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UNCITRAL project

AWARD № 207-16/GBU/UKL-111213

of May 10, 2016

on the commercial dispute - arbitration case № 207-16/GBU/UKL

A. TERMS OF REFERENCE

I. THE PARTIES

Claimant:

Respondent and counter-claimant:

II. COMPETENCE OF THE ARBITRATION TRIBUNAL

Competence of the American International Commercial Arbitration Court (AICAC) in relation to consideration of the commercial dispute between the Claimant and the Respondent emerges from the arbitration clause drafted (approved) by these parties in item 12.2 of the Rental Agreement No. 100415 of April 10, 2015.

The clause in the Agreement is identical to the complete version of the official clause related to the AICAC competence, which contains the link to the AICAC Regulations and can be freely used by the persons concerned (http://court-inter.us/node/38). According to this clause, competence of the AICAC in relation to consideration of the disputes between the parties, arising from the specified Agreement shall be exclusive and indisputable.

Full text of the arbitration clause included into the item 12.2 of the Agreement:

"Any disputes, controversies, claims or demands arising from this Agreement or relating to it, as well as related to the execution, breach, termination or invalidity of the Agreement, which cannot be settled by the Parties through negotiations and reconciliation, shall be finally settled in the American International Commercial Arbitration Court (LLC) in accordance with its Regulations. The proper law of the contract – the substantive law of Ukraine. Number of arbitrators – 3 (three). Place of arbitration with participation of the Parties – Prague (Czech Republic). Language of arbitration proceedings – English."

The general international competence of the AICAC shall be defined within the framework of global initiatives of the United Nations Commission on International Trade Law (UNCITRAL) and regulated by rules of international law, among which the following main Acts should be emphasized: Brussels Convention of Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters (1968); Convention on the Recognition and Enforcement of Foregn Arbitral Awards (New York Convention, 1958); Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters (Lugano, September 16 1988); Convention Abolishing the Requirement of Legalization for Foreign Public Documents (The Hague, October 5 1961); The European Union Council Regulation of December 22, 2000 N 44/2001 "On jurisdiction and the recognition and enforcement of judgments in civil and commercial matters"//L.012, 16/01/2001 P 0001-0023; UNCITRAL Arbitration Rules (Approved by the UNO General Assembly on December 15, 1976); European Convention on International Commercial Arbitration (1961);

Agreement on Tariffs and Trade (Negotiations on the creation of GATT were held in 1947, the agreement entered into force on January 1, 1948); The United Nations Convention on Independent Guarantees and Stand-by Letters of Credit (Adopted by the Resolution 50/48 of the General Assembly on December 11, 1995); International Convention on the Harmonization of Frontier Controls of Goods (Date of signing: 10.21.82); The United Nations Convention on Contracts for the International Sale of Goods (April 11, 1980 A CONF. 97/18, ANNEX 1, Vienna, 1980); The United Nations Convention on the Carriage of Goods by Sea, 1978; The Convention on International Bills of Exchange and International Promissory Notes; International Convention on Simplification and Harmonization of Customs Procedures; International shipping. International Convention for the Unification of Certain Rules of Law relating to Bills of Lading (Amended and supplemented by the Protocol of February 23, 1968. For more information see the Protocol of December 21, 1979. Adopted on August 25, 1924 in Brussels, without convening a diplomatic conference. Approved mainly at the 5th session of the Diplomatic Conference on Maritime Law in Brussels in October 1922. Entered into force on June 2, 1931); Model Law on Electronic Commerce, the United Nations Commission on International Trade Law Resolution of the UN General Assembly, UN A/51/628 of December 16, 1996 (UNCITRAL); Convention on the Settlement by Arbitration of Civil Law Disputes Resulting from Relations of Economic and Scientific-Technical Cooperation (1972); Washington Convention on the Settlement of Investment Disputes Between States and Nationals of Other States (1965); Convention Providing a Uniform Law For Bills of Exchange and Promissory Notes (1975); Incoterms (2010); Uniform Customs and Practice for Documentary Credits (UCPDC 500; 1993); UNCITRAL Model Law on International Commercial Arbitration (1985).

The AICAC competence is established by the Regulations, available via the following link: http://court-inter.us/node/137.

The AICAC jurisdiction within the national legal framework of the certain states is regulated by the international commercial arbitration rules, ratified and implemented by such countries, as well as their domestic legislation.

The parties to the dispute have been properly notified about the initiation of the arbitration proceedings between them. None of the parties to the dispute have officially declared that competence of the AICAC in relation to arbitral consideration of the dispute between them is not acknowledged or doubted.

On February 11, 2016 the AICAC arbitral tribunal (board), elected by the parties to settle the dispute between them, has decided to accept the commercial dispute between the claimant and the respondent (arbitration case No. 207-16/GBU/UKL) for consideration.

III. REGULATIONS

Based on the item 2 of the AICAC Regulations and the arbitration clause included by the parties to the Rental Agreement No. 100415 of April 10, 2015, the dispute between them shall be settled by the AICAC in accordance with the provisions of its Regulations.

IV. APPLICABLE LAW (RULES OF CONFLICT OF LAWS)

In accordance with the arbitration clause drafted (harmonized) by the parties in the item 12.2 of the Rental Agreement No. 100415 of April 10, 2015, the substantial law of Ukraine shall regulate the indicated Agreement.

V. PLACE, TIME AND ORGANIZATIONAL FEATURES OF ARBITRATION PROCEEDINGS

In accordance with the arbitration clause drafted (harmonized) by the parties in the item 12.2 of the Rental Agreement No. 100415 of April 10, 2015, the city of Prague (Czech Republic) is chosen as the place of arbitration. **The final award concerning the dispute is made by the AICAC at the**

location of the last stage (meeting) of the arbitration proceeding – in the city of Wilmington (USA).

This provision of the Agreement also defines English as the language of the arbitration proceeding.

On March 15, 2016, in coordination with the parties, the arbitration tribunal has approved the date of the first stage (first meeting) of the attendance-based arbitration proceedings – April 4, 2016.

According to the decision of the arbitration tribunal, the second stage (second meeting) of the attendance-based arbitration proceedings took place in **Wilmington (USA)** on May 10, 2016. The final arbitral award was made by the AICAC arbitrators on a collective basis at the end of this meeting.

By the provisional decision No. 207-16/GBU/UKL-PD/2 of March 11, 2016 the arbitration tribunal has defined the following places and time of stages of the arbitration proceedings: 1 session - hotel «Alchymist Grand Hotel & Spa» (Trziste 19, Prague 11000, Czech Republic; «Mirror Gallery»), April 7, 2016, from 10.00 till 17.00 (local time) with a break from 13.00 till 14.00; 2 session – in the AICAC Secretariat (1209 N Orange Street, Wilmington DE 19801-1120, the State of Delaware, USA), May 10, 2016, 09.00-13.00 (local time).

The claimant has performed all the necessary actions provided by the AICAC Regulations and aimed at institution of the arbitration proceedings and notification of the trial participants and the concerned parties, about this fact.

In turn, during the first stage (meeting) of the arbitration proceeding on April 7, 2016, the Respondent has exercised the right, provided in item 24 of the AICAC Regulations, and filed a counterclaim No. 1-UA-16 related to the fact in dispute.

The AICAC has fully provided equal participation of stakeholders in the arbitration proceedings.

The parties didn't make any claims concerning the procedure of arrangement of the arbitration trial.

The parties have set the "Januis clausis" mode for the meetings (hearings), excluding the possibility of presence of any unauthorized persons.

VI. MEMBERS OF THE ARBITRAL TRIBUNAL

In accordance with the arbitration clause to the Rental Agreement No. 100415 of April 10, 2015, parties have directly and indirectly formed the following list of members of the arbitration tribunal (three arbitrators):

Arbitrator elected by the Claimant from the general list of the AICAC arbitrators on the basis of the official application P-A/207-16 of January 10, 2016 -

Arbitrator elected by the Respondent from the general list of the AICAC arbitrators on the basis of the official application D-A/207-16 of February 7, 2016 -

Chairman of the arbitration tribunal, elected, in accordance with the section 4 of item 10 of the AICAC Regulations, by two arbitrators, previously appointed by the parties, on the basis of their joint statement CH-A/207-16 of February 10, 2016 -

Motions to challenge certain arbitrators or the entire arbitration tribunal have not been discussed by the parties during the arbitration proceedings.

On March 5, 2016 the aforementioned arbitration tribunal was officially approved by the order of the AICAC President № 207-16/GBU/CA/1.

VII. OFFICIAL REPRESENTATIVES OF THE PARTIES IN THE ARBITRATION PROCEEDINGS

During both meetings of the arbitration tribunal, interests of the parties were officially represented by:

On behalf of the Claimant - whose authority is verified by the corresponding letter of attorney No. PA/207-16 of March 13, 2016, registered in the AICAC Secretariat on March 13, 2016 as No. 079013RP-16;

On behalf of the Respondent - whose authority is verified by the corresponding letter of attorney registered in the AICAC Secretariat on March 21, 2016, No. 079018RP-16. With the approval of the Claimant, attorneys and have been involved into the proceeding to render legal assistance to the official representative of the Respondent.

VIII. OTHER PARTICIPANTS OF PROCEEDINGS

On the motion of the Claimant No. 100116-AJ/P of January 10, 2016, and on the basis of the Provisional decision of the AICAC arbitration tribunal № 207-16/GBU/UKL- PD/1 of March 10, 2016, the following experts took part in both stages (both meetings) of the arbitration proceedings:

- Expert-interpreter , who provided grammatical and authentic translation of documents regulating the legal relations between the parties to the dispute, as well as other documents related to the dispute, from Ukrainian and Russian into English;

- Expert-jurist , who explained the essence of legal provisions of Ukrainian legislation (in English) upon the request of the arbitration tribunal, parties to the dispute and other participants of the arbitration proceedings, professionally and impartially.

B. BACKGROUND AND SUMMARY

IX. FACTUAL BACKGROUND IN ACCORDANCE WITH THE STATEMENT OF CLAIM OF THE APPLICANT, COUNTER-CLAIM OF THE RESPONDENT AND PRELIMINARY EXPLANATIONS BY THE PARTIES

Statement of case of the Applicant

On January 10, 2016 the statement of claim No. 100116-AJ/A-SC was sent by the Claimant to the AICAC Secretariat and to the Respondent together with the set of documents of the notice of arbitration No. 100116-AJ/N.

In this set of documents the Claimant has described the disagreement, which had arisen between the Claimant and the Respondent in relation to realization of the Rental Agreement No. 100415 of April 10, 2015, and has also reasoned his point of view concerning the merits of the dispute:

On April 10, 2015 the Company as the "Lessee" has signed the house Rental Agreement No. 100415 (hereinafter referred to as the "Agreement") with the Law which undertook to act as the "Lessor". The subject matter was the two-storey owner-occupied dwelling (total floor area – 518.1 sq. m) located at the following address: (hereinafter referred to as the "Object"). The building is the joint property of citizens of Ukraine, husband and wife and .

The agreement has been signed for a period of 2 years. The agreement expected the parties to meet the entire set of reciprocal liabilities. The monthly rent was 2 500.0 (two thousand five hundred) USD in UAH equivalent at the commercial exchange rate on the moment of making a payment.

Powers of the "Lessor" in purposeful disposal of the Object and conclusion of the Agreement are determined by the "Commission agreement concerning the conclusion and execution of the house rental agreement" No. 1707-15 of June 14, 2014, according to which the Respondent has undertaken to act as the "Commission agent", and the – as "Clients".

According to the Claimant's explanations, when concluding the Agreement «GISAP L.P.» took into account the well-known instability of political, legal and economic situation in Ukraine.

That is why, by request of the , the Agreement was annexed with items 2.1-2.6 having the following contents:

2.1. The Lessor shall provide the Lessee with guarantees concerning the complete lawfulness of the rental transaction related to the Object, which shall be based on the Client's right of ownership for the Object and shall be officially verified in accordance with the Ukrainian legislation.

2.2. The Lessor shall be completely legally accountable for the legitimacy of the procedure of registration and execution of this Agreement.

2.3. In order to verify the lawfulness of the rental transaction related to the Object, in the course of coordination of terms of this agreement by the Parties, the Lessor shall provide the Lessee with the entire set of the necessary documentation formalizing the ownership, the status and the admissible mode of using the Object.

2.4. Should the fact of deliberate deceiving of the Lessee by the Lessor concerning the lawfulness of the rental transaction related to the Object be determined, the Lessee shall have the right to demand termination of this Agreement from the Lessor, repayment of all lease payments made by the Lessee in favour of the Lessor, as well as compensation of other expenses of the Lessee connected with execution of this Agreement.

2.5. The Parties have reached mutual understanding concerning the importance of the factor of lawfulness of the transaction in connection with the following circumstances:

- Taking into account high business reputation of the Lessee in the international business environment, the obligatoriness of legitimacy of legally significant actions and transactions concluded is essentially important for him;

- upon expiration of this Agreement, the Lessee may consider it necessary to buy the Object; if the price for the Object is acceptable for the Lessor, in future the Parties may harmonize the possible conditions of selling the Object by the Lessor to the Lessee.

2.6. Should the fact of deliberate deceiving of the Lessee by the Lessor concerning the lawfulness of the rental transaction related to the Object be determined, the Lessee shall have the right to demand compensation of the non-pecuniary damage in the amount of the full sum of expenses of the Lessee related to execution of this Agreement.

The Claimant is stating that on December 17, 2015 copies of the set of documents fell into his hands. These testified to the fact that the Respondent had violated the legal criteria related to guaranteeing the lawfulness of the transaction and established by the Agreement No. 100415 of April 10, 2015. According to this Agreement the Lessor (the Respondent) was obliged to guarantee these criteria. In this regard the Claimant has analysed the aforementioned documents and the current legislation of Ukraine, and made the following conclusions.

1. According to the legal resolution of the Primorsky District Court of Odessa (judge related to the case No. 522/1940/13-c of December 5, 2013 the erection of the Object was rendered unlawful. In this regard the judicial decision was made to demolish the second floor of the house owned by the

2. Legitimacy of the legal resolution of the Primorsky District Court of Odessa (judge) related to the case No. 522/1940/13-c of December 5, 2013 is confirmed by the judicial award of the Odessa Regional Court of Appeal of March 19, 2014, headed by the judge . (No. of the proceeding 22-c/785/3178/14)

3. The ruling of the High Specialized Court of Ukraine of June 12, 2014 in relation to the civil case No. 522/1940/13-c (made following the results of consideration of the appeal submitted by from the judgment of the Odessa Regional Court of Appeal (judge .) confirmed the legitimacy of the legal resolution of the Primorsky District Court of Odessa (judge) related to the case No. 522/1940/13-c of December 5, 2013 and the

judicial award of the Odessa Regional Court of Appeal of March 19, 2014, headed by the judge . (No. of the proceeding 22-c/785/3178/14)

4. After analysing the part 3 of the Article 331 of the Civil Code of Ukraine of January 16, 2003 No. 435-IV and paragraph 1) of the item 1 of the Article 4, as well as the Articles 5 and 12 of the Law of Ukraine "On State Registration of Property Rights to Immovable Property and Their Encumbrances" of July 1, 2004 No. 1952-IV, the Claimant has come to a conclusion that the ownership title for the Object had not been properly registered by the , and therefore such title as a jural fact is reasonably doubted.

5. After analysing the part 3 of the Article 375 of the Civil Code of Ukraine of January 16, 2003 No. 435-IV, the Claimant has come to a conclusion that in accordance with the aforementioned rulings of courts of Ukraine, the Object had been erected with violation of rules effective in this country and is therefore contrary to law.

6. After analysing the Article 376 of the Civil Code of Ukraine of January 16, 2003 No. 435-IV, the Claimant has come to a conclusion that in accordance with the aforementioned rulings of courts of Ukraine, the Object erected without permission is to be demolished.

7. After analysing the Article 380 of the Civil Code of Ukraine of January 16, 2003 No. 435-IV, the Claimant has come to a conclusion that in accordance with the aforementioned rulings of courts of Ukraine, the Object had been erected with violation of the regulatory requirements and therefore cannot be considered as the dwelling house.

Taking the aforementioned statements into account the Claimant considers that the Respondent has deliberately deceived the Claimant concerning the lawfulness of the rental transaction related to the Object and, thereby, in defiance of requirements of the Agreement and obligations of the Lessor established in it, has caused to the Claimant:

- material damage - in the form of the unreasonably incurred expenses;

- non-material damage - in the form of questioning the business reputation of the Claimant and upsetting his plans to arrange timely and comfortable accommodation of officials and commercial representatives of in Ukraine.

The Claimant has sent the special letter to the Respondent (No. 23qr-15 of December 02, 2015) regarding the adjustment of claims of , but this letter was not understood by the and did not lead to the settlement of this dispute without initiation of arbitration.

The general size of the Claimant's monetary claim towards the Respondent is 111 600 (one hundred eleven thousand six hundred) US dollars in UAH equivalent (commercial exchange rate).

Statement of defence of the Respondent

Having studied the opponent's arguments the has sent the counterclaim No. 1-UA-16 to the Claimant and to the AICAC arbitration tribunal on April 7, 2016.

In the specified document the is stating that the Company in its claim referred to the court rulings, according to which the lawfulness of construction of the dwelling house (located at) was not acknowledged, moreover the decision to demolish the second floor of the specified building was made.

However, as stated by the , it should be noted, that the opponent is not aware of all the facts connected with the mentioned court judgments, as well as other relevant judgments awarded in behalf of the which have greater legal force than the judicial acts provided by the opponent. Finally, the Company in general improperly understands the set of rules of law regulating the legal relations between the and the interested third parties concerning the house located at .

The counterclaimant is stating that the following facts must be taken into account when analysing all jural facts related to the issue of recognition of the property right to the dwelling house located at :

1) According to the Articles 1, 2, 3, 119, 121 and 207 of the Civil Procedure Code of Ukraine, part 1 of the Article 15, part 7 of the Article 376, Article 391 of the Civil Code of Ukraine, items 5, 9, 17 of the Resolution of the Plenum of the High Specialized Court of Ukraine of March 30, 2012 No. 6 "On Practice of Application by Courts of Article 376 of the Civil Code of Ukraine (on the legal regime of unauthorized construction)", item 11 of the Resolution of the Plenum of the Supreme Court of Ukraine of December 18, 2009 No. 14 "On judgment in a civil case":

Persons involved in the specified legal cases and opponents of the – representatives of the , the rights of which are not violated in any way by the house (including its second floor) belonging to the and located on their own land plot (address:), are not and cannot be the claimants in the matter of demolition of the specified real estate. At the same time the authorized public authorities and local government, which by virtue of law can initiate such cases, did not make any claims in relation to this issue towards the family.

2) On the basis of part 1 of the Article 181, part 2 of the Article 183, part 1 of the Article 188 and the Article 376 of the Civil Code of Ukraine, item 14 of the Resolution of the Plenum of the Supreme Court of Ukraine "On Practice of Application by Courts of Legislation Regulating the Ownership of the Dwelling House" No. 7 of October 10, 1991, the Resolution of the Plenum of the High Specialized Court of Ukraine of March 30, 2012 No. 6 "On Practice of Application by Courts of Article 376 of the Civil Code of Ukraine (on the legal regime of unauthorized construction)":

The dwelling house is an indivisible object; its first floor cannot be purposefully used in case if the second floor is demolished. The legislation of Ukraine does not provide for a possibility of forced demolition of a part of indivisible real estate. Therefore any judgement concerning the forced demolition of the second floor of the house cannot be executed. This statement is also confirmed by the following facts: the land plot belongs to members of the family under the right of ownership; the designated purpose of the plot assumes the erection of the dwelling house; demolition the dwelling house, legally erected and put into service violates the constitutional, civil and housing rights of members of this family.

3) According to the items 24, 25 of the Resolution of the Plenum of the High Specialized Court of Ukraine of March 30, 2012 No. 6 "On Practice of Application by Courts of Article 376 of the Civil Code of Ukraine (on the legal regime of unauthorized construction)":

The authorized public authorities and local government did not make any claims towards the family concerning the house built and did not suggest to rebuild it. Moreover, by the decision of the relevant public body, the house has been officially put into service. In this regard, there is no legal foundation for the demolition of the second floor of the house owned by the

4) As stated by the , the opponent (Company .) is not aware of the fact that the legal resolution of the Primorsky District Court of Odessa (judge) related to the case No. 522/1940/13-c of December 5, 2013, the judicial award of the Odessa Regional Court of Appeal of March 19, 2014, headed by the judge (No. of the proceeding 22-c/785/3178/14), the judicial award of the Odessa Regional Court of Appeal (judge .) of November 14, 2014 (No. of the proceeding 22-c/785/8859/2014) and the ruling of the High Specialized Court of Ukraine of June 12, 2014 in relation to the civil case No. 522/1940/13-c, were reversed by the ruling of the High Specialized Court of Ukraine for Civil and Criminal Cases of March 16, 2016 in relation to the civil case No. 522/1940/13-c (No. of the proceeding 6-45483sv14)

5) In addition, as stated by the , the opponent (Company) is not aware of the fact that the Award, made by the Berdichev Municipal Regional Court of the Zhitomir

region of May 15, 2015 in relation to the case No. 2/4/965/15-c, has confirmed that husband and wife and lawfully possess jointly the two-storey dwelling house with basement and attic (total floor area –) located at the following address: In the specified award the court has studied all regulatory and documental basis for emergence of the title of ownership to the dwelling house, and has come to the conclusion that, claims made by concerning the declaration of his and his wife's ( ) title to the dwelling house (address:) fully comply with the property rights protection procedures established by law, in particular the Articles 391 and 392 of the Civil Code of Ukraine, and must be satisfied in full".

The ' is stating that facts and circumstances fixed in the consummated and effective award of the Berdichev Municipal Regional Court of the Zhitomir region of May 15, 2015 in relation to the case No. 2/4/965/15-c, do not require additional verification and must be qualified as the officially and irrefutably established. Moreover this award, directly regulating the property relations connected with the dwelling house of the shall have priority over any other norms of indirect or mediated regulation of the property regime in relation to the specified house.

6) The is also drawing attention of the AICAC arbitration tribunal and the opponent to the following jural facts:

- The right to protection and respect for the private property of individuals and legal entities is enshrined in the Article 1 of the Protocol No. 1 to the Convention for the Protection of Human Rights and Fundamental Freedoms (Strasbourg, March 20, 1952; content of the norm was changed according to provisions of the Protocol No. 11 to the to the Convention for the Protection of Human Rights and Fundamental Freedoms - from the date of its entry into force on November 1, 1998), according to which: "Every natural or legal person is entitled to the peaceful enjoyment of his possessions. No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law."

- According to Article 9 of the Constitution of Ukraine, the effective international treaties, the consent to be bound by which is provided by the Verkhovna Rada of Ukraine, are a part of the national legal system of Ukraine. The law of Ukraine of July 17, 1997, No. 475/97-BP "On ratification of the Convention for the Protection of Human Rights and Fundamental Freedoms of 1950, the Protocol and protocols No. 2, 4, 7 and 11 to the Convention", Ukraine has acceded to the Convention.

Taking into account the aforementioned facts, the considers it indisputable that the ownership title for the dwelling house (address:) has been officially established, does not require any additional verification and cannot be put into question.

X. STATED CLAIMS

Claims of the Applicant

In the statement of claim No. 100116-AJ/A-SC of January 10, 2016, the . Company has made the following claims:

1. To terminate the Rental Agreement No. 100415 of April 10, 2015 on the terms of mutual restitution in connection with the violation of items 2.1.-2.6. of the specified Agreement by the Respondent;
2. To collect from the Respondent in behalf of the Claimant a compensation in the amount of 55 800 (fifty five thousand eight hundred) US dollars for the material damages;
3. To collect from the Respondent in behalf of the Claimant a compensation in the amount of 55 800 (fifty five thousand eight hundred) US dollars for the moral damages;
4. To impose the obligation on the Respondent to pay the entire amount of the arbitration fees, related to the consideration of the present statement in the AICAC (according to Article 50 of the

AICAC Regulations, such amount is specified in the relevant Act of expenses), and also to compensate to the Claimant the prepaid part of such charges.

Claims of the Respondent – Counter-claimant

In the counterclaim No. 1-UA-16 of April 7, 2016, the Respondent has made the following claims:

1. To recognize the joint property right of the husband and wife and to the two-storey dwelling house with basement and attic (total floor area – 518.1 sq. m) located at the following address: ;

2. To recognize the validity of the Rental Agreement No. 100415 of April 10, 2015 for its parties, and absence of legal grounds for termination of it unilaterally upon the initiative of the Lessee under the item 2.4 of the specified Agreement;
3. To impose the obligation on the . Company to pay the entire amount of the arbitration fees and other expenditures, related to the consideration of the present statement in the AICAC, as well as the statement of claim No. 100116-AJ/A-SC.

X. JURIDICAL PLEADINGS: SUBMISSIONS OF THE PARTIES, EVIDENCES PRESENTED AND PETITIONS

X.I. Submissions of the Claimant

In the course of the arbitration proceeding, the Claimant has confirmed all arguments stated by him in the Statement of claim. In order to substantiate his position in relation to the dispute and justice of his claims towards the Respondent, the Claimant has submitted the following evidence:

A) The documentary evidence:

- Annex No. 1: the Rental Agreement for the Dwelling House No. 100415 of April 10, 2015;

- Annex No. 2: the Commission Agreement on Conclusion and Execution of the Rental Agreement for the Dwelling House No. 1707-15 of June 14, 2014;

- Annex No. 3: Legal resolution of the Primorsky District Court of Odessa (judge) related to the case No. 522/1940/13-c of December 5, 2013;

- Annex No. 4: The judicial award of the Odessa Regional Court of Appeal of March 19, 2014, headed by the judge . (No. of the proceeding 22-c/785/3178/14)

- Annex No. 5: The ruling of the High Specialized Court of Ukraine of June 12, 2014 in relation to the civil case No. 522/1940/13-c;

- Annex No. 6: The judicial award of the Odessa Regional Court of Appeal (judge) of November 14, 2014 (No. of the proceeding 22-c/785/8859/2014)

- Annex No. 7: The letter No. 23qr -15 of December 2, 2015;

- Annex No. 8: Receipt № 1-15 of April 10, 2015, drafted by the Lessor;

- Annex No. 9: Report of completion of reconstruction and repairs of the Object No. 0106A-15 of June 1, 2015;

- Annex No. 10: The cost of completed works on reconstruction and repairs of the Object No. 0106C-15 of June 1, 2015;

- Annex No. 11: Act of additional furnishing of the Object No. 0106M-15 of June 1, 2015;

B) Legal and analytical justifications:

In the course of judicial pleadings the Claimant has only presented the arguments indicated in his Statement of claim, and has not submitted any new documents and other evidence.

X.II. Submissions of the Respondent

In the course of the arbitration proceeding, the Respondent has confirmed all arguments stated in the counterclaim. In order to substantiate his position in relation to the dispute and justice of his claims towards the Claimant, the Respondent has submitted the following evidence:

A) The documentary evidence:

- Annex No. 1: Copy of the Ruling of High Specialized Court of Ukraine for Civil and Criminal Cases of March 16, 2016 in relation to the civil case No. 522/1940/13-c (No. of the proceeding 6-45483sv14);

- Annex No. 2: Copy of the Award made by the Berdichev Municipal Regional Court of the Zhitomir region of May 15, 2015 in relation to the case No. 2/4/965/15-c;

- Annex No. 3: Declaration of Readiness of the Object for Operation of November 10, 2014 (Object located at);

- Annex No. 4: Technical passport of the two-storey dwelling house, located at , No. 028244 of November 6, 2012.

B) Legal and analytical justifications:

In the course of judicial pleadings the Respondent has only presented the arguments indicated in his Counterclaim, and has not submitted any new documents and other evidence.

XI. ARBITRAL PROCEDURES AND FINDINGS DISCLOSED DURING THE PROCEEDINGS

A) Arbitration tribunal

According to will of the parties to the arbitration proceeding and on the basis of provisions of the AICAC Regulations, the following structure of arbitration tribunal has been officially approved by the Order of the AICAC President No. 207-16/GBU/CA/1 of March 5, 2016:

- ;

-);

- Chairman of the arbitration tribunal -).

B) Place and time of the arbitration

By the provisional decision No. 207-16/GBU/UKL-PD/2 of March 11, 2016 the arbitration tribunal has defined the following places and time of stages of the arbitration proceedings: 1 session - hotel «Alchymist Grand Hotel & Spa» (Trziste 19, Prague 11000, Czech Republic; «Mirror Gallery»), April 7, 2016, from 10.00 till 17.00 (local time) with a break from 13.00 till 14.00; 2 session – in the AICAC Secretariat (1209 N Orange Street, Wilmington DE 19801-1120, the State of Delaware, USA), May 10, 2016, 09.00-13.00 (local time).

C) Motions

C1. In the course of the arbitration proceedings, the Claimant has issued a motion No. 100116-AJ/P of January 10, 2016 regarding the inclusion of the following experts into the consideration of the dispute:

1. Expert-interpreter able to provide grammatical and authentic translation of documents regulating the legal relations between the parties to the dispute, as well as other documents related to the dispute, from Ukrainian and Russian into English;

- Expert-jurist able to explain the essence of legal provisions of Ukrainian legislation in English professionally and impartially.

The Claimant has asked the arbitral tribunal to nominate the specified experts at its own discretion, and has expressed readiness to make a prepayment covering the expenses connected with joining of

the specified experts in the arbitration proceeding, subsequently imposing the obligation to compensate such expenses on the party losing the dispute.

C2. Motion of the Claimant No. 100116-AJ/P of January 10, 2016, has been granted by the Provisional decision of the AICAC arbitration tribunal No. 207-16/GBU/UKL-PD/2 of March 10, 2016, under which the following experts were joined in the proceedings:

- Expert-interpreter [redacted] who provided grammatical and authentic translation of documents regulating the legal relations between the parties to the dispute, as well as other documents related to the dispute, from Ukrainian and Russian into English;

- Expert-jurist [redacted], who explained the essence of legal provisions of Ukrainian legislation (in English) upon the request of the arbitration tribunal, parties to the dispute and other participants of the arbitration proceedings, professionally and impartially.

C3. In the course of the arbitration proceedings parties have not presented any other motions.

D) Evidence

On April 7, 2016, in the course of preliminary hearings of facts related to the case, at the first session (meeting) of the arbitration proceeding the AICAC arbitral tribunal has recognized all documentary evidence, submitted by the Claimant and the Respondent in the Statement of claim and in the Counterclaim, as relevant and admissible to justify positions of the parties.

E) Official representatives of the parties

On April 7, 2016, before the preliminary hearings of facts related to the case, at the first session (meeting) of the arbitration proceeding, the AICAC arbitration tribunal has affirmed the authority of official representatives of the parties, which had been registered in the AICAC Secretariat before the specified date.

F) Oral arguments of the parties and experts

Throughout the arbitration trial, in accordance with the AICAC Regulations, the official representatives of the parties had an opportunity to state their arguments, oppose each other and join experts in the arbitration process freely and without any limitations.

Experts provided explanations concerning the issues discussed by participants of the arbitration proceeding, answered questions asked by representatives of the parties and members of the AICAC arbitration tribunal, and also fulfilled other functions emerging from their official status within the arbitration process.

G) Payment of the arbitration fees by the parties and compensation of expenses connected with the arbitration proceeding

G.1. The AICAC Act of expenses No. 207-16/GBU/F/1 of March 11, 2016, establishes the preliminary amounts of arbitration fees to be paid by parties. Equal proportions of distribution of these expenses among the parties, as well as the payment mode and terms of payment of the arbitration fees by the parties are also indicated in the Act.

C. REASONS FOR JUDGEMENT: EVALUATION OF EVIDENCE, ANALYSIS AND LEGAL TREATMENT OF JURAL FACTS

XII. LEGAL TREATMENT OF JURAL FACTS

In the course of the arbitration proceeding, the AICAC arbitration tribunal has established and defined the following jural facts related to the merits of the dispute between the parties:

№	Legal fact	Legal treatment of the fact	Grounds for legal treatment
1.	Effectiveness and legitimacy of the renal Agreement No. 100415 of	- The Agreement is effective; - The Agreement is legitimate.	- Statements of the Parties to the dispute;

	April 10, 2015 related to the owner-occupied dwelling, concluded between the company (Lessee) and the (Lessor)		- Properly formalized copies of the Agreement; - Provisions of the Article 59 of the Civil Code of Ukraine
2.	Fulfillment of obligations based on the Agreement No. 100415 of April 10, 2015 by the Parties as of the time of the initiation of the arbitration proceeding, except for those being a matter in issue.	Except for the matter in issue, the Agreement was executed by the Parties in full	- Statements of the Parties to the dispute - Copies of properly drafted Acts and the Receipt.
3.	Legal resolution of the Primorsky District Court of Odessa (judge) related to the case No. 522/1940/13-c of December 5, 2013	The judicial award does not have legal effect - called off	The ruling of the High Specialized Court of Ukraine for Civil and Criminal Cases of March 16, 2016 in relation to the civil case No. 522/1940/13-c (No. of the proceeding 6-45483sv14)
4.	The judicial award of the Odessa Regional Court of Appeal of March 19, 2014, headed by the judge (No. of the proceeding 22-c/785/3178/14)	The judicial award does not have legal effect - called off	
5.	The ruling of the High Specialized Court of Ukraine of June 12, 2014 in relation to the civil case No. 522/1940/13-c, made following the results of consideration of the appeal submitted by from the judgment of the Odessa Regional Court of Appeal (judge)	The judicial award does not have legal effect - called off	
6.	The judicial award of the Odessa Regional Court of Appeal (judge) of November 14, 2014 (No. of the proceeding 22-c/785/8859/2014) arising from the appeal submitted by from the judgment of the Primorsky District Court of Odessa of December 5, 2013.	The judicial award does not have legal effect - called off	

7.	The Respondent and persons represented by the Respondent did not possess the Certificate of Title for the owner-occupied dwelling, as well as the relevant extract from the State Register of Property Rights to Immovable Property	Absence of proper registration of title, which although does not exclude the fact of presence (acquisition) of such title on legal grounds. Provisions of the Article 24 of the Civil Code of Ukraine and item 2 of the Article 78 of the Land Code of Ukraine define the notion of "acquisition" of the ownership title as the legal fact of its transition and receiving, i.e. the justified presence of rights in relation to the land plot. The Article 182 of the Civil Code of Ukraine provides for the necessity to register the acquired ownership title. Item 4 of the Article 334 of the Civil Code of Ukraine and the Article 125 of the Land Code of Ukraine define the notion of "origin of the title of ownership" (immediately upon the state registration of the title) as the completeness of grounds and possibilities to freely possess, use and dispose of the property. In this regard acknowledgement of the ownership title for the immovable property, as indicated in the Article 392 of the Civil Code of Ukraine, is also the acknowledgement of existence of such title, and its emergence shall still require the proper state registration.	- Article 24, item 3 of the Article 331, item 4 of the Article 334 of the Civil Code of Ukraine; - Item 2 of the Article 78, Article 125 of the Land Code of Ukraine; - Paragraph 1) of the item 1 of the Article 4, Articles 5, 12 of the Law of Ukraine "On State Registration of Property Rights to Immovable Property and Their Encumbrances" of July 1, 2004 No. 1952-IV
8.	The right to lease the dwelling house which is officially put into operation (but the relevant certificate of ownership is not issued)	If the tenure rights to the relevant land plot exist together with the documents verifying the fact of commissioning of the dwelling house, as well as the official recognition of the ownership title to it by the court, the house may be leased even without the certificate of ownership. Such opportunity is based on the following grounds: 1) the ownership title to the dwelling house is recognized and is not	- Provisions of the Chapters 58 and 59 of the Civil Code of Ukraine; - Award of the Berdichev Municipal Regional Court of the Zhitomir region of May 15, 2015 in relation to the case No. 2/4/965/15-c

		doubted; 2) formal documenting of the title to the house is not mandatory in order to lease such an object; 3) absence of the documented ownership title does not infringe on the Lessee's rights; 4) under the legislation of Ukraine, existence of the certificate of ownership is not the significant condition for concluding a rental agreement related to the dwelling.	
9.	Existence of signs of an "unauthorized" (illegal) building in relation to the house owned by the [redacted] under the legislation of Ukraine	Signs of an unauthorized building are absent.	- Articles 375 and 376 of the Civil Code of Ukraine; - Ruling of the High Specialized Court of Ukraine for Civil and Criminal Cases of March 16, 2016 in relation to the civil case No. 522/1940/13-c (No. of the proceeding 6-45483sv14)
10.	The right to demand the demolition of the building under the legislation of Ukraine	Such right is possessed by: - authorized state and local government authorities; - inspections of the state architectural and construction control; - the third persons provided that erection and use of the building violates their rights	- Articles 1, 2, 3, 119, 121 and 207 of the Civil Procedure Code of Ukraine, part 1 of the Article 15, part 7 of the Article 376, Article 391 of the Civil Code of Ukraine; - Item 5, 9, 17 of the Resolution of the Plenum of the High Specialized Court of Ukraine of March 30, 2012 No. 6 "On Practice of Application by Courts of Article 376 of the Civil Code of Ukraine (on the legal regime of unauthorized construction)"; - Item 11 of the Resolution of the Plenum of the Supreme Court of Ukraine of December 18, 2009 No. 14 "On judgment in a

			civil case”
11.	Demolition of a part (second floor) of a dwelling house under the legislation of Ukraine	The dwelling house is an indivisible object; its first floor cannot be purposefully used in case if the second floor is demolished. It should also be noted that the legislation of Ukraine does not provide for a possibility of forced demolition of a part of indivisible real estate.	- Part 1 of the Article 181, part 2 of the Article 183, part 1 of the Article 188, Article 376 of the Civil Code of Ukraine; - Item 14 of the Resolution of the Plenum of the Supreme Court of Ukraine of October 4, 1991, No. 7 “Application by Courts of the Laws Regulating the Citizens’ Ownership Title for a Dwelling House”; - The Resolution of the Plenum of the High Specialized Court of Ukraine of March 30, 2012 No. 6 “On Practice of Application by Courts of Article 376 of the Civil Code of Ukraine (on the legal regime of unauthorized construction)”;
12.	Conditions of the forced demotion of the unauthorized building under the legislation of Ukraine	Demolition of the real estate erected with significant deviations from the construction project (which is contrary to public interests or violating the rights of other persons) or significant violations of the building codes (including the absence of the construction project) shall be possible only provided, that reorganization of the real estate according to the construction project or under the state rules and sanitary standards is impossible, or if the person, who has built (is building) the real estate object, refuses to undertake such reorganization	- Items 24 and 25 of the Resolution of the Plenum of the High Specialized Court of Ukraine of March 30, 2012 No. 6 “On Practice of Application by Courts of Article 376 of the Civil Code of Ukraine (on the legal regime of unauthorized construction)”;
13.	The ruling of the High Specialized Court of Ukraine for Civil and Criminal Cases of March 16, 2016 in relation to the	Official reversal of awards, used by the Claimant as grounds for his claims	- Contents of the Ruling

	civil case No. 522/1940/13-c (No. of the proceeding 6-45483sv14)		
14.	Award, made by the Berdichev Municipal Regional Court of the Zhitomir region of May 15, 2015, in relation to the case No. 2/4/965/15-c	Recognition of the ownership title of the husband and wife	- Contents of the Ruling
15.	Declaration of Readiness of the Object for Operation of November 10, 2014 (Object located at	After completion of the construction works, i.e. after the object is put into operation (from the moment of registration of the Declaration of Readiness of the Object for Operation) and until the moment of acquisition of the ownership title to the dwelling house, the person concerned possesses the title to the object created during the construction works. For the ownership title to a dwelling house to emerge, such title must be officially registered. On the other side, the title of ownership to an object created during the construction works emerges upon putting the object into operation. This is verified by the jural fact of completion of construction works. The Declaration states the legitimacy of construction of the house, as well as absence of claims against the house from the authorized state and local government authorities	- The Law of Ukraine "On the Regulation of Urban Development" of February 17, 2011 - Resolution of the Cabinet of Ministers of Ukraine No. 923 "On the Procedure of Commissioning of the Objects that have been Constructed" of October 8, 2008
16.	Technical passport of the two-storey dwelling house, located at No. 028244 of November 6, 2012	Technical passport of the new house is issued after its primary inventorying carried out after the commissioning. Technical passport affirms the right of its owner to use the object use for its designated purpose.	Instruction "On the procedure of technical inventorying of immovable property", as amended by the Decree of the Ministry of Regional Development, Construction, Housing and Communal Services of Ukraine, No. 2, of January 8, 2013.

XIII. ANALYSIS OF VALIDITY AND LEGITIMACY OF STATED CLAIMS

№	Statement of claim	Justification of a claim	Legitimacy of a claim
	A. Claims of the Claimant		
1.	To terminate the Rental Agreement No. 100415 of April 10, 2015 on the terms of mutual restitution in connection with the violation of items 2.1.-2.6. of the specified Agreement by the Respondent	- Items 2.1.-2.6. of the Rental Agreement No. 100415 of April 10, 2015; - Legal resolution of the Primorsky District Court of Odessa (judge) related to the case No. 522/1940/13-c of December 5, 2013; - The judicial award of the Odessa Regional Court of Appeal of March 19, 2014, headed by the judge (No. of the proceeding 22-c/785/3178/14); - The judicial award of the Odessa Regional Court of Appeal (judge) of November 14, 2014 (No. of the proceeding 22-c/785/8859/2014) - The ruling of the High Specialized Court of Ukraine of June 12, 2014 in relation to the civil case No. 522/1940/13-c	The claim is frivolous and improper
2.	To collect from the Respondent in behalf of the Claimant a compensation in the amount of 55 800 (fifty five thousand eight hundred) US dollars for the material damages		The claim is frivolous and improper
3.	To collect from the Respondent in behalf of the Claimant a compensation in the amount of 55 800 (fifty five thousand eight hundred) US dollars for the moral damages		The claim is frivolous and improper
4.	To impose the obligation on the Respondent to pay the entire amount of the arbitration fees, related to the consideration of the present statement in the AICAC (according to Article 50 of the AICAC Regulations, such amount is specified in the relevant Act of expenses), and also to compensate to the Claimant the prepaid part of such charges.	Article 53 of the AICAC Regulations	Shall be established by the final decision
	B. Claims of the Respondent – Counterclaimant		
5.	To recognize the joint property right of the husband and wife and to the two-storey dwelling house with basement and attic located at the following	- The ruling of the High Specialized Court of Ukraine for Civil and Criminal Cases of March 16, 2016 in relation to the civil case No. 522/1940/13-c (No. of the proceeding 6-45483sv14);	The claim is justified and lawful

	address:	Award, made by the Berdichev Municipal Regional Court of the Zhitomir region of May 15, 2015, in relation to the case No. 2/4/965/15-c; - Declaration of Readiness of the Object for Operation of November 10, 2014 (Object located at - Technical passport of the two-storey dwelling house, located at No. 028244 of November 6, 2012; - Items 2.1.-2.6. of the Rental Agreement No. 100415 of April 10, 2015;	
6.	To recognize the validity of the Rental Agreement No. 100415 of April 10, 2015 for its parties, and absence of legal grounds for termination of it unilaterally upon the initiative of the Lessee under the item 2.4 of the specified Agreement		The claim is justified and lawful
7.	To impose the obligation on the . Company to pay the entire amount of the arbitration fees and other expenditures, related to the consideration of the present statement in the AICAC, as well as the statement of claim No. 100116-AJ/A-SC.	Article 53 of the AICAC Regulations	Shall be established by the final decision

D. OPERATIVE PART

XIV. NORMATIVE BASIS OF THE AWARD

- The Rental Agreement for the Dwelling House No. 100415 of April 10, 2015, concluded between the Company (Lessee) and (Lessor);

- Current legislation of Ukraine, regulating the relations constituting the subject matter of the dispute between the parties;

- Rules of international law, regulating the relations constituting the subject matter of the dispute between the parties;

- Customary business practices, regulating the relations constituting the subject matter of the dispute between the parties;

- Provisions of the AICAC Regulations.

XV. CONTENT OF THE AWARD

Based on the objective, full, comprehensive and fair investigation of the circumstances of the dispute and the evidence submitted in relation to the arbitration case No. 207-16/GBU/UKL, carried out with free and active participation in the arbitration proceedings of the parties to the Rental Agreement for the Dwelling House No. 100415 of April 10, 2015, as well as other participants of the process, the AICAC arbitration tribunal has come to the following conclusions:

1. Absence of grounds for the following is established:

a) Forced termination of the Rental Agreement for the Dwelling House No. 100415 of April 10, 2015, concluded between the Company (Lessee) and the (Lessor), upon the initiative of the Lessee, and in accordance with the procedure laid down in items 2.1. – 2.6. of the specified Agreement

b) Payment of the amount of compensation (equivalent of USD (one hundred eleven thousand six hundred)) for the material and moral damages, by the Respondent in behalf of the Claimant, due to absence of signs of culpable violation of items 2.1.-2.6. of the specified Agreement by the Respondent.

2. The Respondent's (Counterclaimant's) title of ownership to the dwelling house located at was established on the basis of the following:

- Award, made by the Berdichev Municipal Regional Court of the Zhitomir region of May 15, 2015 in relation to the case No. 2/4/965/15-c;

- The ruling of the High Specialized Court of Ukraine for Civil and Criminal Cases of March 16, 2016 in relation to the civil case No. 522/1940/13-c (No. of the proceeding 6-45483sv14), which reversed the decisions of the lower courts questioning such title of ownership;

- Part 1 of the Article 15, Article 24, part 1 of the Article 181, part 2 of the Article 183, part 1 of the Article 188, part 3 of the Article 331, item 4 of the Article 334, Article 375, part 7 of the Article 376, Article 391 of the Civil Code of Ukraine;

- Item 2 of the Article 78, Article 125 of the Land Code of Ukraine;

- Paragraph 1) of the item 1 of the Article 4, as well as the Articles 5 and 12 of the Law of Ukraine "On State Registration of Property Rights to Immovable Property and Their Encumbrances" of July 1, 2004 No. 1952-IV;

- Articles 1, 2, 3, 119, 121 and 207 of the Civil Procedure Code of Ukraine;

- Items 5, 9, 14 and 17 of the Resolution of the Plenum of the High Specialized Court of Ukraine of March 30, 2012 No. 6 "On Practice of Application by Courts of Article 376 of the Civil Code of Ukraine (on the legal regime of unauthorized construction)";

- Item 11 of the Resolution of the Plenum of the Supreme Court of Ukraine of December 18, 2009 No. 14 "On judgment in a civil case";

- Item 14 of the Resolution of the Plenum of the Supreme Court of Ukraine "On Practice of Application by Courts of Legislation Regulating the Ownership of the Dwelling House" No. 7 of October 10, 1991;

- Items 24 and 25 of the Resolution of the Plenum of the High Specialized Court of Ukraine of March 30, 2012 No. 6 "On Practice of Application by Courts of Article 376 of the Civil Code of Ukraine (on the legal regime of unauthorized construction)";

- Instruction "On the procedure of technical inventorying of immovable property", as amended by the Decree of the Ministry of Regional Development, Construction, Housing and Communal Services of Ukraine, No. 2, of January 8, 2013.

3. Existence of legal grounds for recognition of the Rental Agreement No. 100415 of April 10, 2015 as valid and legally binding for the parties is established.

4. Based on:

- examination of actual legal complexity of legal relations between the parties and the dispute between them,

- recognition of existence of justified formal grounds for the parties to make reciprocal claims,

- mutual benefit for the parties from the objective and fair consideration of the dispute between them,

and also based on the progressive legal awareness and the sense of justice, the AICAC arbitration tribunal has come to the conclusion regarding the necessity to affirm the AICAC Act of expenses No. 207-16/GBU/F/1 of March 11, 2016, and to equally distribute between the parties the obligation to pay the arbitration fees and other relevant expenses, related to consideration of the Claim submitted by the and the Counterclaim submitted by the , within the arbitration proceedings.

On the basis of the above said,

- being guided by the provisions of the Rental Agreement for the Dwelling House No. 100415 of April 10, 2015, concluded between the Company (Lessee) and the (Lessor),

- within its competence and taking into account the provisions of the AICAC Regulations,

- in accordance with the general principles of international commercial arbitration, established by the Brussels Convention on Jurisdiction and the Enforcement of Judgments in Civil and Commercial Matters (1968), Convention on the Recognition and Enforcement of Foreign Arbitral Awards (New York, 1958), Convention on Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters (Lugano, September 16, 1988), Regulation of the Council of European Union of December 22, 2000 No. 44/2001 On Jurisdiction and the Recognition and Enforcement of Judgments in Civil and Commercial Matters//L.012, 16/01/2001 P 0001-0023, UNCITRAL Arbitration Rules (Adopted by the UN General Assembly on December 15, 1976), UNCITRAL Model Law on International Commercial Arbitration (United Nations document Al40117, annex I; as adopted by the United Nations Commission on International Trade Law on June 21, 1985), European Convention on International Commercial Arbitration (1961), European Convention providing a Uniform Law on Arbitration, of January 20, 1966, and other acts of international law;

- taking into account the UK Arbitration Act, 1950 (as amended and supplemented in 1976 and 1996) and the Law of Ukraine "On International Commercial Arbitration" (1994), as well as the procedural norms of the legislation effective in the indicated states,

the authorized arbitration tribunal of the AICAC shall render the following judgment on the commercial dispute between the Company and the , arbitration case No. 207-16/GBU/UKL:

1. To dismiss all the claims made by the Claimant (Company) in the Statement of claim No. 100116-AJ/A-SC of January 10, 2016 (notice of arbitration No. 100116-AJ/N);

2. To partially satisfy claims made by the Respondent (the) in the Counterclaim No. 1-UA-16 of April 7, 2016 and to recognize:

2.1. The joint property right of the husband and wife and to the two-storey dwelling house with basement and attic located at the following address: ;

2.2. The validity of the Rental Agreement No. 100415 of April 10, 2015 for its parties, and absence of legal grounds for termination of it unilaterally upon the initiative of the Lessee under the item 2.4 of the specified Agreement;

3. To dismiss other claims made by the Respondent (the) in the Counterclaim No. 1-UA-16 of April 7, 2016;

4. To oblige the Company and the to perform all necessary actions aimed at execution of this judgment fairly and in full during 20 days since its adoption and entry into force.

5. Impose an obligation on the parties to the dispute to pay the arbitration fees and other relevant expenses, related to consideration of the Claim submitted by the and the Counterclaim submitted by the , within the arbitration

proceedings, and specified in the AICAC Act of expenses No. 207-16/GBU/F/1 of March 11, 2016, in equal parts.

XVI. STATUS OF THE AWARD

This award was made on behalf of the AICAC within its international competence. From the day of issuance it shall acquire the status of the final legal act, binding for the Company and the .

Having agreed to initiate the arbitration trial in accordance with the AICAC Regulations (item 12.2. of the Rental Agreement No. 100415 of April 10, 2015), the Company and the "Law firm "Attorney"" have undertaken to carry out this arbitration award without delays, and have waived their right to any form of appeal or recourse in the court or in any other judicial body.

On May 10, 2016, during the issuance of this decision to the Company and the , none of the parties expressed disagreement with it.

XVII. PLACE OF THE AWARD

This award was made following the results of two stages (sessions) of the arbitration proceeding:

1 session - hotel «Alchymist Grand Hotel & Spa» (Trziste 19, Prague 11000, Czech Republic; «Mirror Gallery»), April 7, 2016, from 10.00 till 17.00 (local time) with a break from 13.00 till 14.00;

2 session – in the AICAC Secretariat (1209 N Orange Street, Wilmington DE 19801-1120, the State of Delaware, USA), May 10, 2016, 09.00-13.00 (local time).

The city of Wilmington (USA) is the official place where this award was issued.

XVIII. CONDITIONS OF ENTRY INTO FORCE, EXECUTION AND APPEAL AGAINST THE AWARD

This award shall come into force upon the pronouncement of it to the parties.

The Company and the are obliged to carry out this decision in full and on time, in terms stated in this award.

This award can be published or made public in any way only upon consent of the specified parties.

On May 10, 2016, during the issuance of this decision to the Company and the have signified their consent to carry out this decision voluntarily - without the need to involve any enforcement action

In case of necessity, any party is entitled to address the authorized judicial and administrative authorities of the relevant countries and ask for assistance in matters of enforcement of this award, on the basis of provisions of the international law and national legislation acts specified in the Chapter XV.

An appeal against this award, initiated by one of the parties, is possible only considering the limited list of grounds for such an appeal, provided in provisions of the international law and national legislation acts, specified in the Chapter XV.

The AICAC is hereby urging the authorized state and local government authorities, as well as the judiciary of countries this award is to be carried out in, to consider it an international individual legal act, and to promote its implementation by any means possible.

XIX. ATTRIBUTES OF OFFICIAL FORMALIZATION OF THE AWARD

This award was made on the basis of the unanimous vote by members of the arbitration tribunal (the list of members approved by the Order of the AICAC President No. 207-16/GBU/CA/1 of March 5, 2016) in favour of its pronouncement, within the AICAC competence:

Chairman of the AICAC arbitration tribunal	International arbitrator of the AICAC	International arbitrator of the AICAC
May 10, 2016	May 10, 2016	May 10, 2016

In accordance with the powers conferred to me by the Charter and the Regulations of the AICAC, I hereby certify the validity of signatures of members of the AICAC arbitration tribunal, authorised to settle the commercial dispute between the Company and the , arbitration case No. 207-16/GBU/UKL.

The AICAC President
Borys Zhytnigor
May 10, 2016

In accordance with the powers conferred to me by the Charter, the Regulations and the decisions of the AICAC governing bodies, I hereby officially verify the AICAC Award No. 207-16/GBU/UKL-111213, of May 10, 2016, on the commercial dispute between the Company and the , arbitration case No. 207-16/GBU/UKL.

Secretary General and Vice-President of the AICAC
Anatoliy Timoshenko
May 10, 2016

THE DOCUMENT IS ISSUED,
STRUNG TOGETHER AND
PAGINATED