to take place, anyone else can buy the property you have looked at.

An apartment is regarded as reserved from the moment – as you can also see from the price list on our website – that the two parties have agreed on the details of the contract, a date has been set for the signing of the contract, and the buyer has submitted his or her data necessary for the conclusion of the contract. If any one of these conditions is missing, the apartment is not reserved.

These rather strict rules are actually there to protect and serve the interests of our customers – we would not like to turn down anyone who has found an apartment they like simply because somebody else has been thinking about it for several weeks.

Reservation for new projects can be made via our website, from a specific point in time. Please find additional information on the rules and details on our website or turn to your property advisor.





# TECHNICAL CONTENT, SELECTION, MAKING CHANGES

**It is one of the advantages of new-build homes that – if all is well – the buyers benefit from high-quality materials and up-to-date technical solutions, and, if requested, they can adapt the apartment as they see fit. Here too, however, the details are very important: just because something is new, it doesn't mean it is also good – just think of all the special-offer, no-name products sold by DIY stores. In order to prevent any unpleasant surprises, all of Metrodom's apartments, car parking bays and storage areas have a detailed technical description, which also constitutes an annex to the sale and purchase contract.**

6

## **6.1 READ THE TECHNICAL DESCRIPTION!**

Unlike the meaningless “descriptions” that are typical in the industry – specifications that are very short on specifics – Metrodom provides detailed and highly informative technical descriptions, also available in English, for the properties in all its houses, complete with individual characteristics. You can download the descriptions from our website, or our property advisor will be happy to send you a copy if you request it.

Please make sure you have obtained the technical description of the specific apartment of your choice as the technical descriptions of apartments constructed in the different phases of projects may not be the same.

We continuously update the content of our technical descriptions as the construction work progresses. The “final version” is completed about three months prior to the technical handover. This is because suppliers' tenders and the selection of products take place during the construction work, so when the foundations are being laid we do not yet know who will be supplying the bathtub, for example.

For the individual products – where we already know what these will be – we specify the brand name and the main technical parameters. We emphatically avoid using the term “or other similar product” so popular with developers, which can offer a convenient pretext for the seller and can also be a cause for considerable disappointment and even disputes later on.

## **6.2 IF THERE IS SOMETHING YOU CAN'T FIND IN THE DESCRIPTION**

It may be that there is something you are interested in but cannot find in the description. There can be several reasons for this.

In most cases, the length of the technical description limits the extent of information. If you want, you can ask for more detailed information and for descriptions of the individual products from the technical consultant of the subcontractor, and you will receive a copy of the certificate for every product built into your apartment when you take possession of the property.

It may also be the case that the construction has not yet reached the phase at which we select the product you would like to know about, and that is why the description does not include the name of that product. Here again, the technical consultant can give you some information, though at this stage of the construction work, probably only regarding when it is that we will be able to specify the product you are asking about. We would like to emphasize that we are unable to accept complaints that involve referring, at a later date, to verbal promises regarding details differing from what is specified in the technical description.

## **6.3 IF YOU WOULD LIKE SOMETHING DIFFERENT**

If you would like to see something in your apartment that differs from the description, this is possible at the early phase of the construction process. At the end of the technical description you will find a detailed specification of the cost-free options you have with regard to making changes. These, however, are always dependent on the given state of the construction work. If in doubt, please consult our property advisor before signing the contract!

Due to the size and nature of the construction projects, there can also be substantial differences in the degree of completion between the individual apartments. It may be the case, for example, that everything is already finished in a first-floor apartment, whereas you can still make a lot of decisions –

from the tiles to the style of parquet flooring – with regards to an apartment on the ninth floor, so we suggest you proceed carefully in this respect. Final deadlines for decisions regarding apartments on a given floor of a given building can be seen on our website.

Four to five months before the technical handover, however, the opportunities for making final choices and changes come to an end. From that point on, you can receive information only on the specific tiles, parquets or doors to be installed in the given piece of property.

#### **6.4 FREELY SELECTABLE OPTIONS AT NO EXTRA COST**

We wish to emphasize that these opportunities to make choices and changes are only available depending on the prevailing stage of the construction work, and you can obtain further information on this as described in the above section.

At the start of the construction work, you can freely decide on the position of the walls inside the apartment, the machinery and electricity endpoints, and on the position of the radiators – in fact, you can completely change the floor-plan. Metrodom Építő Kft. will charge HUF 20,000+VAT for each specialist's drawing (structure, engineering, electricity) affected by such changes.

It is possible to choose from basic-price tiles, parquet flooring and interior doors; these can be viewed with our technical consultant before they are fitted. We will suggest different options for the tiling patterns and will implement any individual ideas you might have. However, it is possible, depending on the plan and exactly what you want done, that we will charge an additional fee for this (e.g. for diagonal rather than straight tiling).

#### **6.5 PRODUCTS AND WORKS SUBJECT TO A SURCHARGE**

If you could not find what you are looking for in our basic offer, or if you have certain specific ideas, we will be happy to help you implement these. You can choose from the various frequently requested extras, like air-conditioning preparations with the assistance of the technical consultant, and he/she will also give you a quote for any additional work. The works will not be started or the products be purchased until the order is fully paid for.

If you would like more than this, you are free to choose from among other products available from our supplier, they offer a variety of brands and quality standards. These products have to be ordered through us and we will take care to transport and fit the products.

We will not usually undertake to fit products purchased by our buyers, because that could potentially result in intractable warranty problems. We would not like end up in a dispute over whether sub-standard work was caused by poor execution or some fault in the material. If nonetheless you have a request in this regard, please discuss the matter with our technical consultant!

## **6.6 WHAT WE WILL NOT UNDERTAKE TO DO EVEN FOR A SEPARATE FEE**

However flexibly we treat our customers' requests, we are still limited by matters of technical feasibility and by the legal regulations, and these also need to be accepted by our customers.

We are unable to change the external appearance of the building, for example, including the position and layout of the windows and balcony doors. We cannot change the external walls, railings, balcony partitions and terrace floor tiles either. (We can change the position of the entrance door of the apartment within certain limits.) We cannot install external air-conditioning units that are visible from the street.

Attention is also to be paid to the pillars and the collecting pipes, the former having a substantial effect on the location of the toilet bowl. Due to the tight order of layers, we cannot install bathroom floor drains, shower trays however can be ordered within certain confines.

There are also cases when the buyer's request could be technically executed but we do not recommend carrying it out for reasons of practicability, e.g. laying parquet flooring in the kitchen or creating overly narrow doorways or corridors. If our technical consultants expressly do not recommend something, it is worth listening to them. If despite being advised against it, you still decide to go ahead with the order, you will have to sign a declaration on the acceptance of full responsibility.

Additionally, there are situations in which individual requests could technically be implemented, yet we cannot undertake to implement them due to construction specificities. For example, fitting of built-in casing for the window blinds, instead of the traditional solution, is theoretically possible. In our case, however such modification requests would make us unable to order the windows in one go, we would have to handle 2-3 windows separately, walling and thermal insulation would be different, etc. This would then necessitate the drafting of entirely new constructions plans, a separate construction foreman managing and overseeing the “special implementation”, all this causing so much burden in terms of time and materials that prevents us from being able to meet such an apparently simple request. The situation is similar in case floor heating, window glasses with more layers than specified in the design plans, and interior design solutions putting unreasonably high burden on the construction company. Metrodom Kivitelező Kft. and Metrodom Építő Kft. therefore, reserve the right to turn down requests of complementary works.

## **6.7 THE TECHNICAL CONSULTATION PROCESS**

When entering the relevant stage of construction, we provide to you the architectural, engineering and electricity plans of the apartment and, following familiarizing with their contents, our technical consultants will be available to you for freely discussing what you would like to have implemented in your apartment, within the confines of the above. Typically, technical consultations are held face to face, but coordination via email or phone is also possible in most cases. When selecting tiles and flooring, we recommend that you view the options in reality to exclude the possibility of disappointment due to the colors seen on a computer screen being different from the real color of the products. Let us emphasize that if you would like to have modifications implemented deviating from the original plans, you will have to signal these to us, the technical consultant will not ask you explicitly if you are satisfied with the location of switches or the opening direction of doors, etc.

Modified plans, tiling and flooring plans, the selected products and the upgraded offer with the extra charges will be approved by you signing the plans, the price offer and the roombook.

Please, check everything before signing lest you accept something you did not intend to due to a misunderstanding. We are going to implement these modifications as approved by your signature and at handover, you can hold us accountable for the implementation of only such approved works. We will not be able to effectively remedy complaints arising out of selecting the wrong tiles, lining or parquets.

Extra products or works subject to the payment of a surcharge are to be paid for in full at the signing of ordering, doing so is a precondition of accepting the order. The final purchase price of your apartment will grow with the amount of the surcharge, therefore the pre-sales contract will be modified. The procedure completes with signing the modifications, if such signing does not occur by the specified deadline, the modifications will not be implemented, standard tiles and interior doors will be fitted. In case the modification surcharge is transferred but the contract amendment is not signed, the amount in question will be returned after the expiration of the deadline for modifications.

Please be aware that as the purchase price goes up so does the property acquisition tax levied on your apartment. Our company is not in the position to provide compensation for any such tax increase.

## **6.8 IF YOU WANT TO FINISH THE WORKS**

It is possible to finish certain works yourself, if you would like to. Some works nevertheless are connected, if, for example you do not request that interior doors are installed in your apartment, we will not be able to align the footing of the parquets with the doorframe, doing so will have to be done by yourself. (We cannot return to your apartment to finish works following handover). Similarly, if you do not want to have the floor and wood tiles fitted, we will not be able to mount the sockets and the switches either, only provide the materials at the time of handover.

We must comply with the requirements of obtaining the occupancy permit, which means that we must finish at least one toilet (in the lack thereof, a bathroom) with all the tiles

laid and equipped to completion – we are not in the position to disregard this rule. You may perform works in the apartment only after handover, no one can work in the apartment but our workers before that point.





# CONTENTS AND CONCLUSION OF THE CONTRACT



**The conclusion of the contract constitutes a turning-point in the sales process; this is when the parties establish a close and binding legal relationship with each other. First, we would like to draw your attention to two things in particular: (i) think over your decision carefully; do you really want to buy the apartment and are you sure you will be able to fulfil the payment commitments, because, after signing the contract, you will only be able to withdraw from the purchase at a substantial financial loss; (ii) read the contract carefully, and if there is something that is not clear to you, please ask about it, and if there are any conditions you feel you cannot accept, you are better off not signing the contract!**

## **7.1 CONTENT OF THE CONTRACT**

Our sale and purchase contracts are prepared by a law office that specializes in property law, based on the data provided by you (the selected property, the buyer(s), the payment method, any special circumstances). The draft agreement will be sent to you by email by the solicitor.

The contract specifies the contracting partners, the property that is being purchased, the price and the payment terms, the technical content, the details of handover, the consequences of any infringements of the contract by the parties, as well as a number of other important points. We will not list all of these here, but we would like to draw your attention to a few important and useful things in the sections that follow.

If you disagree with the terms of the draft agreement, please turn to our property advisor and not to the solicitor as it is the property advisor who represents the seller. (The solicitor only records what has been agreed between the contractual parties, does not have the right to make decisions, cannot approve your requests.

## **7.2 BUYERS, BENEFICIARIES, MINORS**

Naturally, there are no special requirements in terms of who the buyer is, but it is worth bearing in mind the following points.

The buyer must personally sign the contract, and the contract may only be signed on her/his behalf by a person with the appropriate authorization (letter of proxy or power of attorney) set out in a document prepared by a solicitor or notary public. If, for example, the “prospective buyer” is abroad, then without an authorization that meets the formal criteria required by the law, we can only conclude a preliminary contract.

Non-EU citizens need special permission from the authorities to acquire property in Hungary, which our solicitors can help you obtain, for an additional fee.

If there is a beneficiary (“usufruct”), he or she must also be present in person and must sign the contract, similarly to the buyers. Please bear in mind that discounts from stamp duty do not apply to beneficiaries of usufruct: the amount of the stamp duty payable will depend on the period of use (and if the beneficiary is set to use the property until death, then on the age of the beneficiary), which can be a very substantial item. If due to this you subsequently decide not to go ahead with the beneficial use arrangement, this can then only be done through a separate procedure, solicitor’s fee for such procedure will have to be borne by the buyer.

In the case of a buyer who is still a minor (which usually means under the age of 18), the contract is signed by the buyer’s legal guardians (usually his or her parents).

### **7.3 DETERMINING THE PROPERTY**

In the case of the purchase of several properties – apartment, car parking bay, storage area – every property appears in an entirely separate sale and purchase contract as the contracts are far more transparent and manageable in this way. Following the registration of the apartment building (and its subdivision into individual property units), the property is identified using a topographical lot number, and until that happens, it is identified using the physical address specified in the (preliminary) deed of foundation. In the latter case, at the buyer’s express request we can write in a “provisional topographical number”, but we can take no responsibility for this; the Land Registry Office’s practice of issuing topographical

numbers is affected by a number of factors we are unable to directly influence and that can also depend on the individual decision of the administrators dealing with the registration of the apartment building, the administrators' interpretation of the regulations.

#### **7.4 PAYMENT SCHEDULE**

Only 20% of the purchase price is to be paid at the time of concluding the contract (10% deposit and 10% down payment), the remaining amount becomes due following the issuance of the occupancy permit. The payment schedule shall be different if the property is purchased with the help of mortgage, Family Housing Support Program (CSOK) or through a home saving scheme, in those cases we adjust to the conditions and requirements of the bank (unless what is required is unacceptable to us). You do not yet have to indicate the source from which you wish to buy the property in the presales contract, it is only required in the final sales contract, to be concluded around the time of technical handover. If you buy your apartment in a building that has already been completed, we will jump right to concluding the final contract, in this case please indicate to your property advisor if you wish to also use sources other than your own to finance your purchase, otherwise additional legal costs will apply for amending the contract later.

#### **7.5 NOTIFICATION ADDRESS**

We usually keep contact with our customers in the easiest and quickest way, by email; however, certain things need to be sent by registered mail, with acknowledgement of receipt, so that, if there is any doubt, it will be easy to decide when delivery took place. These documents are as follows: the buyer's copies of the contract and the contract amendment (if these are not received in person), the notice on a possible delay in handover, notice on the technical handover and on handover into possession, notice on payment obligation, advance-payment invoice and final invoice for every payment, notice on the obtaining of the occupancy permit, and on the registration of the apartment building and of the ownership title. (In addition, we also send various information letters by

ordinary post – regarding visits to the property, or approaching deadlines for moving, etc.)

In order to ensure that you receive these letters quickly and safely, we specify in the contract a notification address, which may be different from your permanent address. This can be the address of a rented apartment, a dormitory or your workplace, the bottom line is that you take over your mails at the specified premises. (Notification obligations on the part of the sender are considered fulfilled and the post delivered to the recipient after two unsuccessful delivery attempts, with all the legal consequences thereof.). If you reside outside Hungary, we suggest that you appoint someone to be responsible for taking receipt of your letters and give us his or her name and address.

In the absence of a mailing address of your own, you can specify your parents' address or the address of another family member or a friend, if you decide to specify someone else's address, please take care to provide them with proper authorization to take over mail addressed to you.

Finally, if you reside abroad and cannot or do not want to appoint someone in Hungary to receive your letters, you can of course specify a foreign address. In that case, however, we are unable to guarantee when you will receive our letters and you will have to bear the risk of any delays or failure of the postal services.

## **7.6 THE ANNEXES TO THE CONTRACT**

The annexes to the contract are the technical description, the floor-plan (in the case of the car parking bay, the floor-plan of the underground garage) and, if it is already available, the energy performance certificate. (If the apartment has not been completed yet, the energy rating will be included in the technical description, and the document will be handed over to you in a digital form at the time of property handover.) We typically do not annex the technical description and the layout plan once again if the sales contract is modified later, or if a pre-sales contract has been concluded and modification becomes necessary, we only make a reference to the annexes of

the original (pre)sales contract. You will find more information regarding the technical description in chapter 6 above.

The floor-plan attached to the contract is the “marketing floor-plan”, the purpose of which is to provide information to prospective buyers on the layout of the apartment and on its location within the building; it is emphatically not a technical plan. Consultants’ drawings (architecture, engineering, electricity) will be provided by our technical consultant during the technical consultation, the technical consultant will also help interpret the drawings. We would like to draw your attention to one thing though, measurements appearing on the floor plans do not take into account plastering and tiling of walls.

## **7.7 CONSULTATION ON THE CONTENT OF THE CONTRACT**

Our contracts are emphatically not what are known as “blank contracts”, so it is possible to consult on the content and to make changes, but there are also several points determined by, for example, the building permit, the occupancy permit or the bank financing contract, which we are unable to change.

There are also points that we insist on based on the Metrodom’s business policy – for example, that we will not pay more in the way of a penalty to any one person than we will to anyone else, or that for obvious reasons we will not agree to a handover deadline that is shorter than the time it takes for an acknowledgement of receipt to be delivered.

If you do not agree with one or more points of the contract, please first indicate this by a quick phone call to the property advisor, who will certainly be able to respond to majority of your questions. If you deem necessary, you can involve your own legal counsel in the discussions, we however kindly request that you involve one with sufficient expertise in property law otherwise the discussions will drag out excessively long, something neither of us will want.

You should only make an appointment to sign the contract if you have reached an agreement on the content issues so that you will then only have to read through the contract and sign

it, which will take long enough as it is. We would emphatically ask that **you do not start raising any new demands or conditions at the time of signing the contract**, as by doing so you would be causing considerable additional work for our staff and anyway, we think you will agree that you would not be pleased either if we were to tell you, just before signing, that we changed our mind about what was agreed earlier.

Finally, just a piece of advice: in order to conclude a contract, having trust between the parties is essential in the first place. If for some reason, you do not trust us (the property developer), you are convinced we want to deceive or mislead you, then please do not sign a contract with us. No matter how many pages of securities you have included in a contract, no paper will guarantee 100% protection against fraud or misconduct and you will never feel totally secure.

## **7.8 THE PROCEDURE FOR SIGNING THE CONTRACT, AND WHAT YOU NEED TO LOOK OUT FOR**

Contracts are signed at our head office (1095 Budapest, Mester u. 83/C.). Please do not go to the construction site or the building to sign the contract! During the process of contract conclusion our property advisor and a colleague from the law office will be there to assist you, and, if you request it, a representative of our company with signing rights will also be there to help you.

It is important that all buyers (including minors), lawful representatives and beneficiaries, and their authorized representatives (proxies) are present in person and have the following documents:

- personal identity card or passport (in the case of foreign nationals, a passport)
- a document specifying their permanent address (this can also be the personal identity card)
- Hungarian tax card (if they have a Hungarian tax number)
- in the case of an authorized representative (proxy), the authorization (letter of proxy)
- in the case of a legal entity (company), certificate of incorporation and the specimen signature, one original of each (or duplicate copies of these certified by a notary public).

If you do not intend to travel to Hungary, you may also sign the purchase and sales contract at a Hungarian embassy or consulate, in which case your signature will be certified by the consul. Consular fees are payable by the buyer on the premises of signing.

Each buyer (beneficiary) will each receive one original copy of the contract, and if there is a bank involved in the financing, they will receive one more copy. If you need additional original copies, please indicate this to our property advisor before the signing of the contract. (If you request such additional copies later on, we will only be able to prepare a notarized copy from our own original copy, and we will have to charge the notary's fee on to you.)

The buyer's copies of the contract signed and endorsed by both parties are only released to you after the down-payment has arrived on our account. If the contract states that the buyer has paid the down-payment then by signing the contract we effectively certify the payment of the down-payment. (We will of course issue an invoice on the down-payment regardless.) At the time of signing, you can indicate to our property advisor whether you wish to receive the buyer's copies of the contract in person or by post.

The law office will submit three original copies of the sale and purchase contract to the Land Registry Office within a week (the deadline stipulated for this by law is 30 days). This will be provisionally registered by the Land Registry Office as a marginal note on the title deed on the day following the submission at the latest, which anybody can verify if they request a copy of the title deed from the Land Registry Office.

## **7.9 PAYMENT OF THE DOWN-PAYMENT, AND ITS SIGNIFICANCE**

At the time of the signing of the contract, the buyer must pay the 10% deposit and an additional 10% for down-payment, altogether 20% of the purchase price. The rate of the down-payment is fixed under our financing vcontract with the bank, therefore we cannot offer any discount on this. The down-payment can be paid by bank transfer or through a deposit made directly to our bank account, but we do not accept cash. Our company's

internal regulations prohibit the handling of cash. If the down-payment has not been made in full or in part, we will regard the sale and purchase contract as not having been concluded and will destroy all the copies that we have of it.

The down-payment will take on genuine significance if the contract is terminated for some reason, either by the mutual consent of the parties or due to unilateral withdrawal by either of the parties. The contract specifies the possible reasons for withdrawing, which are usually related to delay (e.g. the seller is unable to hand over the property on time, or the buyer does not fulfil his/her payment obligation). In such cases, if the cancellation is attributable to default on the part of the seller, the seller must repay twice the amount of the down-payment. If, however, it happens as a result of the buyer's fault, the seller will keep the down-payment. Of course, it can also be the case that neither of the parties can be held responsible for the termination of the contract, and it is cancelled by mutual consent. In that case, the seller usually repays the down-payment and any other portions of the purchase price already paid, but no more, and it is also possible that the costs of concluding and cancelling the contract will need to be partly or wholly paid by the buyer. Partial payments paid in addition to the deposit, either at the time or after concluding the contract are considered price installments and will be refunded to the Buyer irrespective of the causes leading to or the circumstances surrounding the termination of the contract.

## **7.10 WHEN WE CONCLUDE A PRELIMINARY CONTRACT**

In adherence to property registration rules, a preliminary contract is concluded until the completion of the apartment (technical handover). In the preliminary agreement, we set a deadline by which the final contract must be concluded.

Apart from the above points, the preliminary contract is the same as the "final" sale and purchase contract in almost all respects; it contains all the rights and obligations that are important at this stage of the transaction. However, it will not be submitted to the Land Registry Office – as it is not a sale and purchase contract in the strict sense, only a commitment to conclude such a contract at a later date.



If when called to do so by either of the parties, the other party cannot or will not conclude the final contract by the deadline set in the preliminary contract, this will be regarded as a breach of the contract, and the same rules will apply to this as those mentioned in connection with the down-payment. Consequently, anyone wanting to sign a preliminary contract because they are uncertain about their intention to make the purchase and believe that signing such a contract will allow them to withdraw more easily from the agreement without financial loss, is sorely mistaken.

## **7.11 CONTRACT AMENDMENT AT THE SELLER'S REQUEST**

Though very rare, it might happen that Metrodom will initiate a contract amendment. (so far this has not happened since we began operations). This may most likely happen if, during construction, we need to renumber the properties for some reason, and we therefore need to change the deed of foundation of the apartment building. In that case, we contact all of our customers concerned, and will naturally cover the solicitor's fee as well as the fee for the Land Registry Office procedure.

If a customer does not respond to this notice, they can expect the Land Registry Office to reject the registration of their title to the property, because the data under the contract will not tally with the data in the documents submitted to the Land Registry Office. This will eventually adversely affect the buyer, who will not even be able to blame the seller for his or her damage (because the seller has taken the necessary move to prevent the damage by inviting the buyer to amend the contract). So please note that while we will only contact you with a request to amend the contract if absolutely necessary, in such cases cooperation between the parties is definitely recommended.

## **7.12 CONTRACT AMENDMENT AT THE BUYER'S REQUEST**

From the buyer's side, there can be many reasons why people want to amend the contract. The most common reason is when changes occur in relation to the financing; for example, when the buyer switches banks. (In that case, it is not our company

but the new bank that usually requires an amendment of the contract.) In the case of buyer's requests to amend the contract, Metrodom will try to provide all assistance to help prepare the necessary amendment as soon as possible in accordance with the buyer's needs. However, should this contain conditions that are clearly disadvantageous to our company (for example, payment several months later than originally scheduled), we definitely recommend preliminary consultations to make sure that our company can accept the requested amendment.

An amendment is governed by the same requirements as the signing of the contract, but in this case the buyer must pay the solicitor's fee. Information on the extent of the solicitor's fee can be obtained from the participating law office. (Just to be clear, **Metrodom will not charge any fee whatsoever for consenting to the contract amendment.**)

If the parties cannot reach an agreement on the contract amendment, the original sale and purchase contract will remain valid, and they will have to proceed in accordance with that contract.

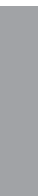
No contract modification fees will be payable in case you request modifications during the technical consultations.

### **7.13 IF YOU WISH TO CANCEL AN ALREADY CONCLUDED CONTRACT**

Contract cancellations happen relatively rarely and, just as with amendments, these can have many reasons. The contract specifies certain cases when the buyer can freely and unilaterally cancel the contract; in other cases, however, the parties need to cooperate. Generally speaking, all we can say is that if you wish to cancel your contract, you should definitely consult us on the possibilities, and do not wait until you fall behind on payment or on taking possession of the property because, in such cases, we will proceed strictly in accordance with the terms of the contract.

It is important to note that it is not possible to cancel the contract after fulfilment, that is, after the property has been taken into possession, except in the event of gross breach of the contract by the seller, which could provide cause for having the contract challenged before a court.





# PAYING FOR THE PROPERTY

## 8

**Payment is the buyer's most important and most serious obligation, particularly since buying an apartment is no small expense. Before signing the contract, it is worth inquiring about the payment terms offered by our company and considering how you can meet the terms. Should you have any doubts or questions in this regard, please contact our property advisor.**

Please be informed that as of 1 January, 2020 the VAT rate levied on new-build apartments will be raised from 5% back to 27% in all buildings that did not have a final, legally binding building permit on November 1, 2018. Please refer to the payment section of our website for Metrodom projects having 5% VAT content beyond January 1, 2020, in other words, customers do not need to worry about an eventual increase of the gross sales price/price installment

Regarding projects that did not yet have a final, legally binding building permit on November 1, 2020, this practically means that any price installment paid by the Buyer (is deposited on Seller's bank account) following this date, will be charged with 27% VAT. As both the purchase price and the individual price installments are indicated as net, the entirety of the cost increase of the gross price caused by the higher VAT rate will be borne by the Buyer. If the price installment is paid beyond January 1, 2020 because the payment deadline applicable to the price installment has been moved to a later date, it was originally scheduled for a date later than January 1, 2020, or is a consequence of late payment or performance, will not affect the above. The only way for the Buyer to avoid having to pay the higher gross price arising out of the higher VAT is to pay the concerned price installments until December 31, 2019, any such decision, however, is at the sole discretion of the Buyer. If you would like to make payments, please indicate this to the property advisor in advance so that we can amend the (pre) sales contract accordingly as we cannot accept any payment without a payment deadline prescribed in the contract.

Please be informed that the disbursement of the Family Housing Support Program (CSOK) or subsidized home loans is subject to the apartment having a legally binding occupancy permit, i.e. if the final occupancy permit is not issued before

December 31, 2019, disbursement and therefore payment will not be possible. If you are buying property in one of our buildings where the final occupancy permits are expected to be received beyond January 1, 2020 then please only make the decision to buy in consideration of this and accepting that the gross amount of any price installment wished to be financed from the CSOK or subsidized home loan schemes will rise as a result of the VAT changes, and any such increase will be borne by the Buyer.

## **8.1 PAYMENT SCHEDULE**

The payment schedule depends on the completion of the apartment, the financing sources (buyer's own funds, bank loan, "Family Housing Support Program", etc.) and on whether there is a project-financing bank that can also determine the buyer's payment. You can find general information here, or to see the specific payment schedule pertaining to a given building, refer to the 'Finance' menu on our website.

What is common in every case is that 10% deposit and an additional 10% downpayment must be paid when signing the contract, i.e. 20% is to be paid. In the case of an apartment that may be immediately occupied, the buyer usually has 30 days from the signing of the contract to pay the full purchase price. In the case of a bank loan or other external source, this can be increased to 60 days.

The remaining 80% part of the purchase price will have to be paid after the acquisition of the occupancy permit, right before moving in (handover of title). When planning your payment schedule please, consider that pursuant to Act LXXXII/2018 on the amendment of the law on VAT, payments made after January 1, 2020 for apartments (like those of Metrodom Órmező) that did not yet have a final building permit on November 1, 2018 will be encumbered with 27% VAT. The price increase resulting from the higher VAT rate will be borne by our customers. If you wish to pay the purchase price in part or in full before December 31, 2019, this has to be referenced in the (per)sales contract and indicated as a payment deadline. For more details on the VAT content of our projects, please refer to Item 2.4.

If so desired for the above taxation purposes, it is possible to pay the purchase price in part or in full before completion as indicated above. This may also apply to purchases by bank loan, however this is typically only possible with the project financing bank and related to free market loans (not subsidized). For information on bank loans and the disbursement thereof, please consult your loan advisor. Interest subsidized loans and provisions under the Family Home Support Program may only be disbursed once the legally binding occupancy permit has been received.

Not only is this payment construction simple and convenient but also secure as our customers do not need to worry about their money being used by the property developer. Following the conclusion of the project financing contract, even the 20% advance is credited on a closed bank account and is only released to us following the successful completion of the project, further incentivizing us to properly build the house, obtain the occupancy permit and hand over the apartments. Furthermore, our customers do not have to be concerned that, in the event of an unexpected problem, the project financing bank will use their funds to secure the loan provided to Metrodom as contracts stipulate that the banks are obliged to give their consent to the registration of owner's title and the removal of mortgage once the purchase price of the apartment is paid in full.

If you wish to use an external source of financing, you should consult your loan advisor, the bank or your employer before signing the final purchase contract, because their contracting and disbursement conditions can vary widely (and these can in turn determine when you will be able to move into the property). For example, the project-financing bank or a bank that concluded a contract with us will disburse the loan as soon as the occupancy permit is issued, or in installments according to the status of completion if so requested, while other banks will only do so at the time that the individual subdivisions of the property are registered, 2-3 months later. Unfortunately, there are also banks that set conditions (such as preliminary registration of the buyer's title to the property and the bank's mortgage) that our company is unable to accept.

Apart from this, we tend to accept the banks' requirements; we will also consult with the administrator at your bank if necessary. If, however, you do not provide for such preliminary consultations, we will simply set the usual general conditions in the contract and if it needs to be amended at a later date, the law office can do that for an additional fee.

## **8.2 PRACTICAL INFORMATION ON PAYMENT**

You can fulfil your payment obligation by bank transfer or through a deposit made directly to our bank account. We cannot accept cash, bankcard payment or cheque. You can make transfers to our bank account in any currency, in which case your payment will be converted to Forints automatically by the bank, and credited to our bank account accordingly. The bank account and IBAN numbers you have to use for transfers is indicated on page 2 of the purchase and sales contract and on our website under the 'Finance' menu item.

Your payment obligations and the deadlines are specified in the contract, and if these are contingent on any event (typically the issuing of the occupancy permit, technical handover or the registration of the condominium), we will notify you by post (this will also include the amount to be transferred and the bank account number).

It is important to note that a payment obligation can be regarded as fulfilled if the money has been credited to our account. Transfers are completed within a few hours on working days, those made on weekends or holidays will only be credited on the first working day following the weekend or holiday. Please remember that if you are making the payment from an account abroad, it is advisable to reckon on a 48-hour processing time. We are unable to accept as payment under any circumstances the payment order, the bank's approval, a promissory note or some other document stating that the payment has been launched or will be conditionally launched; we are unable to fulfil a claim to take possession or any other demand based on such a document.

We will issue a detailed advance invoice on your payments within 15 days, and, on payment of the last portion of the



purchase price or on taking possession of the property, we will issue the final invoice. If a property is purchased by several buyers, we will issue the invoices to all of them – regardless of who made the payment – in proportion to the percentage of their ownership. (For example, if there are two owners holding 50% share each in the property, and one of them pays HUF 100, they will both receive an invoice for HUF 50.)

We wish to emphasize that our company proceeds strictly in accordance with the accountancy and tax laws and the resolutions of the Hungarian tax authority (NAV), and will therefore not issue an invoice to somebody else's name in place of the owner or with a date and content that are different from the real date and content, and we will firmly refuse any requests to such effect.

### **8.3 PAYMENT WITH A BANK LOAN**

If you cover the purchase price partly by taking out a home purchase loan, you will need to reckon on certain individual points.

You should clarify with the bank, definitely before the signing of the contract, how much you are entitled to borrow, as part of a pre-qualification procedure. It can happen that a bank offering a better interest rate is willing to finance a smaller percentage of the purchase price than others. Please be aware that you can borrow maximum of 75% of the purchase price in Hungary, and the usual level is more like 60-65%. It is definitely worth contacting the project financing bank, it is usually FHB Bank or OTP Bank, as they have special offers for our retail customers.

Please note that banks tend to set special conditions not only for the signing of the contract but for the disbursement of the purchase price too, and that these can be vary from one bank to another. Should you have any problem in this regard, please contact our customer service center, and we will be happy to directly contact your bank's administrator.

You also need to factor in the time required for the related banking administration. No matter what the advertisements or the credit brokers might promise you, it can take at

least one month from the signing of the sale and purchase contract before the bank pays, though to be on the safe side you should calculate with two months – and this is what will determine when you can take possession of the property.

You have to reckon on this length of time even if you are buying an apartment under construction. Buyers financing their purchase with their own funds can effectively occupy their property the day after the issue of the occupancy permit, customers borrowing from our partner bank will be able to do so four to five weeks later, while those signing a contract with a different bank can reckon on about three to four months' worth of waiting and administration. Unfortunately, we are unable to shorten this time in any way, and we cannot hand over the apartment before the bank transfer either.

#### **8.4 HOME SAVINGS BANK**

State subsidized home saving schemes are available in Hungary, all European Union nationals are entitled to benefit from such schemes. As this is a savings scheme, contracting and the collection of funds must take place and commence at least four years before buying property. Subsidized home savings cannot be utilized retroactively. If you have additional questions please consult your banking advisor.

#### **8.5 EMPLOYER'S LOAN**

There is nothing we can say about employer's loans as there are as many different offers as there are employers. The loan is sometimes disbursed via a bank, the money may be transferred to you or directly to our company, the value of the property or so called superstructure may be restricted, and there may apply other special rules.

Generally, we can incorporate in the agreement specific provisions your employer may want, it is very rare that employers make requests we are unable to meet. Our property advisor will be happy to assist you with employers' loans also.

## **8.6 FAMILY HOME SUPPORT PROGRAM (CSOK), INTEREST-SUBSIDIZED LOAN**

Buying a home with government support is always governed by strict conditions and rules. First of all, there are only a few banks dealing with this (our property advisor can provide information on the specific banks concerned), and eligibility is limited by several factors (age, being married, number of children, size and value of the property being purchased, whether you already own any properties.)

It is important to contact the bank before the signing of the contract so that you can be certain that you are eligible for the support in question. If you find out later that you are not eligible for the support you have selected, you cannot withdraw from the contract citing this as the reason. Only Hungarian or European Union nationals are eligible to the benefits of CSOK, the magnitude of which depends on the number of children and the size of the apartment, for further information please visit our website. Also, please aware that interest subsidized loans and the CSOK are only disbursed if the legally binding occupancy permit has been received, i.e. if you wish to pay the purchase price before that happens (for taxation purposes for example), these support mechanisms will not be available to you.

## **8.7 LEASING**

In the case of financing through leasing, it is the financial institution providing the “loan” (the lessor) that buys the property from us; they will be registered as the owner, while you (the lessee) will purchase the property from them by paying in instalments and will only become the owner if and when you have paid the last instalment – although you can fully use the apartment up until then just as well. This facility is useful mainly when there are problems with regards to certifying the buyer’s income or if your own funds cover only a small portion of the purchase price. In certain cases, the monthly payments can actually be better than in the case of bank loans. However, the conditions of lease facilities are also strict: you can only tell whether it is worth opting for leasing in your specific case after consulting with the leasing company.

It is important to note that we only sell finished apartments with valid occupancy permit in a leasing construction.

8.8 If you would like to pay the purchase price from the sale of an existing property.

It is often the case that buyers cover the purchase price of their new property partly or wholly from the proceeds of the sale of their previous home. In the case of our apartments that may be moved into immediately, we recommend that you only sign the sale and purchase contract with us once you have sold your property or after the buyer has at least paid the down-payment for it.

When purchasing apartments under construction, there is time to sell your old home before the apartment is completed. However, when calculating the time required for this, the sale price and the buyer's payment time, it is worth considering a safety margin in order to avoid any inconveniences. You should note that if you do not manage to sell your property, this will not be regarded as a case of force majeure or as an appropriate reason for cancelling the contract on the buyer's side, as all this is independent of the obligation undertaken to pay us the purchase price. It is not possible for us to offset the value of your property against the purchase price either in this case or any other case.

## **8.9 PAYMENT DELAY**

It can happen to anyone that things do not turn out according to plan and they fall into payment arrears. The most important thing to remember is that if you see that you will not be able to pay on time, you should **indicate this to our customer service staff in advance**. In such a case, you can expect to obtain the deferment requested, and if necessary, our assistance, and we will not charge you interest in the case of a few weeks' delay.

If, noticing the delay, a member of our customer service staff contacts you and you quickly settle your debt, you still do not have to reckon on any consequences. If, however, it becomes clear at that point that you need several weeks' deferment, we will not be able to avoid charging you default interest. We will

still assist you as much as possible in managing the problem and you can count on a positive attitude on our part.

If our attempt to contact you proves unsuccessful or the due willingness to cooperate is lacking, or if we find out that we cannot expect to receive payment within the foreseeable future, we will proceed in accordance with the terms of the sale and purchase contract. Following a written payment request and the expiry of the deadline specified there, we will, in our next letter, cancel the contract. In that case, we will keep the down-payment, but will repay any further part of the purchase price already paid.

### **8.10 WHEN WE OWE YOU**

It may also happen that we have to fulfil some kind of payment obligation to you. One of these cases is when, due to a delay on our part, we have to pay a penalty. Another, more frequent case is when the buyer or the bank mistakenly transfers a larger amount than due, or possibly the communal charges are transferred to us instead of the account of the apartment building.

If we notice an overpayment or a transfer made in error, we will retransfer it to the account it came from after checking with the other party. In the case of a direct payment to our account, we will ask for a declaration from the buyer on where we should transfer the money to. However, the time it takes to transfer the money can be as long as several weeks, particularly in the case of bank-financed projects, because we do not have a right to dispose over the account and we have to “request” the money from the bank and run it through our controlling system.



# HANDOVER AND MOVING

# 9

**Contract conclusion is the most important moment for the customer; depending on the payment schedule and the level of completion, the handing over of the apartment may take place within a week or in as much as one and a half years, during which time a lot of things can and do happen, and many questions arise in connection with the moving and the handover. You will find the provisions related to these in the sale and purchase contract, and you will find the background information not included in the contract in this chapter. Unfortunately, it is in relation to moving that customers tend to be mistaken most often, so if have any questions, please contact our customer service center, where you will always be given detailed and more importantly, accurate, information.**

## **9.1 AFTER THE SIGNING OF THE CONTRACT**

Following the conclusion of the contract, there are a few immediate obligations that need to be met, which are essentially as follows:

- the advance payment must be transferred (section 7.9);
- in the case of a bank loan ("CSOK", subsidy, leasing etc.), the credit application must be submitted, and then the loan contract must be signed and the documents necessary for the disbursement must be obtained (for apartments under construction, you have more time to take care of these);
- if construction is underway, you must attend the technical coordinative meetings (selecting of tiles, doors, etc.);
- you must be present at the technical and the final handover (handing over of the keys).

After the contract is concluded we will send you the buyer's copies of the contract by post – unless you want to receive your copy in person – and we will issue the invoice on the down-payment after two weeks from the crediting of the amount, and send it to the notification address that you have specified. If you do not receive these documents, please let us know by contacting our customer service center.

If you have purchased an apartment that is under construction, we will contact you about the choices available to you, as well as about on-site inspections and the handover, so if there is a

change in your notification address (section 7.5), please notify our customer service center by email.

## **9.2 ACCESS TO THE APARTMENT BEFORE HANDOVER**

Customers may want to access the apartment before the handover to take measurements for built-in furniture, or to do the fitting work themselves or have the fitting done by their own contractor. We would like to emphasize that although this expectation is perfectly understandable and we have every intention of satisfying this demand as well, this particular obligation is not one of the legal obligations of the seller; it is not a “natural right”, but rather an extra service on the part of the general contractor, and therefore any such visits to the apartment are subject to the conditions set by our company.

After the contract is concluded, the keys to the apartment held by the sales department will be returned to the general contractor, and only the general contractor’s employees will be allowed to enter the apartment for the purpose of work and maintenance (ventilation, cleaning). As a result, please do not contact our property advisor about access, because he or she will not be able to help you.

During construction, for security and work safety reasons, access is only granted on one occasion; usually we organize on-site inspections after the tiling and hard flooring is done. Our technical consultant can provide you with details about this.

Metrodom will grant access to the apartments on 2-3 predetermined days during the two-week period following handover and the time allowed for subsequent repair works (usually 30 days). On these occasions, you can verify repair works, discuss the placement of kitchen furniture and cabinets with the selected professional. The concrete days and the time allowed for the visits will be announced at technical handover or can be asked for from our customer service. Let us emphatically request that you not turn to us regarding access for any day other than the ones we have provided as we will not be able to satisfy your demand. Should any problem arise in relation to access (damages caused, refusing to leave the apartment at the end of the workday, etc.), **access rights will be immediately revoked.**



Please be aware that during the period between the walk-through days and technical handover, our colleagues will enter your apartment routinely to ensure regular airing and check radiator valves; installation and configuration of the smart home system will also be done during this period. Because of this, walk-through days can only be used to verify repair works, inspect the apartment, no installation works can be performed (like installation of air conditioning or kitchen furniture), therefore we take no responsibility whatsoever for furniture, tools, furnishings, fixtures or other objects left in the apartment. Similarly, no construction or installation works can be performed further on as we are unable to ensure the continuous supervision of such works and determining who is responsible for damages caused in the apartment, sheathings, tiles, sanitary fixtures, smart home system, etc. will not be possible later.

### **9.3 CONTENT OF THE TECHNICAL HANDOVER**

Technical handovers are organized to prove to the customer that the apartment has been completed according to the plans and is suitable for use, and for the parties to identify and address any existing deficiencies that need to be repaired. As a result, the only time you should expect a technical handover is if the property you have purchased is still under construction, otherwise you will purchase the property in its “as is” condition (section 5.3).

In the sale and purchase contract we undertake a deadline for the technical handover (essentially synonymous with the completion of the construction), which means that we have to hand over the property by that time. This usually occurs a few weeks before the deadline; you will be notified of the specific date in writing. If the date indicated in the letter is not convenient for you, please let our customer service staff know and make another appointment. If you are not in Hungary, please authorize someone to show up at technical handover on your behalf. If you are not present for the handover despite the seller's request, you will be in what is called buyer default, with all the legal consequences that this entails.

We can delay the technical handover itself once. However, for any additional delay we will be required to pay a penalty

of 1% per month, and if we are unable to hold the technical handover after a delay of 3 months, the buyer will be refunded twice the amount of the advance payment and will be allowed to withdraw from the contract. (Let us note that no such delay has ever occurred, not even a day, in terms of the deadline we undertook.)

The handover itself is a half-hour process, and if there are several owners, it is enough if only one of them attends. If you want, you can bring your own technical expert or inspector to the handover, at your own cost, but essentially, the things that need to be looked at are the sort of things that anyone can check. You will have to check whether everything is error-free and intact, you will have to open and close the doors and windows, flush the toilet, and turn on the lights, and you may even inspect whether the sockets are working correctly with a test bulb. If the handover is in the summer, you will not be able to try the heating and the hot water, because we will not keep the boilers running for this purpose; this will only be possible at the time of the final handover.

The technical handover only covers the apartment, parking bay and storage area; it does not cover the common areas – those will be accepted by the joint representative of the apartment building. This is partly because the size of the area that would need to be covered would mean that the on-site inspection and the handover would take around half a day, and partly because the majority of our customers do not possess the technical expertise necessary for the handover of complex machinery, and thirdly because the different statements made by the residents respectively would be legally uninterpretable and unmanageable. As a result, we can neither record, nor manage any objections made in connection with the common areas; simply put, it is not part of the technical handover.

#### **9.4 IF YOU FIND A DEFECT AT TIME OF THE TECHNICAL HANDOVER**

We would like to draw your attention to the fact that one of the purposes of a technical handover is to find and list the defects. Therefore, if you find a defect, do not assume that the construction is of poor quality or that our company has been

negligent, as minor defects are a regular occurrence in the construction industry. Regardless of this, more than 75% of our technical handovers are carried out without any defects being found, while in the rest of the cases we find minor gluing or painting defects, or alignment issues.

Do not be surprised if a few things are missing. The keys to the doors inside the apartment, thermostat heads, the sieve on the outlet pipes of taps, shower set and the toilet seat are installed just before the final handover, because these items are the ones most likely to disappear before the apartment is handed over. However, if you see any other deficiencies, or defects, please make sure to let us know.

If you find a defect, it will be either immediately repaired by the professional repairmen on site, or they will record the defect and specify a deadline for the repair, which is usually no longer than 30 days. No notification is sent on repair works performed, you can verify performance on the weekly on-site inspection days following technical handover. If you do not schedule a separate appointment, you will have the opportunity to inspect the repair work during the final handover the latest.

In case you modified the technical contents (ordered supplementary works, requested that the radiators or wall switches, etc. be mounted at a spot different than what is indicated on the original plans) and the subcontractor fails to implement the modifications you requested, such failure will be considered defect. We will only be able to remedy such defects if you are in possession of the confirmed order and paid the modification fees. We can only implement modifications present in the (modified) floor plans and descriptions, we cannot accept references made to verbal promises or agreements.

We cannot undertake to repair such minor defects repairing of which would be disproportionately expensive to repair or only possible by replacing the entire product. The scope of such defects is very narrow, it only encompasses micro-scratches hardly visible to the naked eye. We will not chisel an entire window out of the wall, destroy everything from thermal insulation to plastering and paint just to repair a 1 mm scratch on the window frame.

## **9.5 FAILED TECHNICAL HANDOVER**

It is important that you know the difference between a successful and a failed technical handover, because there are legal consequences to a technical handover, regardless of whether it succeeds or fails. The technical handover is considered successful with the minor defects detailed above; acceptance of the property may not be refused citing these minor defects as justification.

The technical handover is a failed technical handover if the sort of defect that is found – or the repair of this defect – makes the intended use of the property, i.e. occupation of the property, impossible. Typically, such defects are doors and windows that cannot be closed, problems with the water supply, no heating during the heating season, etc. We inspect the apartments before the final handover, and we do tend to notice these kinds of major defects, and so it is virtually impossible that we will invite you to a technical handover at which you will find defects of this sort.

Should the handover nonetheless fail, it will have to be repeated before the original, contractual deadline expires, otherwise we would be in default bearing all the consequences that this entails, as described in section 9.3. If, however, you refuse to technically accept the apartment without due cause, and fail to do so despite our repeated request, this will constitute a breach of contract, which will result in our withdrawal from the contract. That is why we recommend that you talk to us before you go ahead and unilaterally refuse to accept the property, otherwise we will also stick to the agreement in our conduct.

## **9.6 ACCESS DAYS**

Metrodom will grant access to the apartments on 2-3 predetermined days during the two-week period following handover and the time allowed for subsequent repair works (usually 30 days). On these occasions, you can verify repair works, discuss the placement of kitchen furniture and cabinets with the selected professional. The concrete days and the time allowed for the visits will be announced at technical handover or can be asked for from our customer service. Let us

emphatically request that you not turn to us regarding access for any day other than the ones we have provided as we will not be able to satisfy your demand. Should any problem arise in relation to access (damages caused, refusing to leave the apartment at the end of the workday, etc.), **access rights will be immediately revoked.**

Please be aware that during the period between the walk-through days and technical handover, our colleagues will enter your apartment routinely to ensure regular airing and check radiator valves; installation and configuration of the smart home system will also be done during this period. Because of this, walk-through days can only be used to verify repair works, inspect the apartment, no installation works can be performed (like installation of air conditioning or kitchen furniture), therefore we take no responsibility whatsoever for furniture, tools, furnishings, fixtures or other objects left in the apartment. Similarly, no construction or installation works can be performed further on as we are unable to ensure the continuous supervision of such works and determining who is responsible for damages caused in the apartment, sheathings, tiles, sanitary fixtures, smart home system, etc. will not be possible later.

### **9.7 THE FIRST CONDITION OF FINAL HANDOVER: THE OCCUPANCY PERMIT**

The completion and the suitability for use of a building or an apartment are certified in Hungary by way of an occupancy permit issued by the town clerk. If unavailable, moving in is prohibited, i.e. we cannot hand over the property. Even if everything is complete, the building is not a residential building but a construction site under the law.

We file a request for the issuing of the occupancy permits simultaneously with the technical handovers. If you have bought an apartment that was advertised as ready for moving in, that means we already have this permit, in which case you can skip this section altogether. (You can download the occupancy permit, available only in Hungarian, from our website or our property advisor can send it to you via email, as per your request.)

The procedure involved in the issuing of the permit is very complicated; over a dozen different authorities are involved in it, performing on-site inspections and granting consent. If these have been successfully obtained and completed, the municipality issues the permit after a thorough on-site inspection. The municipality then sends the permit to all the authorities concerned, and if none of them object to it (file an appeal against), the occupancy permit becomes effective. The procedure takes around 3-6 months, and our company – or anyone else for that matter – has no influence over the time requirement with regards to the procedure. As a result, we cannot specify a deadline for the issuing of the occupancy permit, because there are many things that can influence it (summer holidays, Christmas holidays, or the willingness of the authorities to keep to the deadlines), over which we have no control.

What we can guarantee is that we will submit the application on time, respond to the calls of the authorities by the specified deadlines, and if they refuse to issue the permit, we will assume full financial and legal responsibility towards our customers.

Our customer service staff can give you more information about the status of the occupancy permit (and therefore about the date of the final handover). We emphatically ask that you treat any information received from other sources with reservations; do not base your plans to move or terminate your rental agreement on them, because we cannot help you in situations like this, nor can we pay you any type of compensation.

We will inform you about the issuing of the occupancy permit in a letter; this will also specify your related payment obligations, which is the other important precondition of the final handover.

## **9.8 THE SECOND CONDITION OF FINAL HANDOVER: SETTLEMENT OF THE PURCHASE PRICE**

One of the basic rules our firm is that **only paid properties are handed over** to customers. There are no exceptions to this. If the apartment is not paid for, no promissory notes or

other collateral will be accepted to facilitate the handover, nor would we conclude a rental agreement (prospective owner wanting to rent the apartment until final payment is made). We cannot take into consideration the extent to which the failure to pay is your fault or your bank's fault; this can at most be considered in relation when deliberating the consequences of late payment (section 8.9).

Until the purchase price is credited to our bank account, the purchase price will not be regarded as paid. Please take this into consideration when making arrangements for the bank transfer. You should take into account the fact that the different banks, leasing companies and building societies have time requirements when it comes to loan disbursement. Do not believe what the commercials say as to the disbursement time as any number of problems could occur hindering the disbursement of your loan. Please never terminate your rental agreement or arrange to move from your current apartment in the firm belief that your loan for the new property is about to be disbursed, because we will not be able to help you if any problems then arise with the disbursement. It is better to pay another month's rent than to find yourself effectively out in the street with all your belongings for days or even weeks!

## **9.9 CONTENT OF THE FINAL HANDOVER**

The final handover (also referred to as the handover of keys) marks the point at which you become the owner of the apartment (and of your parking bay and/or storage space) in the full sense; that is, you can move into the apartment, use it, or let it out. From this point on, you will be responsible for all the costs (communal charges, public utility bills) and that is when the risk of loss passes to you.

Once the conditions of the final handover mentioned above are met, our customer service staff will contact you over the phone to schedule an appointment for the handover. (If you cannot be reached, you will receive an email, and if we cannot reach you by email either, we will contact you in a letter.) We have one day designated for handovers every week, similarly to the on-site inspection day (section 9.2); we ask that you pay the final instalment of the purchase price at least 3 working

days prior to this day, otherwise we will probably only be able to hand over the apartment to you on the handover day of the following week.

During the course of the final handover, you can check to ensure that the apartment is entirely in order since the technical handover, and that the defects have been repaired; this is the last time that you can request the repair of any physical defects, as after the final handover it can no longer be proven, for example, whether the parquet flooring was scratched by one of the workers' boots or by your moving the furniture around. Please give yourself enough time to look around thoroughly, because otherwise you might be in for an unpleasant surprise, as there is nothing we can do about these types of complaints later.

This is what you will receive at the final handover:

- the record of the final handover, which also contains the up-to-date readings of the public utility meters;
- the keys (apartment, mailbox, entrance door proxy);
- the user manual for the apartment
- the guarantee card
- the entry code for the door phone;
- a pendrive containing all the other documents (energy performance certificate, building and occupancy permit, the floor plan and the technical description of the apartment, quality certificates of built-in materials and products, deeds of foundation and operating rules of the condominium, cover note of the insurance of the building, photos and design plans of the building, etc.)

We ask that you specify during the final handover whether you want us to send our letters to your previous notification address or to the new apartment.

## **9.10 WHAT YOU NEED TO KNOW ABOUT MOVING**

When you take possession of your apartment – even if you are the first occupant – you will be greeted by a fully operational residential building with a caretaker, cleaning and garbage pickup service, and functioning hot water and heating (in the winter) systems. However, during the first few weeks there



may be a few hiccups in the building's operation. This is when the settings of the boilers and ventilation are optimized, adjust motion sensors of lights. If you encounter any kind of operating problem, please do not contact us about it, but **report it to the joint representative!** Please read the user's manual to the apartment before moving in, because in addition to some useful pieces of advice, you will also find information that has a bearing on our guarantee obligations.

During your move, please be mindful of the corridor walls, the front door and the lifts. Due to the fact that at this point the building has already started operating independently (this is described in more detail in the next section), we will not repair the damage caused by the move; such damage will have to be covered by the apartment building, i.e. by the residents. In order to protect the lifts, we will cover one lift per stairway with plywood panels, which will only be removed six months to a year after the building has been handed over. If there are multiple lifts, please use the one covered with the plywood panels for the purposes of the move.

Please do not place any waste left behind from the move – boxes and packaging materials – into the rubbish bins, but use the designated waste containers placed outside the building instead. If you do not find one outside, then the designated waste container will be inside the building (either in the underground garage or in the waste container storage area). Waste is collected selectively in all our buildings, please only place paper in the blue and plastic in the yellow bin.

We are well aware that the first thing many new occupants do is change the locks on their apartments. We want to assure you that there is no need to do that in the case of Metrodom's apartments. Although during construction the keys to the apartment change hands several times, these are copy-proof keys; you can only have a new key made with the code card you received at the time of the final handover. The general contractor's employees also only receive the code card immediately before the handover, and therefore there is no way for someone to retain an illegal copy. If, however, you do decide to change your locks, we recommend that you have the official service support of the producer replace it.

## **9.11 TRANSFER OF PUBLIC UTILITY METERS, PUBLIC UTILITY COMPANIES**

The public utility meters are located in a built-in cupboard on one of the corridor walls, together with the meters of other apartments. These are the following meters: electricity meter, heating meter, cold and hot water meter. (The latter is needed so that the water heating fee can be charged separately.)

Our company initiates the procedure of re-registering the electricity meters. Meter readings are recorded and electricity company (ELMÜ) forms are filled out at the time of property handover, when the buyer also signs the letter of authorization for us to start the re-registration procedure. Our customer service department will then handle the re-registration of electricity meters and, theoretically, no further intervention is required on your side. Should we however need your cooperation, our customer service colleagues will contact you. Re-registering takes about two months, you will receive your first electricity bill around three months after you moved in. You can enquire about the state of re-registration with ELMÜ.

The central water meter of the building will be registered for the condominium, the common representative usually advises residents that they conclude a water-fee sharing contract with the Budapest Waterworks for their own water meters to ensure that they receive the bills directly from the Budapest Waterworks and the Budapest Sewage Works. Typically, the common representative informs residents on what is to be done regarding the water-fee sharing contract after property handover.

You will not need to transfer the heating meter into your name, because the heating and water heating fees will be “billed” by the house (section 11.5). All the other costs and charges, such as the waste collection fee, or property insurance, are included in the communal charges. You may inquire about these on our website, and the joint representative can give you the details on payment.





# REGISTERING YOUR PROPRIETARY RIGHTS ON THE TITLE DEED, LEGAL QUESTIONS

10

## 10.1 SPECIFIC RULES IN HUNGARY

Buying property is not an easy task even in one's own country. Foreign rules and paperwork may appear even more complicated. If you would like to buy property in Hungary, we recommend you familiarize yourself with some specificities of doing so in Hungary.

Involving a lawyer is compulsory when buying property in Hungary. The lawyer does not only prepare the documents but also has certification roles. Metrodom provides to its customers the services of a law firm. You can communicate with the law firm in English or, for a separate fee, have them prepare the contract in English.

In Hungary, title of property is not transferred upon the conclusion of the contract, paying the price of the apartment or handing it over, but by the Land Registry registering the title. A title deed is kept by the Land Registry on each and every piece of property, all the data of the given piece of property are recorded on the deed, such as owners, holders of usufruct rights, bank mortgages and other encumbrances. Deeds of new build homes are only opened by the Land Registry only after the completion of the building and the issuance of the occupancy permit. Following this, the Land Registry registers the title upon the mutual request of the seller and the buyer (with the consent of the seller). In some cases, an official certificate is also required for the acquisition of property by foreign nationals, more information is available in Section 10.5.

## 10.2 THE PRELIMINARY CONTRACT

Detailed information on the preliminary contract is available in Section 7.10. Please note that a preliminary contract is not a sales contract, it is not about you purchasing an apartment from us, it only is a contract in which the parties agree that they would conclude a purchase and sales contract by a certain deadline. Ownership cannot be acquired with a preliminary contract in the absence of a final sales contract.

### **10.3 CONTRACT AND TITLE DEED MARGINAL NOTE**

After the sale and purchase contract is concluded, it is submitted to the Land Registry Office for processing by the law office handling the sale and purchase contract, for which the office 30 days, though typically this is done in a period of no more than 3-5 working days. If you wish, we will send you a copy of the documents stamped as received by the Land Registry Office (this may be necessary for bank loans).

The application we file with the Land Registry Office is for the registration of the buyer's title to the property; the procedure, however, is suspended until the purchase price has been paid in full. The suspension may be requested for 6 months at the most. This is important, because until the apartment building is registered, and the individual apartment units are established, the Land Registry Office will not be able to register the buyer's title to the property, as there will be nothing to register it on. If the 6 months have passed since the filing of the contract and the apartment building is still not registered the procedure will be suspended for another 6 months in the context of a new procedure. As sales contracts are typically concluded at the time of completing constructions, extension of the six-month deadline will most probably be not necessary.

The Land Registry Office will record the application of the buyer to have his or her title registered as a so-called marginal note on the title deed (on the specific title deed of the apartment after the separate apartment units have been established). This way anyone can check whose title will be registered on the title deed.

### **10.4 ESTABLISHMENT OF THE APARTMENT BUILDING, AND OF THE INDIVIDUAL APARTMENT UNITS; REGISTRATION OF TITLE**

The time when a construction becomes a residential property is once the construction has been completed and the occupancy permit – which certifies the completion of the construction in legal terms – has been issued (section 9.7). This is when we can submit an application to the Land Registry

Office to register the apartment building. The registration itself usually takes place 3-4 months after the entry into force of the occupancy permit. At this time, the previous title deed of the plot will become the master deed of the apartment building, in relation to which the Land Registry Office will open the deeds to the individual apartment units, meaning this is when the individual apartments, storage units, shops and the underground garage will have their own, separate title deeds. (Many banks set this as a requirement for the disbursement of their loans.) The Land Registry Office transfers the marginal notes of the title deed of the plot to this separate title deed, and if a loan has been taken up, it is to here that the bank's collateral securities will be registered too.

After the full purchase price has been paid, Metrodom will submit its declaration of consent for the registration of the title, the Land Registry Office registers the buyer's title based on this declaration of consent and the application for the registration of the title previously submitted and suspended. According to Hungarian law, this is when someone's previous "presumptive title" turns into an actual title. (This is when usufruct and other rights of use are registered as well.) Often, when the property is bought with a bank loan, we are required to send our declaration of consent to the bank or place it in legal escrow. If this is what your bank requests, please contact our customer service center.

The Land Registry Office typically sends the resolution on the registration of the title only to the law office in charge, which then sends a copy to the buyer. As a result, you will definitely be notified of the registration of your title.

## **10.5 SPECIAL RULES APPLICABLE TO NON-HUNGARIAN CITIZENS**

Persons of dual citizenship as well as citizens of other EU countries can expect the same procedure as Hungarian citizens; however, citizens of non-EU countries should expect a different procedure. The procedure is not overly complicated in this case either; an application form must be completed for the territorially competent government office at the location of the property (in the case of Metrodom that government

office is the Budapest Metropolitan Government Office) for the consent of the office for the acquisition of title. The permit is routinely issued by the office, in one or two months. This document will then have to be attached to the Land Registry Office application. You can also commission the law office handling the sale and purchase contract to take care of the actual administrative process in exchange for an additional fee. The procedure is subject to a levy, the rate of which is published on the website of the government office.

## **10.6 IF YOU WANT TO SELL YOUR APARTMENT**

Once your title has been registered, you may immediately resell your new apartment. It is important to know that the apartment you resell will not qualify as new-build anymore in terms of preferential duty applicable to new-build property (Item 2.1). Only property developers, like Metrodom, can sell apartments as new-build property.

Some do not want to wait until the registration of title and want to sell their apartment sooner. We would like to emphasize that Metrodom prohibits the reselling of apartments while they are still owned by Metrodom, have not been paid for in full and have not been handed over.

## **10.7 ENCUMBRANCE OF THE PURCHASED PROPERTY**

If you are covering a part of the purchase price of the apartment from a loan (section 8.3) and the bank providing you with the loan will be registering a mortgage on your apartment, the mortgage will be registered at the same time as your title. If you bought the property using your own funds, you can still use it as collateral for a subsequent bank loan, but you will only be able to do so after your title to the property has been registered. (This is not a restriction imposed by our company; it is the banks that require it.)

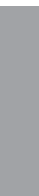
## **10.8 LEGAL DISPUTES AND COURT OF ARBITRATION**

Metrodom always attempts to resolve any legal disputes or conflicts by way of negotiation, striving for agreement. If, however, this proves to be unsuccessful, we prefer submitting



the dispute for adjudication to the Permanent Court of Arbitration of the Hungarian Chamber of Commerce and Industry. Unless otherwise agreed in advance, the exclusive jurisdiction of court of arbitration is appointed.

The Court of Arbitration is not part of the state judicial system; its judgements are not subject to appeal and – with a few narrow exceptions – they may not be contested in court. However, they are just as binding and enforceable. The procedure itself is very quick; usually a final judgement is available within 6 months after the filing of the suit (the “normal” courts generally do not even set a date for the first hearing in this timeframe). This speed is the main advantage of the Court of Arbitration, as it allows us to avoid lawsuits that drag on for years (and to avoid lawyers’ and other fees), and it also allows us to avoid legal uncertainty. Secondly, the proceedings will cost a lot more to the losing party than a proceeding run by the state judicial system, preventing the parties from engaging in a “let us try our luck” type of litigation, and this further increases their willingness to compromise.



# ESTABLISHMENT AND OPERATION OF THE APART- MENT BUILDING

**Multi apartment buildings in Hungary operate as so called condominiums. Condominiums are somewhat similar to a non-profit organization and also to a for-profit company; they have their own articles of association, organizational and operational regulations (OOR), elected officials and a board. Due to the size of Metrodom's buildings and the number of residents the condominiums are complex organizations with annual budgets of millions of Forints and permanent "employees" providing services of which the residents are the supervisors as well as the beneficiaries at the same time. All this will be familiar to those moving in from a similar building of multiple apartments, yet, even they will encounter some special circumstances.**



## **11.1 THE PRELIMINARY APARTMENT BUILDING**

After the building permit is issued, our firm files an application with the Land Registry Office for the establishment of a so-called preliminary apartment building, which already contains a list of the individual units (apartments, underground garage, shops and storage units), common areas and the most important rules of operation. The Land Registry Office registers this application on the title deed of the plot, and this is the way it stays until the occupancy permit becomes final (section 9.7). In this roughly year-and-a-half period, the apartment building does not exist; in legal terms, it is only a plot and a construction project. Because no one is allowed to move in at this stage, and no one actually lives in the building, this doesn't cause any problems. All the costs associated with the maintenance, guarding and overhead of the building are borne by Metrodom.

The preliminary deed of foundation and the application are available for viewing at our company. However, we would like to emphasize that the final version will differ in small degrees from this, though such differences will nonetheless involve a lot of points. The combining of apartments and changes to the common areas that occur during the construction process can all cause a few tenth of a square meter in changes, and result in slight changes in the respective share of the individual units in the jointly owned areas of the property. This usually has no

bearing on the buyers/residents, but the officials working at the Land Registry Office tend to pay attention to it when the title to the property is registered (section 10.4).

## **11.2 THE FOUNDING OF THE APARTMENT BUILDING, THE FOUNDATION MEETING**

When the occupancy permit becomes final, the construction officially turns into a residential building. When, after 2-3 months the Land Registry Office registers the apartment building and releases the individual units for moving in (section 10.4) after some 2-3 months, the apartment building is founded retroactively to the date specified on the occupancy permit. In order to allow the building to commence operation, and to have cleaning, garbage pickup and heating services provided to the first residents moving in, we organize a so-called foundation meeting when the occupancy permit becomes final. Given that there are no separate units at this point, in legal terms the building has one owner, so effectively we are holding a "one-person" general meeting to resolve the important questions.

At the foundation meeting, we adopt the final deed of foundation of the apartment building, which will be used in the application to the Land Registry Office to register the apartment building. We will also adopt the OOR, which will regulate the everyday life of the building. We will elect the joint representative, who is selected by way of a preliminary competitive procedure. The main requirements that the joint representative must meet is a clean record (at least 3-5 years, operation without legal problems), good reputation, appropriate credentials (experience in managing large, new-build apartment buildings), appropriate organization, office space and website, and liability insurance. Additionally, the most important criterion is how cost-effectively he or she can operate the building (ensuring that the communal charges are as low as possible). We cooperate with multiple joint representation companies and are not committed to any one representative, and it is not easy to be included among our partners.

At the foundation meeting, the rate of the communal charges is accepted and we authorize the joint representative to open

a bank account for the building and we grant him/her the right to dispose over the account. After the bank account is opened, our first task is to pay a substantial advance, in the range of a million forints to cover the communal charges payable on unsold properties still owned by Metrodom, which ensures the operability of the new building.

After being elected, the joint representative takes over the building, which is a half or full-day procedure, during which the joint representative and the representatives of the general contractor walk through the entire building, look at the appliances, indicate if there are any problems, read the gas, water and electricity meters (this is the reading up to which Metrodom is responsible for the utility bills), receive the designs and certificates of the building, the particulars of the residents, and the keys and the codes. This procedure is a lot like the procedure we follow when we hand over the apartment to the buyer, only the scale is different.

From this point on, the new apartment building is operating in line with the provisions of the Apartment Buildings Act, like any other apartment building; the residents pay the communal charges (Metrodom pays the communal charges due on the unsold apartments), the joint representative pays the bills of the apartment building, concludes contracts with the public utility companies, the cleaning company and the security company, if applicable, and takes care of maintenance, etc. This profoundly changes the previous situation, when everything that concerned the building was Metrodom's task and responsibility; from this point on, any questions regarding operation must be addressed to the joint representative. Metrodom will be in the same situation as any of the residents, we pay the common costs, heating and water fees for the apartments we own and turn to the joint representative if we have problems.

Therefore, we kindly ask that if you have problems or questions regarding the cleaning service, starting up or turning off heating, the irrigation system or anything similar in nature, please do not contact Metrodom, but instead contact the joint representative, as we are not responsible for the operations of the building, only for guarantee services.

We would like to emphasize that we are not in any way imposing any sort of restrictions on the residents; during the foundation, we do not conclude any contract with the joint representative that would preclude replacing him or her, and we do not make any financial or other decisions that would force the apartment building to take a particular path. If they want, the residents may change everything at their first general meeting following the registration of the apartment building; they may elect a new joint representative, may raise or reduce the communal charges and elect a new audit committee. It should be noted, however, that it is better to wait six months or a year to make these sorts of changes, i.e. when an informed decision can be made, based on actual experiences.

### **11.3 AFTER THE APARTMENT BUILDING HAS BEEN REGISTERED**

Once the Land Registry Office has issued its resolution on the registration of the apartment building and the subdivisions have been registered, the residents who have taken possession of their apartments can start managing the apartment building, and Metrodom loses all its previous “prerogatives” and possibilities available to it as the exclusive, single owner – from this point on, the legal status of our firm will be on a par with that of the other residents. This, however, does not only come with advantages; the residents have to accept that from that point on Metrodom will not be able to help them with decisions that fall to the responsibility of the general assembly – we will neither have the opportunity, nor the right to do so. If you want to convene a general assembly, replace the joint representative, change the OOR, or the Regulations of the apartment building, you will have to act on your own.

From this point onwards, Metrodom will try to have as little influence over the life of the apartment building as possible, leaving the decisions to the residents. This means that even if our firm does attend the general assembly meetings, we will either not vote or vote for decisions obviously supported by the majority. We will accept the general resolutions of the general assembly; if necessary, we will make dedicated payments together with the rest of the residents, we will pay the portion of the communal charges and the heating fees

which we are responsible for, and we will support positive and constructive initiatives to make life in the apartment building better. We will not use the votes that come with the properties we own to prevent the replacement of a joint representative or another subcontractor, even if our firm elected them at the foundation meeting. We will also not interfere in any disputes between the residents, or in their decisions. In these types of situations neither side should expect support or intervention from Metrodom.

We can only diverge from the above if the issue at hand concerns a draft resolution that would have a negative impact on Metrodom and concern an act against Metrodom in particular, or if the operability of the apartment building is in jeopardy and the resolution cannot be passed without Metrodom's vote.

#### **11.4 THE COMMUNAL CHARGES**

Communal charges must be paid in all the buildings of Metrodom, as in any other apartment building, which will be used to cover the maintenance and operation of the house, the cleaning, the caretaker's wages, the lighting in the common areas, the garbage pick-up and other things. The only exception is the natural gas bill generated by the boilers, because that bill represents the natural gas consumption of the apartments and not that of the building, and therefore the heating and hot water heating fees must be paid separately (section 11.5).

The rate of the communal charges is determined by Metrodom at the foundation meeting of the general assembly (section 11.2), but the residents are allowed to change the communal charges as they see fit at the subsequent meetings of the general assembly. The communal charges are determined on the basis of the size of the building and the expected operating costs, but the building needs one or two years of operation to be able to determine the actual communal charges that make the operation of the building possible. The joint representative can answer your questions regarding the exact amount payable by you on your property, as well as regarding the account number to which you will have to make the payment.

In order to avoid the late payments or non-payments that are a common occurrence in many other apartment buildings, and that put the honestly paying residents at a disadvantage and can also undermine the operation of the building, our buildings have been built with the possibility of excluding the non-performing residents from the heating and hot water service. The legal conditions applicable to this are set out in the Organizational and Operational Regulations, and it is the joint representative's responsibility to take the actions necessary for enforcement, and therefore no one can amass arrears of longer than 3 months without being penalized. For this reason, we would like to remind you to make sure that the communal charges are paid when you are away for a longer period, or when your apartment is let out, if you want to avoid an unpleasant surprise and having to pay a re-connection fee.

In case you default on the payment of communal charges for six months or more, the Land Registry will mark this on the title deed of your apartment as a marginal note. This will make the selling of your apartment essentially impossible. If the due charges are not paid even after this period has elapsed, foreclosure of the apartment can be requested, just like in the case of non-performing a bank loan, and then the apartment can be sold auction, even if a tenant occupies it. Hungarian legislation primarily protects the condominium, the community of residents and the utility companies, and not the owner of the apartment, which means that if debts are accumulated, it is easier to lose property that it is in many other countries. Therefore, we recommend that, if you purchased your apartment for investment purposes and do not want to manage your property on a daily basis and verify that the tenant properly pays the bills, contract a property management company to manage your apartment.

## **11.5 THE HEATING FEE AND THE HOT WATER HEATING FEE**

All of Metrodom's buildings have what is referred to as central building heating, i.e. the heating and hot water is generated by the boilers of the building, and the individual apartments are not connected to the natural gas grid; they do not have a separate boiler, circulation heaters. This is the most efficient



and most economical solution available today; it is the cheapest way to produce a unit of heating and results in the lowest maintenance costs as well.

At the same time, it is important to note that central building heating does not mean that you will be paying a flat rate for your heating, as is the case with district heating; every apartment has a separate heating and hot water meter and everyone pays for the amounts they have consumed. The difference compared to electricity and water consumption is that there is no external service provider, the natural gas bill is received and paid by the apartment building, which is then spread among the residents based on the individual meter readings; every resident receives a heating fee payment request every month.

The heating fee payment request typically contains three items. There is a base fee, which contains all the fees that the building has to pay even if nobody has consumed anything; this means the fee payable for natural gas meter, the maintenance costs and the so-called heat loss. The second item is the heating, while the third is the cost of heating the hot water.

There are two models available to calculate the heating fee (and there are many variants and combinations of these as well); the general assembly decides which model they want to use.

For one of the models, the standard cost prices are determined in advance, and the consumption that is determined on the basis of the readings every month is invoiced using these prices, and the actual heating cost is determined subsequently at the end or beginning of the heating season, or perhaps at the end of the year, and then every resident receives a statement, which shows how much they will have to pay in addition, or how much they will get back. After two to three years of operation, this standard cost price will be easy to calculate, so only minor adjustments should be expected at the end of the period.

In the other case, the building's actual natural gas consumption is divided up according to the readings obtained from the meters of the apartments, and that is how the standard cost

price is determined, which will be different each month, sometimes substantially different.

Both models have their own advantages and disadvantages. In the first case, residents already know at the beginning of the month, when the meter is read, what sort of bill they can expect, though they might be in for either a positive or negative surprise at the end of the period. In the second case, everyone pays according to their actual consumption every month, but of course seasonal differences come into play here as well; few people realize that heating up one cubic meter of hot water is more expensive during the summer than it is in the winter, when the boilers are operating at full capacity. Or that people who tolerate cold better tend to turn on their heating later in the winter season and to switch it off earlier as spring approaches, and the lower number of consumers using the heating during those months will cause the boiler to be operating less efficiently, meaning that one GJ or MW of heat will cost more to produce than during the winter.

In terms of the end-result, however, there is no significant difference, because the residents will eventually have to pay for the natural gas they have consumed, and therefore it is better to trust the joint representative's recommendation, because it is safe to assume that he or she has the most experience and knowledge in these matters.

## **11.6 THE UNDERGROUND GARAGE AND THE APARTMENT BUILDING**

The status of the underground garage is quite unique within the apartment building, because contrary to popular belief, it is not a common area like the corridors and the stairways, but is made up of separately owned units like the apartments, though they are not owned by one or two people but by many persons – the owners of the individual parking bays (and sometimes the storage units as well) are at the same time co-owners of the entire underground garage.

On the other hand, while the apartments are physically distinct and separate units, in terms of consumption as well (water, electricity, heating), this is not the case with the underground

garage. Firstly, it can be used by everyone, even those who do not own a parking bay, for example when they are accessing the pushchair and bicycle storage facilities; secondly, the lighting and the cleaning of the underground garage is paid for by the apartment building, for practical reasons, and if there is a closed-circuit video surveillance system in place or the building is guarded, then it is usually this “private property” that is being guarded.

If, as a parking bay owner, you are wondering why you have to pay several thousand forints every month for an empty bay, always remember that this is your private property that is being fully maintained by the apartment building, and that even so you are only paying half of your what would normally be your share in the co-owned property.

## **11.7 THE GARDEN AND THE APARTMENT BUILDING**

Metrodom buildings always have a green area, referred to as a garden, of some size or another, which is co-owned by the apartment building and used as a park. In some cases, however, a private garden is attached to ground-floor (1st floor) apartments with exclusive right of use; this is always set out in the deed of foundation of the apartment building, and physically the boundaries of the “private gardens” are marked by a fence or a hedge.

The right of exclusive use speaks for itself; these gardens can only be used by the owners of the apartments, and other people may not enter the premises. What this right of use actually entails is usually not set in stone; in the case of a dispute, the issue may be regulated by the general assembly in the OOR. (Nobody will object to a garden table, chairs or a barbecue, but if you start building a shed, your fellow residents will probably file a complaint against you.) Gardens of exclusive use are to be maintained, watered by the owner, in some cases of smaller gardens, the OOR may prescribe that the lawn should be mowed by the gardener of the apartment building so residents each do not have to buy a lawn mower just to take care of 10-15 sqm of lawn. Furthermore, it also happens that private gardens are entirely maintained by the apartment building

## **11.8 MATTERS THAT DO NOT BELONG TO THE APARTMENT BUILDING**

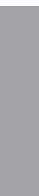
Although deciding what belongs to the set of duties and to the authority of the apartment building (joint representative) or the residents (owners) appears in principle to be a straightforward issue, experience shows that a lot of people have mistaken ideas about these.

As a general rule, whatever is inside the apartment is the responsibility of the owner. If something breaks “inside”, we will be responsible for repairs if our guarantee covers it (contact Metrodom and not the joint representative, please); if it does not, you will have to have it repaired yourself. If you run into problems with the electricity company (ELMÜ) or the water company, you will have to take the necessary steps, even if you suffer water damage from the apartment above you, or if you damage the apartment below you in the same way.

With regard to the common areas, the situation is the exact opposite – please contact the joint representative with any problems you encounter; do not try to ‘take care’ of the problem yourself! This is also true for requests for defect repair; we can only accept guarantee claims from the joint representative, as it is the joint representative who has the right to accept the repair works from us as well. Please be reminded that if you attempt to report a failure or problem (elevator, building entrance door, corridor lights, etc.), your request for the repair work **will be turned down without an in-merit examination of the problem.**

Please take into account the fact that the caretaker, the cleaners or the guards are not your ‘employees’ (subcontractors) but those of the apartment building, and are supervised or instructed by the joint representative or in the case of a separate resolution, the audit committee. Please do not try to use their services for your own purposes; the caretaker’s job is not to make repairs in the apartments, and the guards are not there to accept and retain letters and packages for you. Should you have any doubts, please ask your joint representative rather than creating an uncomfortable situation for yourself or others.





# GUARANTEE AND WARRANTY

# 12

**One of the great advantages of new-build apartments over old ones is that you do not have to worry about something going wrong, as Metrodom will provide for repairs during the guarantee period – and in contrast to many other construction companies, we take this obligation very seriously. Of course, as the customer, it is important that you also be well aware of exactly what the guarantee covers, and how – and of when it expires.**

## **12.1 WHAT IS THE DIFFERENCE?**

The terms guarantee and warranty are often confused these days, when in fact they mean very different things, so it is probably worth starting by clearing up these misunderstandings.

Guarantee means ensuring that everything is functioning well and properly in the apartment and the entire building, not just at the handover, but later as well (at least until the end of the guarantee period), and if something is defective or starts malfunctioning, that we are obliged to repair or replace it.

Based on the warranty we have to provide repairs even for things that are not covered by the guarantee or if the guarantee period has already expired. The precondition for this, however, is that the defects concerned must have already existed at the time of the handover and have escaped notice (hidden defects). Proving that these defects were already present at the handover is the responsibility of the customer. In the case of apartments purchased “as is”, i.e. after they have been completed and inspected by the prospective buyer, these include defects already existing and identifiable at the time of the conclusion of the contract.

Warranty rights may be exercised for 6 months after the handover, which is usually a significantly shorter period than the guarantee periods applicable to apartments. Consequently, procedures conducted and repairs made on the basis of a warranty are extremely rare. Perhaps the only example we can think of is if an apartment which is no longer covered by the guarantee is sold in the summer, and the owners only realize in the autumn that one of the thermostat

valves is malfunctioning. In this case, we would replace this valve under warranty. (In the absence of operating heating at the time of handover, this would be impossible to know and we cannot check the thermostat either.)

Depending on the compulsory applicability period stipulated in the law, guarantee claims with respect to the various structural elements may be enforced for up to 5 years (e.g. partition walls or insulation) or 10 years (e.g. foundation, floors).

Based on the above we will be dealing primarily with guarantee issues, the rules of which in the construction industry are in many respects different from the guarantee rules pertaining to other products, and indeed, there is a separate government decree, No. 181/2003, governing it.

## **12.2 DURATION AND SUBJECT OF THE GUARANTEE**

The law prescribes a compulsory guarantee for new-build apartments and for the building as a whole. The guarantee period is 3, 5 or 10 years depending on the structural elements and materials. The different guarantee periods are provided for by Government Decree No. 181/2003, which is accessible via [net.jogtar.hu](http://net.jogtar.hu)

Several items, not covered by the above referenced governmental decree, but the applicable general legislation are handed over along with the buildings and apartments. These items are fittings, electric appliances that are not closely associated with the property. Some typical examples are:

- Furniture placed in the forefront of the building (couch, armchair, table, etc.)
- Furniture, fittings in other rooms (babies' playroom, club room, rooftop terrace)
- Gym and sports equipment and machines in the fitness room
- Consumer electronics (TV, radio, loudspeakers, etc.)
- The smart home system (except the thermostat) and its elements, such as the central unit, touchscreen, sensors, etc.

The warranty period is typically one year for these appliances and devices, except where applicable legislation prescribes warranty periods longer than one year.



It is very important to remember that the 3-year guarantee does not begin at the time of the handover, but when the contractor (Metrodom Kivitelező Kft.) hands over the building to the principal (the real estate developer, in other words, one of the Metrodom subsidiaries). The reason for this rule is the fact that the apartments, parking bays and storage units are not inseparable and independent products but constitute a unified whole from a technical point of view. (For instance, the boiler or the lift cannot be covered by a guarantee for one resident and not for another.)

The expiry date of the guarantee period is specified in the guarantee certificate, though our customer service center can also provide you with information on such matters. You should pay particular attention to this if you are purchasing an apartment when the building is already completed and occupied, as there might only be one or two years left of the guarantee period or, in an extreme case, it may even have expired – and this is when the warranty described above, enforceable within half a year, really becomes significant.

### **12.3 USER'S MANUAL FOR THE APARTMENT AND THE GUARANTEE CERTIFICATE**

At the time of the final handover (Section 9.9), among many other documents, we will also give you three documents that are very important in terms of the guarantee: the user's manual for the apartment, the guarantee certificate and a defect report form. (You can read more on the latter in section 12.5.)

The **user's manual for the apartment** – as the title suggests – is a sort of guide to the use of the apartment, which also contains copies of the certificates of built-in materials. You will also find compulsory handling and maintenance rules not only helping you to keep your apartment in a good state of repair but breaching of which may lead to your guarantee becoming void. Some 20-25% of defects reported to us could have been avoided had our customers read the manual. The user's manual for the apartment is only available in Hungarian, and therefore we recommend one of your Hungarian-speaking friends or acquaintances read the guide and inform you of its contents, as it contains useful advice as

well information that fundamentally concerns and impacts the guarantee.

**The guarantee certificate** contains the apartment's identification number, the guarantee expiry date as well as the key information regarding the guarantee (what the guarantee covers, who the obligor is, and so on). You should note that you will not need the guarantee certificate either when reporting defects or later on, during the process of guarantee administration and repairs; our administrators or subcontractors will not ask you for this. (In part for this reason, we are unable to re-issue or replace lost guarantee certificates.) Nevertheless, we recommend retaining the guarantee certificate for the information it contains, or if you happen to let out or sell the apartment during the guarantee period, you can use the certificate to prove the validity of guarantee.

## **12.4 THE OBLIGOR OF THE GUARANTEE**

The obligor of the guarantee, who has to perform the guarantee repairs, is first and foremost the building's general contractor and not the Metrodom subsidiary that sold the property. This is governed by the provisions of the law and stipulated in the sale and purchase contract as well. The coordination of reports and repairs is handled by our Guarantee Department, so if you have any guarantee-related problems, please contact them using the contact details on our website (<http://en.metrodom.hu/guarantee>) and not our customer service center.

## **12.5 REPORTING REPAIR NEEDS**

Repair needs should primarily be reported by the owner (beneficiary) of the property, but we will also accept reports from family members; however, in the case of a dispute or of doubt, we will be entitled to request the person reporting the repairs to prove his or her eligibility. If the apartment were to be sold in the meantime, the new owner will naturally be entitled to the same rights as someone who purchased the property directly from us. We do not accept reporting from tenants and tenants cannot acknowledge performance of

repairs either, as we would like to avoid disputes with owners asking why we entered their property and did works there without their knowledge and permission.

It would be expedient for any defects to be reported by a person with whom we can consult with regards to the date of repair, and who can receive the repairmen and accept the completed work. If the person making the report is unable to do this, we ask him or her to provide a contact person.

**Reporting of defects may only be done in writing** through our website (<http://en.metrodom.hu/guarantee>), via email, letter or by submitting the completed form to our headquarters. We do not accept complaints conveyed over the telephone or verbally to any of our staff, no investigation into the issue will be done nor will subsequent repair works performed based on such communication.

The simplest and fastest way to report your repair needs is through our website ([www.metrodom.hu/guarantee](http://www.metrodom.hu/guarantee)); you do not have to register or provide the number of the guarantee certificate or any other documents – simply select the building, provide the apartment number and your contact details (telephone number and email address), and a brief description of the problem or defect. You will automatically receive a confirmation email of the report, which will contain any information you may require, including who will be contacting you and when.

If you do not wish to use our website, you can also email or send a letter to us directly. In such cases, we recommend you use the defect report form provided on handover or available from our offices. Make sure you send or bring this to our central office, to the address indicated on the form, as this is the only way to make sure it will get to the right person, our guarantee administrator.

Unfortunately, we are unable to accept verbal or telephone reports, as we wish to avoid any disputes caused by the fact that the parties have different recollections of who reported what, when and to whom.

## **12.6 THE REPAIR PROCEDURE**

In case of an emergency situation, defects to be repaired immediately (pipe leakage, electrical short-circuit, faulty entrance door locks, etc.) please call **+36 1 458 4431**, our 0-24 telephone hotline, a repairman will be sent within 6 hours to avert the emergency. Repair works do not contain restorations, those will be dealt with by regular procedure, so please make sure you report a defect via our website too. Non-stop emergency assistance is offered as part of our Metrodom Guarantee+ service, available in buildings handed over in 2017 and beyond.

If the defect does not require immediate intervention, no emergency situation is present, please, do not call the above number but report the defect in writing, via our website.

Within 5 working days of the reporting of the defect, the guarantee administrator will get in touch with you on the telephone number indicated. (This deadline will be extended at the end of the year, as our guarantee division is closed for a two-week period that time.) For this reason, we ask that you time your report to ensure that you will be available for our staff, and not, for instance, before a long holiday or trip abroad, as after two unsuccessful attempts to contact you, we will regard the matter as no longer relevant and close it.

Should the nature of the defect require this, our guarantee construction manager will make a preliminary inspection at a time agreed upon with you, where he or she will survey the extent and repair requirements of the defect, or if this is not necessary, he or she will immediately consult with you regarding a repair date.

Minor repairs will be carried out by Metrodom's own repair person. Major defects or defects requiring the intervention of a specialist will be attended to by a professional subcontractor, usually the one that worked on the construction itself.

When repairs are completed, we prepare a simple record that is signed by the subcontractor who made the repairs as well as the person who reported the defect, and this report certifies the completion of repairs.

## **12.7 THE ONE-YEAR INSPECTION**

One year after the issuing of the occupancy permit, we will hold a comprehensive on-site inspection, where for a few days the representatives of all the specialized professions are present and available to residents. This is when we repair, "in one go", all micro-defects (e.g. wall joint defects, loose base boards, etc.) that are not too bothersome during the everyday use of the apartment, are easily and quickly repaired, and where calling repairmen in to see to such defects would be disproportionately costly and time-consuming.

It is also at this time that we repair the micro-cracks that appear on the paint and plastering, which are the result of small movements, or the "settling", of the building, the structure and the walls. (This is a natural phenomenon that occurs in the case of any new building, and is not indicative of any quality defects.) If necessary, this is when we fine-tune the hinges of the windows and doors that may be required due to the building's movement.

We will be informing residents about the one-year inspection through a letter containing all relevant information, placed in mailboxes as well as on the notice board. Just to be clear, being absent at the one-year inspection may cause an inconvenience but does not result in the waiving of any rights; you may also request the repair of the above defects at a later date.

## **12.8 CASES NOT COVERED BY THE GUARANTEE**

There are certain cases when despite a clearly existing error or deficiency, the buyer will still not be entitled to request guarantee repairs.

We will not repair physical damage that occurred during the use of the apartment. This includes knocked-off plastering and paint, scratches on doors, windows and the parquet flooring, as well as damage to the sanitary installations and the coating or enamel of the bathtub. Such defects can be reported at the time of the final handover at the latest (section 9.9) or if you have requested to move furniture into the apartment beforehand (section 9.6), then before such moving of furniture

commences. In the case of such defects, it is impossible to know or to find out when they occurred and whose fault they are.

We will not repair defects arising due to external circumstances; for instance, if the apartment is flooded due to a terrace door left open or the faulty washing machine of an upstairs neighbor. Our extended, Metrodom Guarantee+ services will typically provide protection in these cases, you can rely on our emergency services, if for instance you break your key inside the lock of the entrance door (an event not covered by standard guarantee) and also have your furniture, other moveable property insured against damages out of burglary, flooding or other damages.

Repairing of damages caused by pets or pests (pigeons, ants, etc.) are not covered by the guarantee policy.

We will not repair defects due to improper use, such as mold due to failure to ventilate or heat the apartment or damages caused by the use of inadequate cleaning supplies (smudges, discoloration, scratches) or damages caused by not performing maintenance works (plugged pipes, limescale, deposition).

We will not repair parts changed or replaced after the acceptance of the property, for instance if you replace the parquet flooring, put up wallpaper or paint over the walls. Just to be clear on this point, the same guarantee covers all changes ordered from us and all materials ordered through and installed by us as the one covering standard configurations and products.

We will not perform aesthetical repairs. The color of certain materials (wallpaint, lining between tiles) may change, fade or darken over time due to staining or the cleaning substances used. If a hairline crack is repaired or a missing part of tile lining is filled, the shade of the repaired part may differ from that of the rest of the surfaces. We will however not repaint the entire room or line whole tiled areas only to remedy such aesthetical problems.

Although this falls into a different category, please note that we do not make repairs in the common areas or the machinery and appliances used in such areas (elevator, boiler, lighting,

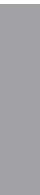
etc.) based on residents' reports, as such works are authorized and acknowledged only by the joint representative. Should you have any problems with the common areas, please report this to the joint representative.

Modification of the configuration settings of appliances, especially the smart home system, including necessary resetting of the system to default due to user modifications, is not covered by the guarantee. Should you need assistance with using, configuring, optimizing of your smart home appliances, please turn to our supplier and installation partner, find contact details on our website. Our partner may charge a fee for their service, please coordinate on this with them before ordering.

## **12.9 DEFECTS/ERRORS OF OPERATION AND OPERATING**

You may encounter disturbing phenomena in the house or apartments that do not fall under the scope of the guarantee, but under the scope of building operations. In the case of the following problems, please contact the joint representative:

- turning the heating on or off in the apartment;
- setting the temperature level of the hot water for heating or for domestic use;
- setting of motion sensors that control lighting;
- setting of the automated irrigation system;
- replacement of burned-out light bulbs (in common areas);
- complaints in connection with cleaning;
- failure, maintenance of the garage door;
- assigning/registration of a phone number to the garage door
- Adjustment of doors located in common areas (e.g. building entrance door)
- failure, maintenance of parking machines
- failure, maintenance of playground toys
- failure, maintenance of elevators





# METRODOM GUARANTEE+

13

**Metrodom Guarantee+ is an extended guarantee service whereby our company offers services beyond obligatory guarantee services prescribed by the law.**

## **13.1 ELIGIBILITY**

Customers buying property in one of our houses handed over in and after 2017 can benefit from Metrodom Guarantee+ (handover is the technical handover of the building; the starting date of the general guarantee period has to be in 2017 or later). Metrodom Guarantee+ provides protection for the apartments and moveable property inside the apartments but does not cover the storage (and goods stored there) parking bays, or vehicles parked in the parking garage or in common areas. Services of Metrodom Guarantee+ are available to those living in the apartment, i.e. not only the owners but also tenants and their family members.

## **13.2 COVERAGE PERIOD**

Metrodom + provides protection up until the expiration date of the three-year general guarantee period, the concrete date is indicated on the guarantee card received upon handover or can be seen in the 'Guarantee' section of our website. We regret to inform you that we cannot assume guarantee responsibility for defects reported after the expiration deadline, even if those occurred before expiration.

## **13.3 GUARANTEE 24 EMERGENCY ASSISTANCE**

Should a defect, an accident or any other event causing damages requiring immediate action occur, our 0-24 emergency assistance service is available via the Guarantee-24 customer service number, **+ 36 1 458 4431**. We undertake to do the repairs necessary to avert emergency situations within six hours from calling. The following events are considered emergency events: pipe breakages, plugged pipes, short circuit, broken entrance door lock. The repair works only serve to avert emergency situations. Repairs will only be performed to avert emergencies. In case of a broken waterpipe, the wall will be stripped, the faulty section of the pipe replaced, but restoration works will only be provided according to standard

guarantee conduct. To this end, please take care to report defects also on our website, or via email if restoration works are also to be performed. Restoration is only provided if the defect that caused it falls under the scope of standard guarantee, e.g. mold on a wall or the parquets due to a broken pipe will, but a leakage or flooding caused by a plugged pipe will not be repaired.

### **13.4 INSURANCE COVERAGE OF MOVEABLE PROPERTY**

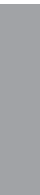
Insurance covering the condominium provides protection for privately held real estate property, i.e. covers costs of restoration works following fire or water damage, it however does not cover damages in furniture or other types of moveable property. Metrodom Guarantee+ makes up for this shortcoming and provides protection against damages in moveable property up until the value limit of HUF 40,000 per square meter.

This does not only apply to accidents and natural disasters but also to burglary, sneak-in theft (the latter up to the value limit of HUF 100,000/year). For a complete list of insurance events please refer to the insurance cover note available on our website. Some examples of events insured by our Guarantee+ service: fire, explosion, hailstorm, water damage, glass damage, lightning strike, sneak-in theft, damages out of vandalism, tree falling on the building, accidents to pets, pets' diseases, etc.

### **13.5 OUR INSURANCE PARTNER**

The Metrodom Guarantee+ services are provided together with the provisions of insurance policy 'Komfort' of Groupama Biztosító Zrt. Metrodom reserves the right to contract for a different insurance scheme or conclude a contract with similar contents with another insurance company in the event that the name, the services or the price of the insurance product change. If you would like to avail yourself of the services, please refer to the insurance cover note number available on our website or in the 'important phone numbers' document received at handover. Our customer service department will appreciate your feedback on the service at [info@metrodom.hu](mailto:info@metrodom.hu) or through the phone numbers indicated on our website.





# PRIVACY POLICY

14

## INTRODUCTION

### Dear New Client,

We are in business relationship with you because you communicated with one of the following companies: **SomeDeal Kft.** (seat: 1027 Budapest, Varsányi Irén utca 8. fszt.), **Immobilie Best Kft.** (seat: 1184 Budapest, Aranyesó utca 8.), **Szitu Kft.** (seat: 1097 Budapest, Nádasdy utca 10. 5. em. 505.), **Credit Consilium Kft.** (seat: 2000 Szentendre, Kondor Béla utca 28. B. lház. II. em. 14.), **Ingatlan-Galéria Kft.** (seat: 1149 Budapest, Róna u. 109. 4. em. 9.), **KIPEX Kft.** (seat: 1037 Budapest, Bécsi út 52.) (one or more of these companies respectively or jointly: **Sales company** or **Sales companies**) as realtors concerning the purchase of real properties presented on the metrodom.hu website (hereinafter: Website) of Metrodom Kft. (seat: 1095 Budapest, Mester utca 83/C fszt. CÜ3.) or of the affiliated project companies that are offering the real properties for sale (hereinafter jointly: **Metrodom**).

This privacy policy (hereinafter: **Policy**) is considered as binding by the Sales company that you contacted and by MTDM Management Kft. that contributes to the sales process (seat: 1095 Budapest, Mester utca 83/C. fszt. CÜ3.) as joint data controllers (hereinafter jointly: **Data controllers**) and they state that their data processing activities are in compliance with this policy and the applicable laws.

The Sales company as data controller states that it is a legal entity established in Hungary and acts as a realtor concerning the sale of the real properties and concerning the business activity of Metrodom. MTDM Kft. as data controller states that it is a legal entity established in Hungary and acts as a contact point concerning the sale and purchase contracts concluded or to be concluded concerning the real properties offered by Metrodom (hereinafter: Contract), furthermore based on a separate legal relationship it acts as a data processor of Metrodom.

**The legal relationship between You and the Data controllers comes into existence when You indicate your interest for the conclusion of the Contract for the first time (by submitting your personal data detailed in this Policy. During the contracting process you provide your voluntary,**

**explicit and definite consent based on proper information for the processing of your personal data after you became familiar with this Policy.**

By accepting this Policy, you consent to the processing of your personal data and you verify this by signing a separate declaration. Upon the acceptance of the Policy and thereafter, the Data controller requires certain personal data. The data processing activities and the legal ground are detailed in this policy for each contracting step, however, the Data controllers are entitled to process some of your personal data already prior to the acceptance of this Policy for the purposes of contracting at your request.

The purpose of this Policy is to describe the principles and purposes of the data processing and other rights and obligations in line with the applicable laws that set out the purpose of the processing of your personal data, the duration and the methods of the processing and also your enforcement rights and remedies concerning the data processing.

The security and adequate processing of your personal data submitted to us is extremely important for us, therefore please read this Policy carefully and attentively. Should you have any questions or remarks concerning this Policy, then please do not hesitate to contact us before accepting the Policy at the e-mail address [info@metrodom.hu](mailto:info@metrodom.hu) and our colleagues are ready to assist you.

**TERMS AND DEFINITIONS**

Please find below a summary of the most important terms used in this Policy.

- **Application:** The Metrodom Sales 3D application that is made available by the Data controllers only on personal request (at events, promotions, personal consultations) through which Data subjects are able to view virtually the floor plan and 3D model of the concerned real property.
- **Activities of the data processor:** any activities on personal data concerning data processing actions that are carried out on behalf of the Data controller, irrespective of the method or

tool used for the execution and irrespective of the location of the application provided that these activities are performed on personal data. Accordingly, data processors are such natural or legal persons, authorities, agency and other bodies that process personal data on behalf of data controller.

- **Data processing:** any operation or set of operations on personal data, irrespective of the method, including especially collection, recording, organization, storage, alteration, use, query, transfer, publication, alignment or combination, blocking, erasure or deletion and the hindering of the further use of the data.

- **Áfatv.:** Act no. CXXVII of 2007 on value-added tax.

- **Data subject:** each and every identified or identifiable natural person who enters into business relationship with the Data controllers in the course of which the Data subject provides his/her personal data detailed in this Policy.

- **Website:** [www.metrodom.hu](http://www.metrodom.hu) operated by the Data controller.

- **Data controllers:** the data provided by the Data subject are processed by the Data controllers, i.e. only the controllers are entitled to make decisions and execute same concerning the personal data of the Data subjects. Furthermore Data controllers act as the data processors of Metrodom as recipient.

Data controllers qualify as joint data controllers based on the liability scheme detailed in this Policy. The Data controllers are subject to Pmt., taking into consideration that they carry out activities for the intermediation of the transfer of real properties.

The details of the Data controllers:

**A) On one hand one of the following data controllers regarding the Sales company:**

if your realtor is Viktor Nyárondi:

**SomeDeal Kft.**

Seat and mailing address: 1027 Budapest, Varsányi Irén utca 8. fszt.

Company registry number: 01-09-186613

Tax number: 24865511-2-41

E-mail: nyarondi.viktor@metrodom.hu

Phone: 06-70-603-7888

or

if your realtor is **Szilvia Lipták:**

**Immobilie Best Kft.**

Seat and mailing address: 1184 Budapest, Aranyeső u. 8.

Company registry number: 01-09-204455

Tax number: 25180013-2-43

E-mail: liptak.szilvia@metrodom.hu

Phone: 06-30-685-2200

or

if your realtor is **Barbara Sziráki:**

**Szitu Kft.**

Seat and mailing address: 1097 Budapest, Nádasdy utca 10. 5. em. 505.

Company registry number: 01-09-278228

Tax number: 12694004-2-43

E-mail: sziraki.barbara@metrodom.hu

Phone: 06-30-575-1400

or

if your realtor is **Tibor Kaiser:**

**Credit Consilium Kft.**

Seat and mailing address:

2000 Szentendre, Kondor Béla utca 28. B. lház. II. em. 14.

Company registry number: 01-09-208214

Tax number: 25319958-2-41

E-mail: kaiser.tibor@metrodom.hu

Phone: 06-30-753-2440



or

if your realtor is **Zsuzsa Tukovits:**

**Ingatlan-Galéria Kft.**

Seat and mailing address: 1149 Budapest, Róna u. 109. 4. em. 9.

Company registry number: 01-09-734387

Tax number: 13422840-2-42

E-mail: tukovits.zsuzsa@metrodom.hu

Phone: 06-30-411-0036

or

if your realtor is **Zoltán Plagány:**

**KIPEX Kft.**

Seat and mailing address: 1037 Budapest, Bécsi út 52.

Company registry number: 01-09-936805

Tax number: 22635277-2-41

E-mail: plagany.zoltan@metrodom.hu

Phone: 06-30-183-2354

## **B) On the other hand:**

### **MTDM Kft.**

Seat and mailing address: 1095 Budapest, Mester utca 83/C Cű3.

Company registry number: 01-09-957503 (registered by the Court of Registry of the Regional Court of Budapest-Capital)

Tax number: 23196627-2-43

E-mail: info@metrodom.hu

Phone: 06-1-919-3333

• **Supervising authority:** the National Data Protection and Freedom of Information Authority (Nemzeti Adatvédelmi és Információszabadság Hatóság, address: 1125 Budapest, Szilágyi Erzsébet fasor 22/c.; e-mail: [ugyfelszolgalat@naih.hu](mailto:ugyfelszolgalat@naih.hu); Website: <http://naih.hu>; phone: +36 (1) 391-1400).

• **Inytv.:** Act no. CXLI of 1997 on the real estate registry.

• **Pmt.:** Act no. LIII of 2017 on the prevention and combatting of money laundering and financing of terrorism.

• **Grt.:** Act no. XLVIII of 2008 on the basic conditions and certain limitations of advertising.

- **GDPR:** Regulation (EU) 2016/679 of the European Parliament and of the Commission on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC (General Data Protection Regulation).

- **Personal data:** personal data submitted by the Data subject. It includes data that relates to the Data subject, furthermore the conclusion that can be drawn regarding the Data subject based on the data. Information requested during the communication between Data subject and the Data controllers qualify as personal data.

- **Szt.:** Act no. C of 2000 on accountancy.

- **Recipient:** The third parties detailed in Chapter „Data transfers” of this Privacy policy to whom personal data is transferred by the Data controllers.

- **Shop premises:** Any office of the Data controller open for the public for personal enquiries.

- **Contract:** A sale and purchase contract concluded by the Data subject and one of Metrodom's affiliated project companies regarding the real properties offered by Metrodom for sale (including sale and purchase pre-contracts, as well).

## **JOINT DATA PROCESSING**

- Data controllers qualify as joint data controllers considering that the data processing purposes and methods set out in this Privacy policy have been determined by them jointly with joint liability (as detailed in this Policy and in a separate agreement concluded by them). The purpose of the cooperation of the Data controllers and their joint data processing activities is the arrangement of the preparation of the Contract to be concluded by the Data subject.

- Data controllers distributed their joint liability concerning the rights and obligations deriving from this Policy among themselves in their separate joint data controller agreement. The most important stipulations of this agreement are

summarized in this chapter. This way the Data controllers have properly informed the Data subjects. By accepting this Policy the Data subject acknowledges and recognizes that the contents of the agreement between the Data controllers was made available to the Data subject.

- The Data subject is entitled to exercise the rights deriving from the laws or from this Policy concerning the data processing in relation to any of the Data controllers and any of the Data controllers is entitled to exercise the rights set out in this Policy. An exception to the above is when some of the rights and obligations pertains specifically to one of the data controllers according to this Policy.

- Data controllers state that they are jointly and severally entitled to exercise their rights and obliged to fulfil their obligations deriving from this Policy, unless otherwise stipulated in this Policy.

## **CONTRACTING PROCESS**

- The purpose of the Data controllers is to summarize the steps of the contracting process in this chapter. The specific legal grounds for the data processing activities may vary from step to step as follows.

- The contracting process commences upon the enquiry of the Data subject. The enquiry may take place on the phone, in e-mail or by booking an appointment through the "Interested" link on the Website. In their reply the Data controllers bring the attention of the Data subject to the fact that certain personal data (name, e-mail address, phone number) are recorded to ensure their availability in the database as the Data subject initiated the contact with the Data controllers towards the conclusion of the Contract.

- The second step of the contracting process is that the Data controllers contact the Data subject at one of his/her contact details for further discussion, if the Data subject requested this.

- Prior to the conclusion of the Contract the Data controllers require the Data subject to submit a form containing the personal data detailed in this Policy for the purpose of contracting and for the carrying out of the customer due diligence measures regulated in § 6 of Pmt. with a view to the established legal relationship.

- Data controllers state that during steps a-b) of the above process certain personal data (name, e-mail, phone number) are processed in relation to the Data subject. The legal ground of this data processing is the Data subject's request that takes place prior to the conclusion of the Contract and that is necessary for further steps in line with Article 6(1) Item b) GDPR.
- Data controllers enable the Data subject already prior to the contracting process to become familiar with this Policy. For this purpose Data controllers undertake to publish this Policy, as amended from time to time, on the Website.

## **DATA PROCESSING PRINCIPLES**

Please find below a summary of the data processing principles that Data controllers undertake to fully comply with throughout the duration of the data processing.

• **Lawfulness, fairness and transparency:** Regarding the data processing purposes, the Data controllers collect the personal data directly from the Data subject. The processing of the Data subject's personal data takes place in a lawful and fair manner that is transparent for the Data subject. Data controllers make the Policy, as amended from time to time, (and the earlier versions) available free of any charge or obligation, continuously, in such way that it is accessible for the public (downloadable in PDF format) on the Website and in the Shop premises for review. Data controllers do not process the personal data in any unlawful way or for purposes beyond this policy and they will carry out the data processing activities always in line with this policy and the applicable laws.

• **Purpose limitation:** Data controllers process the personal data only for the clear and lawful purposes detailed in the Policy. Processing of the submitted personal data for other purposes require that Data controllers comprehensively inform the Data subject about this in advance (primarily through e-mail). For the comprehensibility of the specific data processing purposes Data controllers provide information in this policy about the purpose, duration and legal ground of the processing of the specific personal data. Data controllers implement these rules mandatorily.

• **Storage limitation:** Data controllers provide the storage of the personal data of the Data subject in such way that enable the identification of the data subjects only for the period of time necessary for the fulfilment of the purposes of the processing. Pursuant to Article 6(1) Item a) GDPR the personal data processed on the basis of the explicit and voluntary consent of the Data subject will be kept by the Data controllers until the revocation of the consent by the Data subject or until his/her request for deletion.

Data controllers are obliged to keep the collected personal data pursuant to § 7 of Pmt. for a period of 8 years from the termination of the business relationship detailed in § 1(1) Item f) Pmt. between the Data subject and the Data controller in line with § 56(1) Pmt. All other personal data beyond the scope of § 7 Pmt., the processing of which takes place for a different purpose, may be retained by Data controllers for the following periods of time determined specifically for each data processing purpose.

- Regarding Data controllers, business relationship shall mean the legal relationship between the Data controllers and the Data subject for the services professionally provided by the Data controller (namely activities concerning real property transactions as detailed in § 1(1) Item f) Pmt.).

- Data controllers may have to retain the personal data in line with § 28(1) Pmt. at the request of the tax authority, the financial supervising authority, the investigating authority, the prosecutor's office or of the courts for the period set out in the request but up to 10 years at the most (§ 58(1) Pmt.).

The 8-year retention period may only be extended at the request of the authorities if the data or document is necessary for a pending or a future proceeding of the authority. After the final completion of this proceeding of the authority or after the frustration of the planned proceeding, Data controllers are to delete the personal data from their records (§ 58(2)-(3) Pmt.).

If no Contract was concluded between the Data subject and the Data controller during the steps of the chapter „Contracting process“, then the Data controller processes the submitted personal data for a period of 2 years from the first date of contact.

- **Data minimisation:** Data controllers intend to restrict the scope of data to the most relevant and crucial personal data concerning each data processing purpose. These are personal data that are necessary for the specific data processing purposes as follows. Data controllers will act in line with this policy if more data is requested from the Data subject than detailed in this Policy.

- **Accuracy:** Data controller intend to ensure that the personal data recorded concerning the data processing purposes are up-to-date and accurate and Data controllers take all reasonable steps for this purpose. This purpose is necessary because of the following: e.g. the Data subject will not receive a newsletter sent to a non-existing e-mail address so there is no point sending the newsletter. The Data subjects can contribute to the up-to-date nature of the data by reporting changes in the data or correcting the submitted data.

- **Data security principle:** Data controllers consider data security as being extremely important, therefore they take all necessary, expected and state-of-the-art technical and organizational measures and steps. Data controllers store the submitted personal data primarily electronically and also in hard copy where the recording took place on paper. In order to prevent or remedy data breaches, the Data controllers:

- prevent unauthorized access to the personal data and the unauthorized entry of data, data modification and erasure;
- ensure that data in the database (registry) of Data controllers should not be able to be combined or to be assigned to the Data subject;
- ensure the data recovery in the case of an incidental loss of data;
- if data are recorded on paper documents, then the data shall be stored in such places closed to the public where unauthorized persons cannot access the data.

## **DATA PROCESSING PURPOSES AND DATA PROCESSING PROCESS**

In this chapter the data processing purposes and cases are described where the personal data of the Data subject are actually processed in practice. Data controllers act jointly with joint and severe liability concerning the following data processing activities with common infrastructure, unless otherwise contained in this Policy.

### **• Database concerning contracting steps and contracting:**

The Data subject can initiate the contracting steps in accordance with the steps detailed in the chapter „Contracting process“ and the Contract will be concluded as detailed therein. As long as the Contract is not concluded between the Data subject and the Data controllers regarding steps a-b) detailed in chapter „Contracting process“, the Data controllers process the following personal data for communication purposes: name, e-mail address, phone number.

The purpose of this data processing on one hand is the communication with the Data subject for the contracting, the sending of the requested offers and the registration of the Data subject who already requested an offer in the database, so that the Data subjects can be assigned to the competent Sales company.

The legal ground of the data processing is Article 6(1) Item b) GDPR, i.e. the steps towards contracting at the request of the Data subject. If no Contract is concluded within 2 years from the submission of the personal data of the Data subject, then the Data controllers stop processing the personal data for this data processing purpose.

Data controllers act jointly concerning the above data processing prior to the conclusion of the Contract.

If the Contract is entered into by Data subject as buyer and Metrodom as seller, then the Data controllers as the data processors of Metrodom process the personal data on one hand for the preparation of the Contract and for the fulfilment of the full-scope management and data storage obligations after the conclusion of the Contract, based on the legal ground of the legal obligation or the fulfilment of the Contract. Data

controllers process the personal data submitted by the Data subjects during the contracting for the preparation, execution of the sale and purchase contracts concluded between Metrodom and the Data subject and for additional formal activities (e.g. report of warranty claims) for the purpose of database creation by Data controllers.

The legal ground of this data processing is Article 6(1) Item b) GDPR (contracting) on one hand and on the other hand Article 6(1) Item c) GDPR - legal obligation, with a view that according to § 32(1) Inytv. the Contract and the request concerning changes in the land registry must contain the following personal data: personal particulars of the Data subject (name, birth name, maiden name of mother, place and date of birth, home address, tax identification number, ID card/passport number, personal number), data of the real property (municipality name, lot number), nationality.

For the purposes of the fulfilment of the Contract, Data controllers may process further pieces of information depending on the requests and services ordered by the Data subject that might be the following: bank account number; notification address; e-mail address, name of statutory representatives, information and conclusions from the concluded Contract, workplace, data of another real property sold within 1-3 years, e-mail address, phone number, notification address.

The legal ground of the processing of these personal data is the fulfilment of the Contract (Article 6(1) Item b) GDPR.

Furthermore, Data controllers process the name and home address of the Data subject according to Article 6(1) Item c) GDPR, based on a legal obligation for invoicing purposes concerning the transaction that is prescribed by § 169 Item e) Áfatv.

The retention period of these personal data shall be 8 years pursuant to § 169 (1) and (2).

MTDM Management Kft. acts as a data processor of Metrodom concerning this data processing after the contracting.



• **Customer due diligence:** The purpose of the data processing, in line with § 7 Pmt. is the customer due diligence. Data controllers process the following personal data for the fulfilment of their legal obligations upon the creation of the business relationship described in § 6(1) Pmt. pursuant to Article 6(1) Item c) GDPR as mandatory data processing.

• Data controllers process the following personal data pursuant to § 7 Pmt.:

· in the case of natural persons: given name and surname; birth name; place and date of birth; maiden name of mother; home address (or temporary residence in lack thereof); nationality; type and number of identification document; Hungarian place of residence in the case of foreign Data subjects (§ 7(2) Item a) Pmt.).

· in the case of legal persons: name; short name; seat; address of the Hungarian branch in the case of a foreign undertaking; company registry number for entities registered in the court registry, in the case of other entities the number of the founding decision (registration, establishment) or its registry number; main business activity; names and positions of the signatories; identification data of the delivery proxies (§ 7(2) Item b) Pmt.).

Data controllers retain the above data collected pursuant to § 7 Pmt. from the start of legal obligation for 8 years from the termination of the business relationship between the Data subject and Metrodom.

• **Client relations:** The purpose of the Data controllers concerning the data processing for client relations is to ensure the following: data collection prior or after the contracting, necessary for the creation, preparation, fulfilment and execution of the Contract, notifications, administration and the communication (especially technical discussions, credit administration, administration concerning the authorities and public utility service providers) among the Data controllers or Recipients and the Data subject concerning the business relationship between the Data subject and the Data controllers, furthermore the fulfilment of certain legal obligations (especially guarantee obligations).

The scope of personal data processed for client communication: name; home address; notification address; e-mail address; phone number.

The processing of the above personal data is based on Article 6(1) Item b) GDPR for the exercising of rights and fulfilment of obligations deriving from the Contract. The retention period depends on the period of the statute of limitation of the respective contractual obligations.

Data controllers are entitled to carry out this kind of data processing jointly.

- **Application:** The Data subject may use the Application during the personal meeting with the Sales company the Data subject contacted for contracting purposes, on the device operated by the Sales company. The Data subject can view the floor plan and rooms of the chosen real property virtually. If the Data subject so wishes, s/he can request the sending of the virtual floor plan by providing his/her e-mail address. In this case the Application sends the floor plan directly to the e-mail address.

The scope of personal data processed concerning this data processing purpose: e-mail address.

The legal ground of the data processing is Article 6(1) Item b) GDPR, namely the preparation of the contracting steps at the request of the Data subject.

The personal data will be processed by the Sales companies only for the above purpose.

- **Database processed for newsletter sending:** The Data subject, pursuant to § 6 Grt. may consent in an explicit statement that the Data controllers contact the Data subject directly in electronic newsletters for advertising purposes and with a catalogue after the conclusion of the Contract. Data controllers may send newsletters only to those Data subjects who provided the additional consent. The specific consent may be given in person in the Shop premises or on the Website by clicking the checkbox.

The purpose of the Data controllers concerning the sending of the newsletter and the catalogue is to inform the Data subjects about Metrodom's services and new investments and to promote these. The Data subject may revoke the specific consent at any time without restriction or reasoning, free of charge by sending an e-mail to [marketing@metrodom.hu](mailto:marketing@metrodom.hu). After the receipt of the revocation, Data controllers are not entitled to send more newsletters. Personal data to be given concerning the newsletter as a specific data processing purpose: name; e-mail address; mailing address.

The Data subject provides a specific consent for data processing purpose, therefore the legal ground for this data processing is Article 6(1) Item a) GDPR and will last until the revocation of the consent.

Regarding this data processing purpose, only the Sales companies are entitled to carry out the processing among the Data controllers.

## **DATA TRANSFER**

- Data controllers may transfer the below detailed Personal data based on the consent of the Data subject concerning this Policy and only in the extent and for the persons detailed in this chapter. Data controllers keep a registry of the data transfers.

- Data controllers are entitled to transfer Personal data to the project companies affiliated to Metrodom with which Data subject intends to conclude the Contract. The purpose of the data transfer is to enable the company affiliated to Metrodom as Recipient to receive the personal data that the Contract to be concluded with the Data subject should contain.

The scope of the personal data is as follows: name; birth name; maiden name of mother; place and date of birth; home address; personal identification number, nationality, ID card number; tax identification number; bank account number; notification address; e-mail address; communication with the contracting party and its representative, if any, information concerning the concluded Contract, workplace, information on other real property sold within 1-3 years.

- Data controllers are entitled to transfer the Personal data during the contracting process in which the Data subject is involved, to the credit institute chosen for the financing of the purchase price to ensure the smooth arrangement of the fulfilment of the Contract by the Data subject with the inclusion of the bank or other external resources. This includes especially the data transfers necessary for credit administration, for the requesting of the Home Founding Allowance for Families (CSOK) and for other banking services.

Data controllers may transfer the following personal data concerning the data transfer detailed in this paragraph to third persons: name; birth name; maiden name of mother; place and date of birth; home address; personal identification number; ID card number; tax identification number; bank account number; notification address; e-mail address; the real property chosen by the Data subject.

- Data controllers are entitled to transfer the personal data of the Data subject detailed in this paragraph to the third persons that are entitled to manage the condominium house in which the Data subject purchases the real property pursuant to the Contract.

With this data transfer the Data controllers hand over the list of residents to the person managing the house that contains the following personal data of the Data subject: name; home address; real property purchased with the Contract; e-mail contact, notification address.

- Data controllers are entitled to transfer the following personal data for the arrangement of the legal tasks concerning the preparation and execution of the Contract to the Szabó, Kocsis and Partner Law Firm (seat: 1095 Budapest, Mester utca 83/A. IX. em. 4. a.) representing both parties in the transaction: name; birth name; maiden name of mother; place and date of birth; home address; personal identification number; ID card number; tax identification number; bank account number; notification address; e-mail address; the real property chosen by the Data subject; communication with the contracting party and their representative, if any concerning the Contract, phone.

- Data controllers are entitled to transfer the personal data of the Data subject detailed in this paragraph to the Sales companies detailed in Section 2 of this Policy that do not qualify as data controllers in respect to the Data subject in the given legal relationship. The purpose of this data transfer is to enable the Sales companies detailed in this paragraph to view the database of the clients of the Data controller that acted as a sale company concerning a Contract when using the joint database.

The scope of transferred personal data if no Contract is concluded: name, phone number, e-mail.

The scope of transferred personal data after the conclusion of the Contract: name; birth name; maiden name of mother; place and date of birth; home address; personal identification number, nationality, ID card number; tax identification number; bank account number; passport number; notification address; e-mail address; information and conclusions from the concluded Contract, workplace, information on other real property sold within 1-3 years.

- Data controllers are entitled to transfer the personal data detailed in this paragraph to the Metrodom Kivitelező Kft. and to Metrodom Építő Kft. carrying out the realization of the real property sold by Metrodom, to COPM Kft. that is responsible for technical consultation for the purposes of the fulfilment of the Contract, including the arrangement of the technical consultations, reporting of guarantee claims, performance of additional work and the enforcement of guarantee rights, furthermore the delivery process of the real property to the Data subject as buyer.

The scope of transferred Personal data: name; e-mail; phone; mailing address; bank account number; address of the real property purchased from Metrodom with the Contract.

- Any of the Data controllers is entitled to make these data transfers detailed in this chapter.

## **CAMERA SURVEILLANCE IN THE SHOP PREMISES**

- Data controllers record video for the protection of the persons and assets of the Data subjects and for the protection of the Shop premises by applying a surveillance camera system. The recording as a data processing purpose is justified by the legitimate interests of the Data controller and of the Data subjects concerning the protection of the persons and assets. The ground for the application of the surveillance system is to ensure the protection of the assets in the Shop premises, the valuables of the Data subjects, the monitoring of the real property for asset protection purposes and for the security of the persons in the Shop premises. For these security purposes the Data controller placed warning signs in prominent places, at the entrance of the Shop and also inside the Shop premises in the concerned rooms about the camera recording. The cameras are set in such angles that only such persons are recorded with whom the Data controller has a relevant business relationship regarding its services (including persons requesting offers or interested in a transaction). Thanks to the signs, the Data subjects can expect in which areas video recordings are made and can be familiar with the purposes. Data controller provides the rights and guarantees detailed in the chapter “right enforcement and remedies” concerning this data processing for the Data subjects.

The camera recordings are stored for the period set out by Szvtv. and the recordings may be used only in the case of events threatening the security of persons or assets, in the extent necessary for the proceedings of the authorities or courts. Otherwise the recordings will be deleted after the expiry of the period detailed in Szvtv. Data controller stores the recordings only for the duration detailed in Szvtv. and only in digital format and then the recordings are deleted. The cameras may record only such areas that are in line with the given security purpose and the camera recording shall not breach human dignity. No cameras are installed in the bathrooms and no hidden cameras are used. Data controller does not transfer the recordings to third persons (except for cases regulated in the laws).

The legal ground for the camera recording as a specific data processing action shall be the legitimate interest of the Data controller and of the Data subject with a view to the security of persons and assets [Article 6(1) Item f) GDPR]. The detailed rules and guarantees of data protection concerning the camera surveillance are described in a separate policy and Data controller controls such activities based on this separate policy.

## **RECORDING OF TECHNICAL INFORMATION (COOKIES) ON THE WEBSITE**

· During the use of the Website, beyond the personal data of the Data subject, certain information concerning the computer of the Data subject (cookies) are recorded that are generated during the use of the Website and that are recorded upon the opening and closing of the Website (without a specific action or statement of the Data subject) (logging). The purpose of this is to create statistics concerning the visitor numbers and use of the Website and the development of the IT system of the Website. The Data controller does not combine the cookies with the personal data of the Data subject (unless prescribed by the laws) and only the Data controller may access same. The Data subjects can delete the cookies from their own computers anytime (through the appropriate menu items of the browser) or may set the browser (mostly through the "Help" function) to ban cookies. However, by banning cookies the Data subject acknowledges that the Website may not provide the same user experience.

## **DATA PROTECTION OFFICER**

Data controllers appoint the Szabó, Kocsis and Partner Law Firm (address: 1095 Budapest, Mester utca 83/A. IX. em. 4. a.; e-mail: iroda@szkiroda.hu; phone: 06-1-878-0802) as joint data protection officer (DPO) for ensuring the legality of their data processing practice. This task is performed on the basis of a DPO service contract.

The DPO's tasks include:

- a) supporting of Data controllers concerning their data processing-related tasks;
- b) acting as a contact person between the Data controllers and the supervising authority;
- c) providing professional advice, information concerning data subject rights.

## **RIGHT ENFORCEMENT AND REMEDIES**

Please find below the rights of the Data subject that can be exercised in relation to the Data controllers. Data controllers are jointly and severally responsible for fulfilling the below detailed obligations, i.e. the Data subject may exercise his/her rights in relation to any of the data controllers, except when one specific data controller acts concerning a certain data processing activity.

• **Communication with the Data controller:** The Data subject and the Data controllers can communicate via phone, e-mail or postal mail. Data controllers' e-mail address for this purpose: info@metrodom.hu; mailing address: 1095 Budapest, Mester utca 83/C CÜ3. The Data subject is entitled to request information from the Data controllers whether his/her personal data is processed and if yes, then the Data subject has a right to access the processed personal data in the following extent. Concerning the access, the information relating to the data processing that is provided by the Data controllers include especially the following:

- data processing purposes;
- processed personal data;
- recipients of the data transfer;
- foreseeable duration of the data processing or if it is

not possible to establish same, then the aspects for the determination of the retention period;

- rights of the Data subject;
- right to file a complaint with the Supervising authority;
- source of the data collected by the Data controllers and legal ground of the processing.

Data controllers provide the requested information without undue delay but within one month from the receipt of the request at the latest. If necessary, with a view to the complexity and number of the requests, this deadline may be extended with an additional period of two months. Data controllers shall inform the Data subject on the deadline extension and the reasons for the delay within one month from the receipt of the request. Data controllers provide a copy of the personal data being the subject-matter of the data processing to the Data subject at his/her request. Data controllers may charge a reasonable administrative fee for further copies requested by the Data subject.

- Data controllers deal with and answer the e-mail of the Data subject concerning the data processing only if it was sent from the e-mail address or other contact that the Data subject communicated to the Data controllers earlier (except when the Data subject makes reference to the change of his/her e-mail address or other contact information or if the person of the Data subject can be clearly identified).

- If the Data controllers fail to take measures based on the request of the Data subject, then the Data subject shall be informed without undue delay but within one month from the receipt of the request at the latest on the reasons for the lack of measures and on the right of the Data subject to file a complaint with the Supervising authority or to file a lawsuit with the competent court.

• **Rectification:** The Data subject is entitled to inform the Data controllers on the changes of his/her personal data (in e-mail or postal mail as detailed above). Data controllers register the change within 8 days from the receipt of the notification. If the Data subject fails to report any changes to his/her personal data without delay, then the Data subject shall be liable for the



consequences of this omission. If the submitted personal data is false and the correct data is available to the Data controllers, then Data controllers amend the data automatically.

• **Erasure:** The Data subject is entitled to request the deletion of the personal data pertaining to the Data subject from the Data controllers without delay and the Data controllers are obliged to delete the personal data pertaining to the Data subject without delay, especially if one of the below reasons is given:

- the personal data are not required anymore for the purpose for which they were collected or processed;
- the Data subject has withdrawn the consent given for the data processing and the data processing does not have any other legal ground (the withdrawal does not have a retrospective effect on the lawfulness of the data processing);
- the Data subject challenges the data processing based on legitimate interest;
- the Data controllers processed the personal data unlawfully;
- the personal data shall be deleted for the fulfilment of a legal obligation set out in the laws of the European Union or of a member state.

Even if one of the above circumstances is given, Data controllers are not obliged to delete the processed personal data if the data processing is required for one of the following:

- exercising the right of freedom of expression and information;
- for compliance with a legal obligation which requires processing by European Union or Member State law to which the controller is subject or for the performance of a task carried out in the public interest;
- for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes in so far as the deletion is likely to render impossible or seriously impair the achievement of the objectives of that processing;
- for the establishment, exercise or defence of legal claims.

• **Objection to the data processing:** The Data subject is entitled to object the processing of his/her personal data in line with this Policy, based on a legitimate interest on grounds relating to his or her particular situation. The Data controllers shall no longer process the personal data unless they demonstrate

compelling legitimate grounds for the processing which override the interests, rights and freedoms of the data subject or for the establishment, exercise or defence of legal claims.

• **Right to restriction of the data processing:** The Data subject shall have the right to obtain from the Data controllers restriction of processing where one of the following applies.

- the accuracy of the personal data is contested by the Data subject, for a period enabling the Data controllers to verify the accuracy of the personal data;
- the processing is unlawful and the Data subject opposes the erasure of the personal data and requests the restriction of their use instead;
- the Data controllers no longer need the personal data for the purposes of the processing, but they are required by the Data subject for the establishment, exercise or defence of legal claims;
- the Data subject has objected to processing, pending the verification whether the legitimate grounds of the Data controllers override those of the Data subject.

Where processing has been restricted, such personal data shall, with the exception of storage, only be processed with the Data subject's consent or for the establishment, exercise or defence of legal claims or for the protection of the rights of another natural or legal person or for reasons of important public interest. The Data subject who has obtained restriction of processing, shall be informed by the Data controllers before the restriction of processing is lifted.

• **Right to data portability:** Regarding personal data processed on the basis of the consent of the Data subject or for the fulfilment of the Contract the Data subject shall have the right to receive the personal data concerning him/her, which s/he has provided to the Data controller, in a structured, commonly used and machine-readable format and have the right to transmit those data to another controller without hindrance from the Data controllers. This right may be exercised only concerning personal data that are processed on the legal grounds of consent or the fulfilment of a contract and pertain only to digital data.

• **Complaint to the Supervising authority:** The Data subject is entitled to file a complaint with the Supervising authority with reference to the breach of laws concerning the processing of his/her personal data or if there is an imminent risk thereto. The investigation of the Supervising authority is free of charge and the expenses of the investigation are advanced and covered by the Supervising authority. No one should be subject to retaliation due to a complaint filed with the Supervising authority. The Supervising authority may disclose the person of the complainant if the investigation could not be carried out without this. If the complainant requests so, the Supervising authority is not entitled to disclose his/her person even if this leads to the frustration of the investigation.

• **Judicial route:** the Data subject may turn to the courts against the Data controllers if his/her rights are breached. The lawsuit belongs to the competence of the regional courts. As a main rule the lawsuit shall be heard by the regional court with geographical jurisdiction over the case according to the seat of the data controller but the Data subject can also opt for the regional court with geographical jurisdiction based on his/her home address or temporary residence. The geographical jurisdiction of the courts can be checked on the court website with the search application "Court search" at [www.birosag.hu](http://www.birosag.hu). The regional court handle the matters with urgency.

• **Damages and non-pecuniary restitution:** If, through the unlawful processing of the personal data of the Data subject or through breaching the data security requirements, the Data controllers:

- cause damages to the Data subject or to third persons, then they shall be liable for the compensation (compensation of damages);
- breach the personality rights of the Data subject, then the Data subject can claim non-pecuniary restitution from the Data controllers.

The Data controllers shall be set free from their liability for the compensation of damages and non-pecuniary restitution, if they prove that the damages or the breach of the personality rights of the Data subject was caused by an unavertable cause outside of the scope of the data processing. The damages are

not to be compensated and no non-pecuniary restitution can be claimed if the breach resulting from the damages or the breach of personality rights resulted from the wilful or grossly negligent conduct of the Data subject (injured person).

### **MISCELLANEOUS STIPULATIONS**

- In the case of a Data subject under 16 years of age, the submission of his/her personal data require the consent of his/her legal guardians (parents).
- The Data controllers maintain the right to modify this Policy unilaterally at any time.
- This Policy is governed by the Hungarian laws.
- This Policy shall be in effect from 25 May 2018. You can find the Policy at **<http://metrodom.hu/adatvedelem>** .



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