

## **ANNOUNCEMENT REGARDING BELGRADE HIGH COURT'S DECISION IN DISPUTE WITH THE CITY OF BELGRADE**

According to Belgrade High Court's decision from 21<sup>st</sup> July 2010, Luka Beograd was deemed as the sole user of the land which was subject of dispute with the City of Belgrade. After three verdicts in favour of Luka Beograd at the Second instance court in the disputes that had been going on for 7 years at the initiative of the public prosecutor, the Court confirmed again that the contract from 1975 between the City and Luka wasn't a suitable document for land registration because deferred conditions were not met which was essential for its legal validity. For a long time Luka Beograd has pointed out that the contract, which was taken out from the city archives after 30 years in order to deprive Luka Beograd of its land, couldn't take effect because it had never been adopted by the management of Luka Beograd. Furthermore, the list of lots which would belong to the City according to this contract was never completed nor proved as was stipulated in the contract. The failure to meet these deferred conditions didn't lead to contract completion and therefore the transfer of rights to land use was not possible according to it, as Luka had always claimed.

Explaining its decision, the High Court issued the following statement: *"...In this particular case and upon request, the contract which was filed as the grounds for the transfer of the right to land registering, and in the absence of evidence that it took effect and that it contained valid legal grounds according to paragraph 26, it couldn't represent a suitable document for such transfer and therefore there were not sufficient conditions to meet that requirement."* *"...Besides, even if the content of the documents on which the request was founded was taken into account and not only the documents filed with the request but also the added documents High court states that they don't contain valid legal grounds to be suitable for the required registration..."*

Luka Beograd's land which was intended to be taken over by the City is located downstream from Pančevo bridge on the right bank of the Danube. It is the land of around 100 ha filled with waste dumps, polluted populated area and unregulated water disposal, which are the biggest contaminators of the Danube in Belgrade. According to the new Law on planning and construction, Luka Beograd gained the right and commitment to convert the usage right into property right by paying the required tax. Currently, we are collecting documents and soon we will file our first request for land conversion. At this moment it is difficult to predict the price of conversion. The amount of conversion fee which is determined by the Tax Administration will depend on the fact that this is a highly contaminated land where ecologic standards in particular places require the removal of surface layers for up to 7 m in depth. The land is not equipped with infrastructure and bank revetments are only partially built which lead to the necessity of close cooperation between the City and Luka.

We take this final outcome of legal dispute as favorable to all sides. Luka gained again the possibility to continue the development of this part of the city with Daniel Libeskind and the City received the perspective of additional financial incomes based on conversion tax and also from investments which will follow the construction.

Luka Beograd hopes that the mayor of Belgrade Dragan Đilas and public prosecutor Strahinja Sekulić will keep their promises to the public that they would accept the High Court's decision as final. Luka Beograd expects that there is favorable climate to define the relations between the City and Luka as partners with the aim to develop this part of the city and to attract the investors. The aim of Luka Beograd is to urbanize this part of land as a natural continuation of Daniel Libeskind's "City on water" with complementary facilities.

Luka Beograd will very soon propose the meetings with city authorities and the mayor Dragan Đilas, but also at the level of Republic with minister Oliver Dulić. We intend to present our development plans for this part of the city and to suggest that such an important investment challenge should receive equal attention and support which was given to the state project "City in barracks" in Voždovac.