

GOVERNMENT OF THE REPUBLIC OF ARMENIA

DECREE

N 1218-I, dated 16 July, 2020

ON APPROVAL OF "ENGINEERING CITY" INVESTMENT PROJECT, ON DEFINITION OF IMPLEMENTATION AREA IN THE PROJECT SCOPE, DONATION OF LAND, ON ASSIGNMENT OF THE CHIEF OPERATOR OF PROJECT IMPLEMENTATION, ON CONSTRUCTION OF THE ENGINEERING CENTER, ON DEFINITION OF CRITERIA FOR PARTICIPATION, ON FORMATION OF CERTIFICATION COMMITTEE, ON APPROVAL OF CONTRACT TEMPLATE FOR DONATION OF LAND AND SECURING OF PLEDGE OBLIGATIONS

Based upon the loan agreement on “Trade Promotion and Quality Infrastructure Project” signed on 6 August, 2014, by the Republic of Armenia and the International Bank of Reconstruction and Development (hereinafter referred to as the Agreement), pursuant to the Article 146 of the Constitution of the Republic of Armenia, the Article 63, Part 1 and the Article 65, Part 6 of the Land Code of the Republic of Armenia, the Article 605 of the Civil Code of the Republic of Armenia, the Government of the Republic of Armenia *decides to:*

1. Approve the "Engineering City" investment project (hereinafter referred to as the Project) implemented within the framework of the Agreement, in accordance with the Annex N1.
2. Determine that the Project will be implemented on 3 hectares of land located at 74 Bagrevand Street, in between the Moldovakan street of Nor Norq in Yerevan and the Garni road (ID code-01-008-0506-0108), which is the property of the Republic of Armenia at the time of making this Decree; the value of each square meter of the land is the market value valid for the given zone as of the date of signing the contract mentioned in the Point 11 of this Decree or its cadastral value if it is not possible to define its market value (hereinafter referred to as the Area).
3. Allocate land plots with the borders determined in the Point 24 of the procedure defined by the Annex N3 of this Decree as a donation with the right of ownership to engineering and high-tech companies (hereinafter referred to as EHTC), engineering and high-tech industry innovation centers, accelerators, incubators (hereinafter referred to as EHT organizations (EHTO)); together EHTC and EHTO hereinafter referred to as Project Participants) meeting the project participation criteria set forth in the Point 9 of this Decree related to land allocation, having a relevant Decision of the Certification Committee set forth in the Point 10 of this Decree and certified by the RA Minister of High-Tech Industry, in order for the mentioned organizations to construct buildings and (or) other structures on the mentioned plots and use them under the conditions defined by the Project, in accordance with submitted applications.
4. Recognize Enterprise Incubator Foundation (hereinafter referred to as EIF) as the chief operator of the project implementation in the scope of the Agreement, for the effective and continuous implementation of the Project. Define taking up necessary measures ensuring the involvement of public, private (local, as well as international organizations) and other stakeholders as the authority of the Chief Operator. The rights and responsibilities of the Chief Operator are defined by the contract to be signed between EIF and the Ministry of High-Tech Industry of the Republic of Armenia.
5. Carry out construction of the office building of the Engineering Center by means of a construction company selected in the result of a relevant tender in the framework of the relevant component of

the Agreement on implementation of the project on the land plot within the borders of the project area. Involve EIF (by consent) in the process of selection of the construction company mentioned in this point.

6. Determine that other land plots located within the area that are not considered a land plot as mentioned in Points 3 and 5 are areas of common use.
7. Determine that the areas of common use will be improved, rehabilitated under the EIF's coordination, and maintained throughout the whole implementation period of the relevant component of the project agreement at the expense provided for by the relevant component of the Agreement.
8. Determine that within three months after the completion of the relevant component of the project implementation agreement, the common areas will be transferred to the owners of the land plots mentioned in Points 3 and 5 of this Decree with the right of shared ownership, through donation, in proportion to the size of the land owned, to be used under the conditions defined by the Project.
9. Approve criteria necessary for the project participation (hereinafter referred to as Participation Criteria), in accordance with the Annex N2.
10. Establish Certification Committee of the Engineering City (also approve its members and working procedures, according to the Annex N3) in order to coordinate project participation, selection of candidates that meet the participation criteria and carrying out certification including provision of a corresponding Decision related to land allocation to the RA Minister of High-Tech Industry, as well as ensuring further targeted use of the area.
11. Approve the template of the contract to be signed by Project participants and the Republic of Armenia for donation and securing of obligations by a pledge, in accordance with the Annex N4.
12. Authorize the Minister of High-Tech Industry of the Republic of Armenia to sign on behalf of the Republic of Armenia, the contracts mentioned by the Points 8, 11, and 13 of this Decree with the Project Participants, as well as a donation agreement concluded for the return of land from a resident organization, an agreement on the termination of a previously concluded donation agreement.
(Clause 12 as amended 10.04.25 N 395-L)
13. To the Minister of High-Tech Industry of the Republic of Armenia, upon this Decree's entry into force, after the completion of construction of the building mentioned in the Point 5 of this Decree and the state registration of the property pursuant to the RA legislation, present suggestions to the RA Prime Minister's office, in the prescribed manner, related to transferring it to Enterprise Incubator Foundation for free use or on other right, by signing a corresponding contract.
14. To the Minister of High-Tech Industry of the Republic of Armenia, within one month after this Decree's entry into force, approve the individual structure of the Certification Committee aimed at establishment of the Engineering City; organize the dissemination of the announcement/call for applications.
15. Define that taxes occurred in the result of donation deals mentioned in this Decree can be paid from the state budget of the Republic of Armenia.

**Prime Minister of the
Republic of Armenia**

N. Pashinyan

23 July, 2020

«ENGINEERING CITY» INVESTMENT PROJECT

I. Introduction

1. As a result of implementation of the Engineering City establishment project it is anticipated to create an innovative ecosystem where engineering and high-tech companies develop and implement innovative ideas using modern infrastructure with the aim of promoting high-tech solutions in local and international markets.

2. The Project will allow to consolidate the main participants of the engineering ecosystem in one place.

II. Project Description

3. The "Engineering City" (hereinafter referred to as EC) is a complex to be constructed on the area located on 3 hectares of land located at 74 Bagrevand Street, in between the Moldovakan street of Nor Norq in Yerevan and the Garni road, which *inter alia* will include an engineering business accelerator, office spaces, manufacturing buildings and other buildings (premises) and structures. Besides, the EC will include buildings located on the sector adjacent to the mentioned area, such as the Engineering Center Plaza, Museum of Science and Technology, Museum of Space, Engineering library, and Co-working space, as well as other office and manufacturing buildings, to which, however, the terms and limitations defined by the RA Government in this Decree are not applicable.

4. EC is intended for engineering and high-tech organizations that meet the participation criteria set forth in Annex N 2 to/in this Decree. The objectives of the EC project are as follows:

1) Establish a EHT cluster in Armenia, supporting the colaboration between industry participants and promote the operation of joint production (resourceful?) laboratories;

2) foster the creation of EHT companies, the sustainable growth of engineering and high-tech industry;

3) make Armenia a country exporting EHT products and services to international markets, as well as a regional hub for innovative engineering solutions;

5. in order to reach the aforementioned objectives, the EC project intends to develop and implement 2 components - infrastructure and content:

1) in the scope of the infrastructure component the EC project plans to create a modern and effective infrastructure including but not limited to, an engineering business accelerator and co-working space, Engineering Center, Museum of Science and Technology, Museum of Space, Engineering library and adjacent infrastructures.

2) in the scope of the content component the EC project includes 4 directions: the project of laboratories, workshop and manufacturing program, acceleration program, skill development/training courses and the base Chair of System Engineering (Master program).

6. The implementation of the Project will essentially facilitate/contribute the formation of modern EHT industry infrastructure, creation of new companies and jobs, preparation and skill development of specialists, raising productivity of industry organizations, export of engineering and high-tech products and services fostering the development of EHT industry and the whole economy development of Armenia.

**Chief of Staff to the Prime Minister of the
Republic of Armenia**

E. Aghajanyan

CRITERIA OF PROJECT PARTICIPATION

1. The following categories have the right to apply for participation in the Engineering City project:

1) Commercial and non-commercial organizations registered in Armenia, foreign organizations through branches registered in Armenia that carry out the process of design and development of their products by means of measuring equipment, prototyping laboratories, machine tools, and operate (including implementation of acceleration, incubation (also securing work environment) activities) in the following areas:

- a. material science
- b. electronics (radioelectronic)
- c. measuring equipment and systems
- d. radio-frequency equipment and systems
- e. aerospace equipment and systems
- f. robotics
- g. semi-conductor equipment
- h. Advanced Driver Assistance System (ADAS)
- i. biomedical equipment

2) Applying organizations whose applications assume construction of a building or a structure must have, at the time of submitting the application, at least 25 000 000 (twenty-five million) AMD of chartered capital (this term is not applicable in case of non-commercial/non-profit organizations),

3) At the time of submitting the application and during the 6 months preceding it, at least 1/3 of the employees of the applicant organization must have employment contracts with job descriptions related to the above-mentioned areas,

4) The applicant organizations must submit a project attached to the application, which should at least contain a detailed description of the organization's activities, information on anticipated investments and jobs,

5) The applicant organizations must submit, attached to the application, a reference provided by the RA State Revenue Committee on the absence of tax liabilities of the company at the time of submitting the application.

6) The applicant organizations must submit, attached to the application, a reference provided by the Judicial Department on the absence of bankruptcy proceedings against the organization and on current litigations (the absence thereof) with the involvement of the organization

7) At least two letters of recommendation from other legal entities of the engineering and high-tech industry, registered in Armenia.

2. An organization with a leasing right or in the case of acquiring a land slot space from another resident can get the status of a participant in the Engineering City project if it applies for a space in a building constructed in the Engineering City or to acquire a space from another resident, submitting the initial consent of the owner of the relevant building.

(Clause 2 as amended 10.04.25 N 395-L)

3. In case if several applications (related to the same land plot) are submitted by different applicants that meet the criteria mentioned in this Annex, the application applied for a larger square footage will be processed, and in case of asking for the same size plot, the applications will be processed on the first come-first served basis.

(appendix ed. 10.04.25 N 395-L)

**Chief of Staff to the Prime Minister of the
Republic of Armenia**

E. Aghajanyan

THE STRUCTURE OF THE CERTIFICATION COMMITTEE

Representative of the Ministry of High Technology Industry of the Republic of Armenia (the Chairman of the Committee)

Representative of the office of the Deputy Prime Minister of the Republic of Armenia Tigran Avinyan (member of the Committee)

Representative of the Ministry of Economy of the Republic of Armenia (member of the Committee)

Representative of the State Revenue Committee of the Republic of Armenia (member of the Committee)

Representative of “National Instruments” company (member of the Committee, by consent)

Representative of “Enterprise Incubator Foundation” (member of the Committee, by consent)

Representative of the “Engineering Association” non-governmental organization (member of the Committee, by consent).

WORKING PROCEDURE OF THE CERTIFICATION COMMITTEE

I. GENERAL PROVISIONS

1. This procedure regulates the relations regarding the arrangement of activities of the certification committee (hereinafter referred to as the Committee) in charge of examination of and decision-making (of a consultative nature) related to applications submitted for obtaining the status of a resident (i.e. the Project participant) in the Engineering City, as well as of taking part in ensuring further targeted use of the area.

II. ORGANIZATION OF WORKS OF THE CERTIFICATION COMMITTEE

2. Certification is carried out by the Committee.
3. The Committee arranges its activities through meeting sessions.
4. Each meeting of the Committee starts with the approval of the agenda.
5. The Committee meetings are called and conducted by the Committee Chairman who ensures arranging normal operation of the Committee.
6. The Committee members have an equal voting right while considering and making decisions regarding issues put to discussion by the Committee’s meetings.
7. The decisions of the Committee are made by a simple majority of votes and signed by the Committee members who made the decision.
8. The member of the Committee who does not agree with the decision made by the Committee submits his/her special opinion in writing/written form, which is attached to the decision and is recorded in the protocol of the Committee meeting.
9. The Committee member terminates his/her membership based on the relevant letter from the structure or organization he/she represents.

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10. The meeting of the Committee is valid in case of participation of all the members; in case of absence of any Committee members, the Committee meeting is considered invalid (not to have taken place and a new session is appointed, except for the case (s) provided for in Point 11 of this procedure. The members of the Committee may authorize other persons to participate in the Committee meetings on their behalf as defined by the law.

11. If the Committee member is absent twice in a row and does not authorize another person to participate in the Committee meeting on his/her behalf, the mentioned circumstance is not a basis for considering the Committee meeting as invalid (not held).

III. SECRETARIAT OF THE COMMITTEE

12. Calling meetings of the Committee and other current activities are arranged by the secretariat of the Committee, which is carried out by Enterprise Incubator Foundation (the Chief Operator of the project implementation) (hereinafter referred to as the Secretariat).

13. The Secretariat:

- 1) ensures the arrangement of normal operation of the Committee;
- 2) keeps records related to the operation of the Committee;
- 3) provides consultancy regarding application procedures;
- 4) calls Committee meetings, forms the final agenda and provides it to the Committee members along with other relevant documents;
- 5) finalizes the results of the voting on the Committee decisions and their announcement;
- 6) records the discussions of the Committee meetings and creates draft decisions based on them;
- 7) records special written opinions submitted by the Committee members;
- 8) organizes the numbering of the Committee decisions and provides them to the applicant organizations and the Minister of High-Tech Industry of the Republic of Armenia.

IV. THE PROCEDURE OF SUBMISSION AND EXAMINATION OF APPLICATIONS FOR CERTIFICATION

14. Aiming to get a certification for obtaining a resident status in the Engineering City, organizations submit the following documents to the Secretariat (hardcopy or in electronic format):

1) Application for obtaining a certificate (document certifying compliance with the criteria), in accordance with the Form N1, moreover, the application is submitted to the Secretariat with a cover letter; the application also includes information on ensuring the reliability of the data contained in the application submitted to the Committee by the organization, as well as on the commitment to comply with the requirements of the legal acts defining the terms and conditions of the Engineering City.

2) Project description of the activities of the organization applying for a certificate of a resident status in the Engineering City, in accordance with the Form N 1.1.

3) Declaration that the organization meets the criteria for participation in the Engineering City Project, according to the Form N 2.

4) Declaration that the organization has a developing business (in case of commercial organizations) or relevant projects (in case of non-commercial organizations), as well as necessary and sufficient funds to construct and exploit a building in the timeframe suggested by the organization (moreover, the project should comply with the general architectural solutions of the Engineering City; in case of the organizations entering the Engineering City on leasing terms, the pre-condition of declaring sufficient funds for construction is non-applicable), in accordance with the Form N3.

5) Letters of recommendation issued to the applicant organization from other legal entities of the engineering and high-tech industry, registered in Armenia.

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6) The selected type of the building to be constructed from the allowable formats defined by the Master Plan Concept.

7) A document certifying the availability of chartered capital in amount of 25 000 000 (twenty-five million) AMD at the time of application submission (extract from the register of legal entities of the RA Ministry of Justice, if the application submitted by the company assumes construction of a building (s)).

8) Evidence certifying that at least 1/3 of the employees of the EHT companies, at the time of submitting the application and during the 6 months preceding it, have signed employment contracts with job descriptions related to the areas defined by sub-clause 1 of the Clause 1 of the “Criteria for Participation in the Engineering City” project as set in the Annex N2 of this Decree.

9) A reference provided by the Judicial Department on the absence of bankruptcy proceedings against the organization and on current litigations (the absence thereof) with the involvement of the organization.

10) A reference provided by the RA State Revenue Committee on the absence of tax liabilities of the company at the time of submitting the application.

15. In case of organizations entering the Engineering City on leasing terms, the sub-points 6 and 7 of the Point 14 of this working procedure are not applicable.

16. During 3 days upon receipt of the application, the Secretary examines it along with the attached documents and in case of deficiencies it notifies the applicant in writing (or in the same manner as the application was received) within 2 working days.

17. Failure to eliminate the deficiencies/drawbacks by the applicant within 5 working days and failure to re-submit the documents in writing (or in the same manner as the application was received) to the Secretariat is a basis for rejecting the application.

18. Applications are considered accepted when the documents are complete within 3 days after which the Secretariat forms an agenda and calls a Committee meeting.

19. The meeting agenda together with attached documents, are provided to the Committee members by the Secretariat in electronic format at least 2 days prior to the meeting.

20. The Committee makes a Decision within maximum 30-days from the receipt of the application received.

21. In case of satisfying the requirements of this procedure, within 5 working days after the Decision of the Committee on granting a certificate of the Engineering City resident status and the feasibility of the applicant organization in terms of land allocation, the Secretariat shall submit the minutes of the Committee meeting to the RA Minister of High-Tech Industry in order to issue a certificate of the Engineering City residency to the organization, in accordance with the Form N4.

22. In case of adoption of the relevant act on the issuance of a certificate by the Minister of High-Tech Industry of the Republic of Armenia, a contract for securing land donation and pledge obligations shall be concluded between the state and the Project participant.

(Clause 22 as amended 10.04.25 N 395-L)

22.1. To approve the sample form of the tripartite sales contract to be concluded between the project participants and the Republic of Armenia, in accordance with Appendix N 5.

(Clause 22.1 supplemented 10.04.25 N 395-L)

22.2. Clause 22 of the Decree does not apply to organizations entering the Engineering City on the basis of a lease agreement, as well as on the basis of the acquisition of a land plot and the buildings located within it from another resident under a tripartite sale and purchase agreement defined by this Decree and Appendix N 5 of the Decree (including cases involving the transfer of obligations of the donee under a donation agreement, preservation of pledge obligations, or when the market value of the land determined by an independent appraiser is not included in the purchase agreement).

(Clause 22.2 supplemented 10.04.25 N 395-L)

23. The land donation contract provides for the contractual obligations (including conditions of land use,

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conditions of targeted activity), as well as tools for protection of the allotted land (pledge, etc.) against possible claims from third parties.

24. The land slot allocated to one Project participant can be about about 500 sq. m. except if the Committee decides to allocate more than one land plot to one project participant, given an appropriate project is submitted.

(Clause 24 amended 10.04.25 N 395-L)

25. The resident of the Engineering City may sell or let the land or the building belonging to him (in whole or partially) only to another Project participant certified by this procedure or to other parties mentioned in the contract defined by the Point 22 of this working procedure.

26. In order to enlarge the size of the land allotted to the Project participant in the Engineering City, an application for a change in the size of the land is submitted, which is examined by the RA Ministry of High-Tech Industry and, if necessary, corresponding changes are made to the land donation contract signed with the latter.

27. In case of non-compliance with the requirements set forth by this procedure (including the criteria of participation in the Engineering City project), the Committee makes a negative Decision regarding the application for granting the Engineering City resident status and land donation, based on which a relevant legal act on rejecting the provision of the certificate is adopted by the Minister of High-Tech Industry of the Republic of Armenia, about which the applicant organization is notified within 5 working days after adoption of the relevant act.

28. Termination of the certificate and the process of returning the donated land (including the donation of the land plot based on the relevant decision of the Government of the Republic of Armenia, as well as by signing an agreement on the cancellation of the donation or based on a court decision) is carried out, based on the Decision of the Committee, by the authorized state body that concluded the donation contract on behalf of the Government of the Republic of Armenia, in case of non-target use of the land and of the building located there, violation of the terms defined in this procedure by the residents of the Engineering City (including their employess, guests) or violation in the donation contract signed between the parties or the application submitted to the Committee by the project participant for termination of the certificate. In the event of the return of donated land, the reduced portion of the total infrastructure maintenance fee is reimbursed from the reserve funds of the infrastructure management expense budget or by temporarily revising the amount of membership fees.

(Clause 28 amended 10.04.25 N 395-L)

29. The issue of termination of the certificate is considered by the Committee within 10 working days after receiving a relevant application from the Project participant or the information on the violation of the provisions of the donation contract (including land use purposes).

30. The Project participant is notified within 5 working days after the adoption of the relevant legal act by the Minister of High-Tech Industry of the Republic of Armenia based on the Decision on termination of the certificate by the Committee.

**Chief of Staff to the Prime Minister of the
Republic of Armenia**

E. Aghajanyan

APPLICATION

TO OBTAIN A CERTIFICATE OF A RESIDENT STATUS IN THE ENGINEERING CITY

1. Name of the organization _____
2. Location of the organization _____
3. Operation's place, phone, e-mail, other means of communication _____

Pursuant to the RA Government Decree N-----, taking into consideration the presented documents, we request to provide a certificate on the Engineering City resident status.

Documents provided as attachments:

- 1) The Project description – on activities of the organization applying to obtain a certificate of a resident status in the Engineering City.
- 2) The Declaration of the organization's compliance with the Engineering City project participation criteria.
- 3) The Declaration of the organization's having a developing business (in case of commercial organizations) or relevant projects (in case of non-commercial organizations), as well as necessary and sufficient funds to construct and exploit a building in the timeframe suggested by the organization (moreover, in accordance with the general architectural solutions of the Engineering City; in case of the organizations entering the Engineering City on lease terms, the pre-condition of declaring sufficient funds for construction is non-applicable)
- 4) Letters of recommendation issued to the applicant organization by other engineering and high-tech industry legal entities registered in Armenia.
- 5) The selected type of the building to be constructed from the allowable formats defined by the master plan concept (if the application submitted by the company assumes construction of a building).
- 6) A document certifying the availability of chartered capital in amount of 25 000 000 (twenty-five million) AMD at the time of application submission (extract from the register of legal entities of the RA Ministry of Justice, if the application submitted by the company assumes construction of a building).
- 7) Evidence certifying that at least 1/3 of the employees of the EHT organization, at the time of submitting the application and during the 6 months preceding it, have signed employment contracts with job descriptions related to the areas defined by sub-clause 1 of clause 1 of the Criteria for Participation in the Engineering City project as set in the Annex N2 of the RA Government Decree N_____.
- 8) A reference provided by the Judicial Department on the absence of bankruptcy proceedings against the organization and on current litigations (of the absence thereof) with the involvement of the organization.
- 9) A reference provided by the RA State Revenue Committee on the absence of tax liabilities of the company at the time of submitting the application.
- 10) The size of the required land plot, about -----sq. m.
- 11) The code of the required land plot _____ (according to the Master plan of Engineering City).
- 12) The schedule of construction works.

I certify the reliability of the presented information and guarantee that it complies with the requirements of the RA legislation.

I undertake to notify the Committee in writing of any changes to the information provided in the documents attached to this application within 20 days.

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I undertake to abide by the terms and conditions of the Engineering City. I realize that failure to comply with them, as well as submission of false information will result in termination of the certificate.

(Signature of Director, First name, patronymic, surname)

_____ 20____

Application accepted by _____ 20____ at ____ :

P R O J E C T

**ACTIVITIES OF THE ORGANIZATION APPLYING TO OBTAIN A CERTIFICATE OF
RESIDENT STATUS AT THE ENGINEERING CITY**

1) Name of organization _____

2) Detailed description of organization's activities

3) Information on anticipated investments

4) Information on jobs created

5) Other information

(Signature of Director, First name, patronymic, surname)

D E C L A R A T I O N

I declare that

Name of the organization

_____ is an engineering and high-tech industry organization operating in the field (s) of _____ included in the list of fields defined by the Annex N 2 of the RA Government Decree N _____.

(Signature of Director, First name, patronymic, surname)

_____ 20____

D E C L A R A T I O N

I declare that

Name of the organization

is an engineering and high-tech industry organization having a developing business (in case of commercial organizations) or relevant projects (in case of non-commercial organizations), as well as necessary and sufficient funds to construct and exploit a building (structure) in the timeframe suggested by the organization, in accordance with the general architectural solutions of the Engineering City (in case of organizations entering the Engineering City on lease terms, the pre-condition of declaring sufficient funds for construction is non-applicable)

(Signature of Director, First name, patronymic, surname)

_____ 20____



CERTIFICATE N _____

(document certifying the resident status in the Engineering City
(the fact of compliance with the criteria) based on the RA Government Decree N——)

Issued on 20__

Name of the organization

Application 20__ N

RA Minister of High-Tech Industry

(signature)

(First name, Surname)

Seal

(the Annex amended suppl. 10.04.25 N 395-L)

**CONTRACT N ...
ON DONATION OF LAND AND SECURING OF PLEDGE OBLIGATIONS**

This contract for securing land donation and pledge obligations (hereinafter referred to as the Contract) was signed on [day] [month], 20__.

The Republic of Armenia, represented by the Government of the Republic of Armenia (hereinafter referred to as the Donor), represented by the RA Minister of High Tech Industry acting in accordance with the RA Government Decree N -----, on one side, and [...] (registration number [...], taxpayer's code [...]), represented by [Position] [Name] [Surname], acting in accordance with [charter/license] _____ (hereinafter referred to as the Recipient), on the other side, (hereinafter together referred to as the Parties and separately as the Party).

TAKING INTO CONSIDERATION

The Loan Agreement on "Trade Promotion Quality Infrastructure Program" signed on 6 August, 2014, between the Republic of Armenia and the International Bank for Reconstruction and Development, the "Engineering City" investment project approved by the Decree N [...] of [day] [month], 20 [.] (hereinafter referred to as the Project)

**AND PURSUANT TO THE POINT 1 OF ARTICLE 63 AND PART 6 OF ARTICLE 65 OF
THE RA LAND CODE, HAVE AGREED ON THE FOLLOWING:**

1. Donation of land plot

1.1. Pursuant to this contract, the Donor donates a plot of land of [...] ([...]) sq.m., with the cost of _____ AMD per sq.m., out of the land being its property, in accordance with the plan defined in the Form N1 attached herein, to the Recipient, and the Recipient accepts the donation and undertakes the obligation of using the land plot in accordance with the goals and conditions defined by this contract.

1.2. The Recipient is responsible for the registration of the property right to the land and bears the related expenses.

The donation of the land is conditioned by the Donor's use of the land and the infrastructure to be built on it with the targets/purposes defined below.

2. Concepts and commentary

2.1. The terms defined in this Contract have the following meaning:

Membership fee	Payments made by the Recipient to the general infrastructure management unit, due to which the maintenance of the area and of common infrastructure is carried out.
Working days	A working day in accordance with the RA legislation
Grace period	In case of violation of the terms of this Contract, a period provided to the Recipient to correct it during which this Contract cannot be terminated.
Infrastructure	Buildings, structures, roads to be constructed by the Recipient in accordance with the submitted application, to be used by the Recipient in accordance with the Project; among others, they include engineering and high-tech office spaces,

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	laboratories, research or other industry-related acceleration and incubation facilities, and other buildings for the maintenance of the latter.
General infrastructure	Shared property of current owners, common-use infrastructure including general facilities of direct common use which beneficiaries are the Project participants.
General infrastructure management unit	Enterprise Incubator Foundation, according to the “Trade Promotion and Quality Infrastructure” loan agreement, in the period of implementation of the relevant component (Project-related), and after the end of this period - the legal entity to be defined by the Recipient and other Project participants.
Project objectives	Allowable targets for the use of the land plot and the infrastructure built on it, in accordance with the Project and approved application submitted by the applicant, which assumes, <i>inter alia</i> , their use as engineering and high-tech offices, laboratories, research or other industry-related acceleration and incubation facilities, and for other purposes for their maintenance.
Application	Document defined by the Form N1 of the RA Government Decree N [...] as of [day] [month] 20[.]
Certification Committee	Committee established by the RA Government Decree N [...] as of [day] [month] 20[.]
Land plot	Land plot of [...] sq.m. located in the area, according to the Plan defined in the Form N1.
Area	Carries the meaning defined in the RA Government Decree N [...] as of [day] [month], 20[.].
Legislation	Any law, sub-legislative act, decision of a judicial or other state body that may be applicable in the relations between the Parties;
Construction works	Construction of buildings, construction of infrastructure, interior decoration (until the operational condition).
Participation criteria	Carries the meaning defined in the RA Government Decree N [...] as of [day] [month], 20[.].

2.2. This Contract shall be interpreted as a whole, based on the literal meaning of the words and expressions contained in it within their context. The headings of individual items are defined for technical reasons only and are not limited, do not specify or expand the content of the provisions contained therein.

3. The purposes and terms of using the land plot and infrastructure.

3.1. The Recipient is obliged to implement construction works, in accordance with the application submitted to the Certification Committee.

3.2. Construction works shall be implemented in accordance with the timeline defined in the application submitted by the Recipient, and their exploitation shall start not later than [.....].

3.3. The land and infrastructure built on it by the Recipient can be used only and exclusively according to the Participation Criteria, the application submitted by the Recipient and for Project goals which include, *inter alia*, the use of land and infrastructure as engineering and high-tech offices, laboratories, research or other industry-related acceleration and incubation facilities, and for other purposes for their maintenance.

3.4. The transfer of the land and infrastructure ownership right to a third party can be implemented only through the procedure set forth by the RA Government Decree N-----.

3.5. In the event of transferring (including on lease terms) the rights to the land and infrastructure in any way, to the possession of and use by a third-party, the Recipient undertakes to ensure that the third party complies with the Project objectives set forth in this Contract. The use of the land and infrastructure by third parties in violation of the Project goals is considered a breach of the Contract by the Recipient.

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3.6. The control over the use of the land and infrastructure in accordance with the Project objectives is exercised by the Donor or his authorized representative.

4. Construction works

4.1. It is the responsibility of the Recipient to obtain and ensure all the necessary permits, licenses, and other mandatory preconditions applicable by the legislation of the Republic of Armenia for the implementation and completion of the construction works.

4.2. In the course of construction works, all safety standards and urban planning norms and rules must be observed as imposed by the RA legislation.

4.3. Construction works shall be completed within 1 year after signing the Contract.

4.4. Violation of the obligations set forth in Clauses 4.2 and 4.3 above is considered an essential breach of the Contract.

5. The consequences of breach of the Contract.

5.1. In case of violation of the terms or targets of use of the land defined by the Contract and (or) the Decree N --- of the Government of the Republic of Armenia, the Donor has the right to demand the Recipient to eliminate the violation/deficiency by providing the Recipient with a grace period of 15 (fifteen) working days.

5.2. At the end of the grace period, the Recipient has a right to request in writing an additional grace period of up to 120 days to find a buyer who meets the conditions set by the RA Government Decree N - -----, to sell the infrastructure under the terms specified by the same Decree, or to sell the infrastructure to the general infrastructure management unit for the purpose under the conditions specified by the point 5.2.1. of the Contract.

5.2.1. The selling of the infrastructure to the general infrastructure management unit shall be carried out in amount of no more than 70% of the market value of the infrastructure at the moment of selling (defined by the relevant assessment conclusion).

5.3. In case of non-elimination of the deficiency during the grace period or (during the additional grace period defined by clause 5.2 of the Contract), failure to sell the land plot and the infrastructure built on it in accordance with the procedure defined by the same clause, the Donor has the right to demand the cancellation of the donation under this Contract by a relevant contract or agreement signed between the Parties or through the court.

(Clause 5.3 amended 10.04.25 N 395-L)

5.4. The Recipient agrees that in case of cancellation of donation according the procedure defined by the Clause 5.3 of the Contract, the Recipient is obliged to sell the land plot with any building available therein to the Donor at the 70% of its cadastre value.

6. Rights and obligations of the Parties.

6.1. The Donor is obliged to transfer the land to the Recipient within ten days from the moment this Contract enters into force.

6.2. The Donor has the right to:

6.2.1. Require the Recipient to use the land in accordance with the terms of this Contract and for the purposes of the donation.

6.2.2. Enquire and get information from the Recipient in order to exercise the right provided for by this Contract.

6.2.3. Demand from the Recipient to eliminate the violations of this Contract (deficiencies of implementation) during the grace period.

6.2.4. Demand the cancellation of the donation if the Recipient used the land inappropriately as regards to the purposes of the donation.

6.3. The Recipient has the right to demand from the Donor to transfer the land to him within the period defined by this Contract.

6.4. The Recipient is obliged to:

Non-official translation

6.4.1. Pursue to the purposes and conditions of use defined by this Contract and by the RA Government Decree N -----.

6.4.2. In case of receiving a relevant request, provide the Donor with the information required for the implementation of the right implied by the latter's Contract.

6.4.3. Ensure the acquisition and preservation of all necessary permits, licenses and other mandatory preconditions applicable by the legislation of the Republic of Armenia for the implementation and completion of construction works.

6.4.4. In the course of construction works all safety standards and urban planning norms and rules must be observed as imposed by the RA legislation.

6.4.5. In case of termination of the certificate, return the land plot to the Donor within at least 2 working days.

7. Membership fees

7.1. The Recipient is obliged to monthly pay the membership fee to the general infrastructure management unit (if any) defined by the relevant legal act (decision) adopted by the mentioned unit (if such a legal act has been adopted). Membership fees are used to reimburse the maintenance costs of the area and common-use infrastructure.

7.2. In order to avoid disputes, the payment of membership fees is considered as a condition for the use of the land and infrastructure in terms of this Contract, and its breach by the Recipient can lead to cancellation of the donation.

7.3. The relations between the Recipient and the general infrastructure management unit are regulated in more detail by the Engineering City membership agreement.

8. Ensuring the fulfillment of the Recipient's obligations.

8.1 The land, and also the infrastructure being built on that land after registering its ownership, is pledged to the Donor for a period of 20 years as a means of securing the comprehensive fulfillment of all obligations of the Recipient to the Donor under this Contract. The pledge is subject to mandatory registration by the competent state body in accordance with the RA legislation.

8.2 Moreover, the Parties shall define the land plot and the infrastructure built on it as the subject of pledge, and as a pledge obligation - all the obligations assumed by the Recipient under this Contract, which are subject to fulfillment within 20 years from the moment this Contract enters into force.

8.3 Expenses related to the registration of the pledge right shall be borne by the Recipient.

8.4 This Contract does not allow the replacement of the pledge.

9. Validity period

9.1. This Contract enters into force from the moment of signing by the Parties and its notary verification and, in terms of ownership and pledge right, from the moment of carrying out the relevant state registrations. This Contract is valid for an indefinite period, except for restrictions on the right of pledge, selling of property and types of activity, valid for a period of 20 years.

10. Notices

10.1. Any notice or correspondence of the parties in the scope of this Contract shall be in writing. Such notices or correspondence by the Parties will be deemed as duly submitted if they are delivered by registered mail or by courier service, with a return notice, or by e-mail to the following addresses:

Donor: RA, Yerevan [...], e-mail ----

Recipient: [...], e-mail ----

10.2. The Recipient is obliged to notify the Donor in case of change of its legal address. In case of failure to communicate the change of address, the negative consequences of such inaction shall be borne by the Recipient and the correspondence and notifications of the latter are considered as appropriately completed if delivered to the previous address of the Recipient.

11. Exclusion of waiver of the right.

Non-official translation

11.1. Failure by either Party to exercise or delay the exercise of rights under this Contract shall not be interpreted as a restriction or a waiver of such right, unless such waiver is signed in writing by the Party or its authorized representative.

12. Complete agreement, amendments

12.1. This Contract, as well as the other documents referred to in it, constitute the complete agreement between the Parties on the subject matter of the Contract, as it reflects all the obligations of the Parties and prevails over any declaration, statement of intention or perception that may have been made by the Parties up to date.

12.2. Any amendment to this Contract, such as any waiver of the right, shall be made in writing and signed by the Parties or their authorized representatives.

13. Consequences of invalidity of the provisions.

13.1. Invalidity of any provision of this Contract or the impossibility of its application does not affect the validity or operation of other provisions. If any of the provisions is recognized as invalid, the Parties are obliged to negotiate in good faith the amendment of the Contract assuming this provision replacement with another provision with the closest content.

14. Applicable legislation.

14.1. This Contract is subject to and interpreted in accordance with the RA current legislation.

15. Dispute settlement.

15.1. Any dispute or disagreement between the Parties concerning the application or interpretation of this Contract, as well as its validity, shall be settled by negotiation.

15.2. If any of the above-mentioned disputes is not settled in the result of negotiation between the Parties, within 50 working days after initiating negotiations either party will be entitled to apply to the courts of the Republic of Armenia for the resolution of such a dispute.

16. Examples of the Contract.

16.1. This Contract is written in 4 (four) copies with 1 copy provided to each of the Parties, one copy to the notary verifying the Contract and one copy to the Cadastre Committee.

16.2. Each copy is considered an original, and the copies have an equal legal force.

17. Parties' data and signatures.

(The template of this Contract may include other regulations that are required by the legislation of the Republic of Armenia at the time of signing or may be amended in order to comply with such regulations).

**Chief of Staff to the Prime Minister of the
Republic of Armenia**

E. Aghajanyan

PLAN OF THE LAND PLOT

Annex N 5
of the RA Government Decree
N 1218-I, dated 16 July, 2020

REAL ESTATE SALES AGREEMENT N

Yerevan, _____

SELLER:

" _____ " Limited Liability Company (state registration number: _____, Taxpayer number: _____, address: _____), represented by the LLC Director _____.

BUYER:

" _____ " Limited Liability Company (state registration number: _____, Taxpayer number: _____, address: _____), represented by the LLC Director _____.

PLEDGER:

The Republic of Armenia, represented by the Government of the Republic of Armenia, on whose behalf, in accordance with the Decision of the Government of the Republic of Armenia No. _____, the Minister of High-Tech Industry of the Republic of Armenia _____ acts, on the one hand, and [...] (registration number [...], VAT number [...]), on whose behalf [position] [name] [surname] acts, acting on the basis of _____ [charter/power of attorney].

The Parties, guided by the provisions of the Civil Code of the Republic of Armenia (hereinafter referred to as the Code) and other regulatory legal acts, have concluded this real estate purchase and sale agreement (hereinafter referred to as the Agreement) on the following terms:

1. The seller, based on the decision N _____ issued _____, sells the real estate located at _____, Yerevan, owned by him by right of ownership according to the certificate of state registration of rights to real estate No. _____ issued on _____, consisting of a **land plot** with an area of _____ (_____) square meters with cadastral code _____, a **building** with an area of _____ (_____) square meters with cadastral code _____, to the buyers on the terms specified in the contract, and the buyers acquire it as property from the seller on the terms specified in the contract.
2. According to the expert opinion of _____, the price of the building is set at _____ (_____) Armenian drams, which the buyer shall pay to the seller no later than within three working days after the contract is signed by notary, by transferring the amount to the Seller's above-mentioned bank account.

Non-official translation

3. According to the expert opinion of _____, the price of the land plot is set at ____ (____) Armenian drams, which is not subject to payment by the buyer in any case, taking into account the fact that the land plot was transferred to the seller free of charge, based on the Decision of the Government of the Republic of Armenia No. 1218-L of July 16, 2020.
4. The seller transfers the real estate to the buyer by signing the transfer-acceptance act.
5. From the moment of state registration of the rights arising from the contract, the seller's ownership right to the real estate ceases, and the buyers' ownership right arises in parallel.
6. According to the unified reference N _____ issued by the Cadastre Committee of the Republic of Armenia on _____, two thousand and twenty-three, there are restrictions on the real estate, since the real estate is pledged under the pledge agreements N _____ and N _____.
7. The pledgee, by signing this agreement, expresses its consent to the seller transferring the real estate located at this address _____ to the buyer with the right of ownership.
8. The buyer undertakes to fully fulfill/maintain the obligations/liabilities assumed by the Donee under the Donation Agreement. One copy of the Donation Agreement was transferred to the buyer at the time of signing this Agreement.
9. The buyer acknowledges that the real estate will continue to be pledged as security for the obligations assumed by the buyer under _____ Clause 8 of this Agreement.
10. As of the date of notarial certification of the agreement, there are no outstanding tax liabilities in relation to the real estate, as evidenced by the certificate issued on _____.20_____.
11. All issues arising between the parties from the performance of the agreement and not regulated by the agreement are subject to resolution in accordance with the provisions of the Civil Code of the Republic of Armenia and other regulatory legal acts of the Republic of Armenia.
12. Disputes (disputes) arising between the parties that could not be resolved by mutual agreement shall be subject to judicial resolution, applying the norms of substantive and procedural law of the Republic of Armenia.
13. The agreement is subject to mandatory notarial certification. The agreement is considered concluded in accordance with the procedure established by the Law of the Republic of Armenia "On State Registration of Rights to Property" from the moment of state registration of the buyers' ownership rights to real estate. The costs of notarial certification and state registration of the agreement shall be borne by the buyers.
14. The agreement consists of three sheets, it is signed in four equal copies and one copy shall be kept by the parties, in the notary office ratifying the agreement and at the body carrying out the state registration of the agreement.

Note: (The sample form of this agreement may include other regulations considered mandatory by the legislation of the Republic of Armenia at the time of signing or be amended in order to comply with such regulations)

(Appendix suppl.by 10.04.25 N 395-L)