

**RELEVANT EXTRACTS FROM LETTER SIGNED ON BEHALF OF MR. STIPE MESIĆ, PRESIDENT OF
THE REPUBLIC OF CROATIA**

REPUBLIC OF CROATIA
PRESIDENTIAL OFFICE

No. 71-013-05 -668/2
Zagreb, March 31, 2005

To: Alliance of Tenants' Associations of Croatia
Attention: Mrs. Jasna Kovač, LL.B

Dear Mrs. Kovač,

I wish to inform you that following our joint meeting we have discussed your problems several times. The President of the Republic of Croatia, Mr. Stjepan Mesić, is thoroughly familiar with those problems and has himself initiated that the problem which is of life importance, that is, the purchase of your flats, be resolved once and for all. To that end we hereby convey to you part of the views that the President has imparted to the Prime Minister of the Republic of Croatia, Dr. Ivo Sanader:

"A delegation from the Alliance of Tenants' Associations of Croatia has informed me of the problems faced by the former holders of occupancy/tenancy rights in the so-called private apartments. The Lease Law and the rulings issued by the Constitutional Court (which refused to accept their proposal for the constitutionality of the said Law) made it impossible for occupants/tenants to purchase their homes in which they have lived for 50 years, the explanation being that those homes are in nominally private ownership. The tenants' representatives also informed me that the said Law and rulings by the Constitutional Court violate their fundamental constitutional rights, in particular Article 3. of the Constitution of the Republic of Croatia, which stipulates that equality and the rule of law are the highest values of the constitutional system of the Republic of Croatia, and form the basis for the interpretation for the Constitution; of article 14, item 2. of the Constitution, which stipulates that all are equal before the law, and of articles 30, 35, 50 and 61 of the Constitution.

I hereby request you that, in accordance with the authority vested in you, the government of the Republic of Croatia makes an effort to resolve the given problem within possible changes to the Lease Law in the manner proposed by the Alliance of Tenants' Associations of Croatia (enclosed), notably, that it be defined that the former holders of occupancy/tenancy rights in flats in nominally private ownership be permitted to purchase their homes under the conditions stipulated in the Law on the purchase of flats to which there is a tenancy right. Tenants' representatives believe that in this way their rights would become equal to the rights of other holders of tenancy rights, which in turn would demonstrate that equality before the law, social justice, respect for and protection of home and family, as well as the rule of law, are indeed the inalienable rights of all citizens of the Republic of Croatia.

The fact is that those former holders of occupancy /tenancy rights living in flats nominally owned by citizens cannot buy their homes against the will of owners. This is the consequence of the legislative policy of the Croatian Sabor, and I believe that my suggested change to the Law, with appropriate compensation being given to the nominal owners of those flats, would achieve equality and non-discrimination for all citizens, and would affirm the principle of social justice.

With respect,

**Secretary to the President
For Social and Humanitarian Activities
Borislav Vučković, Mr.Sc.**