



U S T K A A P A R T A M E N T Y

DEVELOPER CONTRACT No B1/...../2007

concluded in Słupsk on 2007 between:

Ustka Apartamenty limited liability company limited partnership, residing at ul. Wileńska 12 lok. 46, 76-200 Słupsk registered in the Register of Entrepreneurs in the National Court Registry as kept by the District Court Gdańsk-Północ in Gdańsk VIII Commercial Department of the National Court Register, under entry number KRS 0000278462, NIP 8393017874, represented by the general partner – Ustka Apartamenty limited liability company, for which acts **Andrzej Dębowski** - Chairman of the Board, hereinafter referred to as the "**DEVELOPER**",
and

....., daughter.....,
carrying identity document no., **PESEL**,
NIP, residing in (postcode.....), ul.
..... and son
....., carrying identity document no. **PESEL**
..... **NIP** residing in (postcode.....),
ul.,
hereinafter referred to as the "**BUYER**"

§ 1

Whenever in the provisions of this Contract reference is made to:

1. Construction Laws this shall mean the act of 7 July 1994 on the Construction Laws (OJL No 156 item 1118 of 2006 with later amendments) together with the executory regulations.
2. Act on ownership of premises of this shall mean the act of 24 June 1994 on ownership of premises (OJL No 80 item 903 of 2000 903 with later amendments).
3. Land this shall mean a land property including a plot no 373/1 of an area of 1.1361 ha situated in Ustka, ul. Wczasowa 2, included in the perpetual register SL1S/00041226/8 kept by the District Court in Słupsk VII Wydział Ksiąg Wieczystych (land and mortgage register department).
4. Investment this shall mean the investment of building four buildings with local roads, green areas and technical infrastructure on the Land, included in the Building Permit.
5. Building Permit this shall mean legally valid administrative decisions issued by the Starostwo Powiatowe in Słupsk (chief office of the district of Słupsk): no 511/06 of 25.08.06 amended by the decision of 27.04.07, no 511-406/07; decision no 561/06 of 14.09.06 and decision no 279/07 of 27.04.07.

6. Building this shall mean an apartment building, which will be built as a part of the Investment, marked in the construction design no **B.1.**, which will be built by the DEVELOPER on the Land on the basis of the Building Permit.
7. Apartment this shall mean an independent apartment in the Building B.1. on its floor, which has its architectonic mark, of usable floor area of m². Its situation, room arrangement, floor area, execution and equipment standard are described in the Appendix 1 & 2 of the Contract.
8. Cubbyhole this shall mean a room of the area of m², marked with no. in the situation sketch included in the Appendix no 3, situated on the basement floor and meant to be used as a room belonging to the Apartment.
9. Common Property this shall mean - according to the Act of Ownership of Premises - a plot in a perpetual usufruct of a proposed number 373/4 and proposed area of 0.6359 ha, which is planed to be separated from the Land – a plot no 373/1, where the Building will be built together with other buildings included in the Building Permit as well as parts of the Building (buildings) and equipment, which are not for the exclusive usage of apartments owners, especially: lifts, corridors, stairwells, vehicles and roads, external walls of a building, roof, foundations, structural building elements.
10. Usable Floor Area of the Apartment this shall mean a part of the nett storey area, which corresponds the purposes of an apartment, measured and calculated according to the standard PN-ISO 9836:1997.
11. Share of Apartment Owner distinguished in the Common Property the share of an apartment owner in the Common Property corresponds the proportion of the usable floor area of the Apartment together with the floor area of the rooms belonging to the total usable floor area of all apartments together with rooms belonging to the apartments included in the Investment buildings.
12. Garage Hall this shall mean an independent, multipost room in the Building, used for garaging cars, where Parking Places will be outlined.
13. Parking Place this shall mean a place for parking cars, in the Garage Hall, marked with the no in the situation sketch in the **Appendix no 3A** of the Contract.
14. Share in Garage Hall this shall mean the proportion of one Parking Place to all Parking Places in the Garage Hall which amounts **1/20**.
15. Hand Over of the Building this shall mean the hand over of the Building according to the Building Permit
16. Housing Cooperative this shall mean all owners, whose apartments are included in the real estate of the Land, where the Building will be built.

§ 2

1. DEVELOPER declares that he is a perpetual usufructuary of the Land on which he carries out the Investment, as part of his business activity. Phase I of the investment includes construction of a multi-family, residential Building, no. **B.1.**, together with infrastructure included in the Building Permit. DEVELOPER declares that the Investment shall be completed in accordance with Construction Law, approved designs, current rules and standards of building works.
2. BUYER declares that he familiarized himself with approved designs of the Building and of land and green areas development for the Investment, and with the initial plan for the Land division – plot no. 373/1. Information materials and advertising brochures are of no use for the DEVELOPER obligations, unless they were quoted in this Contract as enclosures.

§ 3

1. DEVELOPER is obliged to:
 - a) build the Building,
 - b) obtain a permission for using the Building until 31st August 2008,
 - c) distinguish the Apartment in the Building and in the Garage Hall,
 - d) release the Apartment to BUYER until 31st October 2008,
2. BUYER is obliged to:
 - a) pay the remuneration to DEVELOPER, value and terms as specified in the contract,
 - b) accept the Apartment in a way defined in the contract.
3. Moreover, the Parties are obliged to conclude a contract on establishing separate property and sale of the Apartment, hereinafter referred to as "Promised Contract". On the basis of the Promised Contract, DEVELOPER will sell to BUYER: the Apartment, together with the Cubbyhole, share in the Garage Hall, amounting to **1/20** part of the Garage Hall together with belonging Shares in Common Property, for the price and on terms defined in this Contract, when BUYER fulfills all obligations resulting from it.

§ 4

1. Promised Contract shall be concluded by the Parties in the form of a notarial deed until **30th June 2009**, however not later than within two months from the day of obtaining by DEVELOPER the certificates on independence of the Apartment and of the Garage Hall.
2. DEVELOPER shall incur the costs of distinguishing the Apartment in the Building.
3. BUYER shall incur the costs of concluding Promised Contract, including the court fees for establishing separate ownership of the Apartment, and for the entry in the land and mortgage register.
4. The Parties shall arrange the date and place of concluding Promised Contract with at least 7-days in advance.
5. DEVELOPER guarantees that the Apartment, share in the Garage Hall and Shares in Common Property, sold by the Promised Contract, shall be free of any mortgage encumbrances entered in section IV of the land and mortgage register.

§ 5

1. DEVELOPER's remuneration includes:
 - a) price of the sale of the Apartment: **PLN** (say: PLN).
 - b) price of the sale of the share in the Garage Hall: **PLN** (say: PLN).Above prices will be increased by Goods and Services Tax in the current amount.
2. With the Goods and Services Tax rates binding for the day of concluding this Contract, the price of the sale subject amounts:

- a) price of the Apartment PLN + VAT according to 7% rate of PLN, total gross amount PLN (say:..... PLN),
- b) price of the share in Garage Hall..... PLN + VAT according to 22% rate of PLN, total gross amount PLN (say:..... PLN).
3. The price also includes a Share in Common Property and Cubbyhole, as a room belonging to the Apartment.
 4. **Total gross sale price of the Apartment and Cubbyhole, share in the Garage Hall and relevant Shares in Common Property** amounts PLN (say:PLN).
 5. The sale price will be paid as follows:
 - a) amount of _____ PLN (*10% of the price minus 1000 zł*) – until _____ 2007; (*3 days from the date of concluding the developer contract*)
 - b) amount of _____ PLN (*10% of the price*) – until 30th November 2007, but not later than in 7 days from the day of informing by DEVELOPER that the construction is in shell state;
 - c) amount of _____ PLN (*70% of the price*) – until 31st August 2008, but not later than in 7 days from the day of informing by DEVELOPER that a permission for the use of the Building has been issued;
 - d) amount of _____ PLN (*10% of the price*) – until 31st October 2008, but not later than on the day of handing over the keys and the Apartment to the customer.
 6. In case the price of the Apartment increases as a result of completing the changes ordered by BUYER, BUYER is obliged to pay this excess, in terms specified in the agreement, concluded under procedure defined in **Appendix no. 4** to the Contract.
 7. DEVELOPER guarantees that the above-determined sale price shall not change due to a change in real estate market prices, a change of VAT rates, or a change of prices of building materials.
 8. Payments shall be made on the DEVELOPER's bank account in Bank Zachodni WBK S.A. 1 Oddział w Słupsku, account's no. **55 1090 2763 0000 0001 0744 8082**. Payments made by BUYER concerning execution of the Contract shall be entered in following order: for paying contractual penalties, overdue installments, current installments.
 9. The Parties agree that in case when floor area of the Apartment (defined on the basis of post-completion measurement) is different from the floor area specified in the contract, the price of the Apartment shall be suitably corrected.
 10. The final settlement resulting from a change of floor area defined through post-completion inventory, and payment of 100% (per cent) of the price including the above-mentioned settlement and payment of potential interest for late payment, shall be made on the day of handing over the Apartment, Cubbyhole, and Parking Place.
 11. DEVELOPER can always change his bank account indicated in paragraph 8, by notifying BUYER.
 12. The date of the DEVELOPER's bank crediting his account with the amount of the bank transfer will be considered by the Parties as the date of payment.
 13. In a case of delay in payments, DEVELOPER is entitled to calculate legal interest, notifying BUYER about that.

§ 6

1. Description of the Apartment and specification of its basic standard concerning completion, finishing and decor is in **Appendix no. 1**, and draft of the Apartment, its location is in **Appendix no. 2**; location of the Cubbyhole – **Appendix no. 3**, constituting integral part of this contract. BUYER declares that he familiarized with these enclosures and has no reservations about them.
2. Floor area and layout of the Apartment shall be finally defined on the basis of post-completion measurements. BUYER shall be informed on results of measurement of floor area before setting about accepting the Apartment.
3. Specific rules of implementing changes – requested by BUYER - in finishing the Apartment are defined by **Appendix no, 4** to this Contract.

4. In order to establish the BUYER's Share in the Common Property belonging to the Apartment, total usable floor area of all apartments will be described according to the Polish Standards not later than in the moment of handing over of the last of the Investment buildings on Common Property.

§ 7

1. DEVELOPER shall hand over the Apartment to BUYER together with a belonging Cubbyhole and a Parking Place in the Garage Hall until 31st of October 2008, but not earlier than after BUYER will have paid the whole price defined in § 5 section 4 of the Contract.
2. Both Parts are obliged to take part in the hand over of the Apartment to BUYER, which shall proceed according to the hand over procedure:
 - a) DEVELOPER shall arrange the day and the hour of the hand over, having informed the BUYER by a registered letter, delivered at least 7 days before the appointment,
 - b) if the hand over may not be finalized on one date, DEVELOPER should inform the BUYER about every next date at least 3 days before, unless the next date has been agreed earlier by both Parties and entered into the protocol, mentioned in point c),
 - c) the Parties should draw up and sign a protocol from their every meeting concerning a handing over,
 - d) in case of BUYER's absence on the first appointed date of the hand over the DEVELOPER shall appoint an additional date and inform the BUYER by a registered letter, delivered at least 7 days before the appointed date.
3. After the handing over of an Apartment, the BUYER shall use the Apartment according to its purposes and law requirements.
4. the moment the Apartment is handed over to the BUYER, all benefits, burdens and risks connected with owning and using the Apartment are transferred to BUYER. The BUYER is especially obliged to incur costs of operation of the Apartment and – in relation to his share in the Common Property – also the costs of the operation and management of the Common Property.
5. BUYER can not refuse to receive the Apartment when there will be left to do works concerning developing the area and infrastructure around the Building.

§ 8

1. DEVELOPER in the Promised Contract will grant BUYER a guarantee for:
 - a) 3 years for the Building construction,
 - b) 1 year for Apartment elements: window frames, installation and fittings, building and finishing works, whereas the course of above mentioned guarantee terms starts on the day when DEVELOPER shall get a permit for using a building.
2. In a case of stating construction flaws of the Building or defects making impossible or severely making difficult to use the Apartment, DEVELOPER shall inquire into any notification of defects revealed in 14 days from receiving a written notification from BUYER, and in case of acknowledgement of a complaint, DEVELOPER shall immediately remove the defects.
3. DEVELOPER shall service the Building before the end of 12 months from the day of getting a permit for using the Building and shall repair any faults covered by the guarantee.
4. If any faults in the Apartment are reported before the above mentioned guarantee service, DEVELOPER shall inquire into the complaint and decide on the date of a repair within 14 days of the notification.
5. DEVELOPER is absolved of guarantee liabilities if the Apartment or Building has been used improperly. DEVELOPER may refuse to undertake the guarantee liabilities especially if there have been made any alterations or modernizations not authorized by DEVELOPER.

§ 9

1. BUYER's exclusive right to use the Parking Place excluding rights of other co-owners of the Garage Hall shall be reserved for him in the Promised Contract of selling the Apartment and a share in the Garage Hall.
2. Decisions concerning receiving the Apartment are used according to the hand over of the Parking Place to BUYER and to the results of the hand over.
3. BUYER renounces the right to use other parking places in the Garage Hall and he shall declare it in the Promised Contract.

§ 10

1. BUYER agrees to entrust the management of the Common Property to a natural or legal person who carries out a business activity in property management, chosen by DEVELOPER until the Housing Cooperative elects an administrator. BUYER agrees to establish rules of the management. The remuneration agreed with the manager or administrator of the property can not extend average market values.
2. By the time of establishing separate ownership of the first of the apartments by a member of the housing Cooperative, the costs of exploitation and management of the Common Property as well as these costs of the Apartment exploitation, which will be paid by through DEVELOPER, shall be paid monthly directly to his account or an account given by a property administrator. The amount shall be calculated accordingly to the costs incurred.
3. BUYER agrees to build and place on the Common Property networks and fittings owned by deliverers: electric and thermal energy, telephone operators, cable television and other media to be used for Common Property and individual premises built on the Land included in Common Property, as well as other buildings built or designed to built on Land in future. DEVELOPER is also entitled to established a real easement (usufruct) for the above mentioned deliverers (or on the deliverers' properties), for placing the networks and fittings on part of the Land included in the Common Property, before concluding the Promised Contract.
4. BUYER shall not demand any charges or other benefits because of building and placing above mentioned networks and fittings on Common Property and shall agree in the Promised Contract to make available the Common Property in order to maintain, install, locate, modernize and use the above mentioned networks and fittings. BUYER shall renounce the relevant claims against the DEVELOPER and the owners of above mentioned networks and fittings.
5. BUYER agrees that DEVELOPER can use part of the Land of total area of about 400 m², where his billboard and shop will be placed. BUYER declares that he familiarize himself with the presented situation sketch, where the billboard and shop are outlined. DEVELOPER shall incur the costs of installation, using and maintaining of the billboard and shop. BUYER renounces the right to use and benefit from above mentioned parts of Common Property by virtue of use them by DEVELOPER. BUYER is obliged to declare in the Promised Contract that he agrees, renounces the claims and establishes relevant real easement .
6. BUYER agrees that the Common Property will be burden in favour of co-owners of neighbouring property marked with no 373/3, which will be separated from the plot no 373/1, with a real easement for using fittings located on the plot no 373/4 such as a playground and refuse heap. BUYER will use the road situated on the plot 373/3 on the basis of a real easement, which shall be established by co-owners of the plot.

§ 11

The Contract may be terminated:

1. by BUYER, if DEVELOPER delays the hand over of the Apartment over 50 days.
2. by DEVELOPER, if:

- a) BUYER has not paid any part of the price given in § 5 section 5 letters b, c, d within the date resulting from the Contract despite receiving call for payment and when the delay exceeds 30 days,
 - b) BUYER delays over 14 days in any of his liabilities toward the DEVELOPER apart from those mentioned in the point a)
 - c) BUYER has been absent on the date of handing over the Apartment nor on the additionally appointed date.
3. In such circumstances DEVELOPER is not obliged to appoint any other additional dates of handing over the Apartment. 2.
 4. In case of termination of the Contract for the reasons mentioned in section 1 and 2, the Parties shall return each other all received benefits within 14 days taking into consideration a contractual indemnity calculated according to § 12 section 1

§ 12

1. The Party that terminates the Contract for the reasons mentioned in § 11 section 1 and 2 is entitled to a contractual indemnity of 10% (per cent) of the total gross price of the sale, given in § 5 section 4 by virtue of non-fulfilment or improper fulfilment of the Contract. 4. If DEVELOPER terminates the Contract, he may deduct from BUYER liabilities a contractual indemnity as well as legal interest for the delays of any of the payments.
2. The Parties agrees the following contractual indemnities not connected with the termination of the contract:
 - a) if DEVELOPER exceeds the date of the hand over of the Apartment mentioned in the Contract, he shall pay BUYER for every day of the delay a contractual indemnity of 0,05% (per cent) of total gross price of the sale of the subject of the contract, but not more than 10% (per cent) of the price.
 - b) if BUYER delays in payment of any part of the price mentioned in § 5 section 5 letter b), c) and d), he shall pay DEVELOPER a contractual indemnity of 0.05% (per cent) of total gross price of the sale of the subject of the contract, but not more than 10% (per cent) of the price.
 - c) if BUYER is absent on the date of handing over the Apartment properly appointed by the DEVELOPER without any reasonable justification, and is also absent on the additionally appointed date, he shall pay DEVELOPER a contractual indemnity of 0.05% (per cent) of total gross price of the sale of the subject of the contract for every day of the delay, counting from the next day after the additional date.
 - d) if any of the Parties is absent on the date of concluding the Promised Contract properly appointed by DEVELOPER without any reasonable justification, and is absent on the additionally appointed date, the Party shall pay the other Party a contractual indemnity of 0.05% (per cent) of total gross price of the sale of the subject of the contract for every day of the delay, counting from the next day after the additional date.
3. If BUYER or DEVELOPER's loss will exceed the amount of a contractual indemnity, the Parties has right to demand a compensation according to general principles.

§ 13

1. The transfer of the rights and/or liabilities resulting from the Contract by BUYER requires a written consent of DEVELOPER under the pain of invalidity. The transfer of the rights and liabilities resulting from the Contract may be executed only if it also includes the rights to all the amounts paid by BUYER on account of the price, and if the Transferee agrees to all of the provisions of the Contract. After the transfer all BUYER's payments shall be acknowledged on the account of the Transferee. BUYER shall not file any claims against DEVELOPER for returning any of the amounts acknowledged on the account of the Transferee after the assignment of the Contract.
2. Resolution mentioned in section 1 of this paragraph does not concerns an assignment of liabilities made by DEVELOPER on account of a crediting bank or a bank providing credit for the investment.

§ 14

1. All the declarations, notifications, summons or any other documents relevant to the Contract may be delivered to the other Party only by a registered letter with an acknowledgment of receipt or personally, under the following addresses:

- DEVELOPER – at the office seat in Słupsk (76-200) ul. **Wileńska 12 lok. 46**,

BUYER – in the residing place in

2. Any change of the addresses mentioned in section 1 is binding for the other Party starting with the next day of receiving a registered letter with acknowledgment of receipt or being personally informed.
3. The Parties agrees that sending a registered letter with acknowledgment of receipt by a Party at the addresses mentioned in section 1 shall be considered as an effective notification of the other Party.

§ 15

1. The Parties agrees that his Contract shall be binding provided that BUYER pays part of the price in amount and date mentioned in § 5 section 5 point a) with effect from the day of payment.
2. To the matters not provided for herein, the regulations of the Act and the Civil Code will be applicable.
3. Any and all changes hereof must be made in writing for their validity.
5. BUYER gives consent to storing and processing his personal data in DEVELOPER's databases, and to using them in the aim of realization resolutions of this Contract (according to the Act of 29 August 1997 on personal data protection, OJL No 101 item 926 of 2002) and furthermore to give access to the above mentioned data to the Common Property Manager and its administrator only for the purposes necessary to managed (administer) the Common Property.
6. Any disputes arising in connection with this Contract shall be resolved by a court in accordance with the regulations on general competence.
7. BUYER declares that resolutions of this Contract were arranged with him individually.
8. Parties agree that this Contract, for the request and at the expense of BUYER, can be concluded in a form of a notarial deed in a time limit agreed by the Parties, and on condition that BUYER makes payment of at least 70% of the sale price defined in § 5 pp. 4.
9. All enclosures to the Contract constitute an integral part of the Contract.
10. This contract was prepared in three counterparts, one for BUYER and two for DEVELOPER.

List of enclosures:

1. Appendix no. 1 - Description of the standard of completing the Apartment
2. Appendix no. 2 - Draft of the Apartment
3. Appendix no. 3, 3A - Drafts of Cubbyhole and Parking Place in Garage Hall
4. Appendix no. 4 - Rules for implementing changes

DEVELOPER

BUYER

legible signature

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U S T K A A P A R T A M E N T Y

Appendix no. 4 to the developer contract no. _

1. BUYER may move for making by DEVELOPER certain changes concerning the way of executing separate elements of the apartment, till the moment when they have been not executed yet. Such agreement must be made mutual, additional and in writing. This agreement specifies particularly the rules of settlements between the Parties, concerning introducing the departures.
2. DEVELOPER emphasizes that for the safety of the Building and for warranty obligations, he will take only following orders: the change of location of partition walls, sockets and electric switches; renounces performing the base for flooring, renounces painting the walls of the Apartment.
3. DEVELOPER also emphasizes that letting in construction crews of the BUYER before signing the receipt protocol of releasing of the Apartment is impossible. DEVELOPER shall not take under performance materials entrusted by BUYER or by his construction crews.
4. Requests for changes shall be examined by DEVELOPER in 14 days from the day of receiving a written notice from BUYER.
5. In a case of renouncing by BUYER some works specified in point 3, the price of the Apartment falls under an individual settlement. Settlement of thus calculated sum will take place before signing the Promised Contract.
6. In a case of ordering increasing the surface of partition walls, the price of the Apartment is increased by the sum of the value of additional works performance and of the value of additional materials and equipment, set by the Parties. Settlement of thus calculated sum will take place before signing the Promised Contract.
7. In a case when BUYER does not request any individual changes concerning the design, or when the changes cannot be taken into consideration, or when Parties cannot reach agreement on the renouncing conditions, on execution of additional works and on their settlement, DEVELOPER will perform the Apartment in a basic standard, according to Appendix no. 1, 2, 3 and 3A.