

## AIG RESORTS

### SALE & LEASEBACK CONCEPT – PARTNERSHIP

Unlimited use of apartment including Leaseback/Room rate Sharing agreement

This unique concept, proofed by the faculty of law/Zagreb, makes the buyers able to use their own apartments how they want to and to get a simultaneously income by lease back them to the hotel management to rent them out in the times they are absent.

### PARTNERSHIP CONTRACT

The this contract needs to be done between minimum two physical or legal persons. With this agreement the parties are forming a partnership with all legal rights and obligations.

Partership is not a legal person it is a kind of created comunity similar to a association. In this contract will be defined right of using the particular apartment coosed by the particular partner and the rights to rent the particular apartment to generate rental income.

The partners of partnership can exclude a particular partner if he is not acting according to obigations signed by all partner or obligations according to the concept.

Every partner is free to sell anytime his part of partnership to a third person as far as the new partner will accept the partnership agreement

### SALES CONTRACT

The sales contract will be done between the partnership as association and the owner of the property.

According the Sales Contract the partnership is purchasing the whole building and the plot conected to the building.

In the land register will be registrated the association and each partner by name as the common owner of the building and plot.

In the sales contract will be stated all detailed information of the apartment, conditions as well as all rights and obligations.

This special kind of sales agreement needs to be done because the apartment building is located in touristic area according to the urbanistic plan of each community. According to the croatian law the building/apartment needs to be used for touristic purpose like part of the touristic resort and further more it is not possible to create seperated floors or units to put in the land register each particular apartment.

Based on the written work of the architekt is defined each size in net and gross sqm,particular layout, part in percentage/proportion of each apartment to the total building size and even the proportion part of the plot which is connected to the building.

In the sales contract will be stated the particular detailed information of each apartment like floor, size of apartment and each room (gross and net) and apartment equipment.

The partnership is transferable anytime in future as far as the new partner will accept all rights and obligations of the concept and partnership contract.

To assure the legal security of each partner the hotel management hat the right to buy back a apartment if particular partner is disturbing the concept and interest of other partners.

## LEASE/RENT BACK AND MAINTENANCE CONTRACT

The leaseback contract is done between the hotel management and the whole association. The contract will be valid until 31.12.2035. The future partner needs to sign a statement that all rights and obligation of the owner will be transferred to him as the new partner.

This contract is transferable anytime if one partner wants to sell the apartment in future as far as the new partner will accept all rights and obligations of the concept.

The partner has the right to use the apartment for unlimited period the whole year. If he is intending to stay in the apartment in wintertime he need to announce his stay in advance to enable us to prepare the apartment for the winter months when the hotel itself is closed (warm water supply, heating, housekeeping, using of hotel facilities).

The using of the hotel facilities during wintertime like pool area, sauna.. is according to the demand and the number of partner which will be in the Resort and needs to be agreed individually with the hotel management.

If the partner is not using the apartment he can ask hotel management to rent out the apartment . This will be done through a professional sales network existing of tour operators, centralized reservation system, marketing activities like touristic shows, internet presence and even to daily guests. In general the partner has no obligation to give back the apartment to the hotel management to rent it out.

To assure a good booking situation the partner is obliged to announce his own occupation for the high season (July/August, eastern, Christmas and new year's eve) at least until end of November of the previous year.

For the rest of season it is enough if he will inform hotel management minimum 6 weeks before arriving to assure that the apartment will be available. So it is in interest of each parther to inform hotel management as soon as possible.

If the partner would like to come more short dated and his apartment is available he can use it. If his apartment is occupied he has no right to use his apartment. If available, hotel management will provide another apartment in the resort but therefore needs to be done a individual agreement with the hotel management.

In case the apartment will be rented out by hotel management the room rate will be separated as follows:

Room rate income, without F&B services, will be divided 60 % for partner and 40 % for hotel management.

Hotel management will pay from their 40% costs for apartment in operation so it means facility management, housekeeping (small repair works), replacing of equipment and small inventory, consumables, kitchen ware, sales activities, marketing costs, utility costs, insurances, public dues...

In case the partner will send clients by his recommendation to his apartment the room rate will be shared 75 % to the owner and 25 % to the hotel management.

Yearly Sale/Leaseback income will be paid out until end of December of each year. The income is liable to tax which needs to be paid by the partner according to the Croatian law.

The partner will be informed by the hotel management about the allotment prices for the next season until end of January each year. The hotel management has still the right to change prices if it is needed to be competitive on the market.

If the partner or family members are in apartment, hotel management will ask for a weekly service fee of € 70,00 for studio apartment and € 140,00 for 2+2 and 4+2 apartments. Fee is for hotel facilities

(parking area, manifold, outside pool, inside pool, sauna, tennis court, sport court, table tennis, playground, utility costs, public dues, insurances, housekeeping/cleaning once a week, changing of towels and bedding two times a week)

The service fee is not including the tourist tax and any F & B services but the hotel management is offering breakfast, half board and all inclusive as a separate service which will be charged separately.

Hotel management has the right to change the service fee in future by showing the proofs that the own expenses like water, electricity, public fees, labour costs etc. increased. The owner needs to be informed about this increase in written form.

To make it possible for hotel management to rent out the apartment like they are offered in catalogues, agencies and websites etc. the partner is obliged to keep the complete furnished apartments in a good shape and in case something will be modified he need to coordinate changes with the hotel management because it needs to be assured that the categorization of the hotel resort will be kept.

The maintenance fee is required to assure a excellent condition of the apartment and the whole resort.

The amount of 1,00 % including VAT of the sales price needs to be paid in December for the next year and will be cleared up with the rental income.

This amount will be used by the hotel management for the necessary technical maintenance works including replacements of equipment and reconstruction works in future.

The technical maintenance work and possible replacements are:

Air-condition, sanitary installations, doors, windows, furniture, electrical devises, inside painting works, drywall installations, yard works in the to the building connected area.

The reconstruction works means:

Repairing and painting of the building, terrace and stairways, repair works or replacement of the roof and guttering, new floors in apartments and surrounding area, electric installations, water installations,

Hotel management has the right to change the maintenance fee after 10 years according to the real appearing costs.