

STATUTE
of "ELARG AGRICULTURAL LAND OPPORTUNITY FUND" REIT

Chapter One
GENERAL PROVISIONS

Status

Art. 1. (1) *(amended Decision of the GM of 22.05.2009)* „ELARG AGRICULTURAL LAND OPPORTUNITY FUND" REIT (hereinafter: the "Company") is a joint-stock company with special investment purpose, which under the terms and conditions of the Special Investment Purpose Companies Act (SIPCA) performs activity on investment of cash, raised by issuing of securities, in real estates (securitization of real estate).

(2) The Company is established on an Incorporation meeting, without a subscription, under Art. 163 of the Commercial Act (CA).

(3) The Company is public under the Public Offering of Securities Act (POSA) and is subject to the provisions of Chapter Eighth of the POSA.

Company name

Art. 2. (1) *(amended Decision of the GM of 22.05.2009)* The company name of the Company is "ELARG AGRICULTURAL LAND OPPORTUNITY FUND" REIT.

(2) The company name of the Company is also inscribed in Latin letters as follows: "ELARG Agricultural Land Opportunity Fund" REIT.

Seat and address of management

Art. 3. (1) *(amended Decision of the GM of 22.05.2009)* The seat of the Company is: Republic of Bulgaria, Sofia, Lozenetz Region.

(2) *(amended Decision of the GM of 05.07.2010)* The registered address of the Company shall be: the city of Sofia, the Capital municipality, the region of Lozenets, 16 Nikola Vaptsarov Blvd.

Scope of activity

Art. 4. The scope of activity of the Company is: investing of money, raised by issuing of securities in real estate (securitization of real estate) through purchase of ownership and other property rights on real estates; execution of constructions and improvements in them, for the purpose of their renting, lease, agricultural lease and/or sale.

Type of assets - subject to securitization. Requirements and restrictions on assets - subject of securitization

Art. 5. The Company securitizes real estate.

Art.6. (1) The Company acquires ownership right and other (limited) property rights over real estates, located on the territory of the Republic of Bulgaria.

(2) The Company may acquire property rights on agricultural properties located on the territory of the Republic of Bulgaria, including farm buildings, agricultural and other lands, forests, etc., subject to the requirements to the law and this Statute.

(3) The Company may acquire for securitization any new assets under para. 2.

Art. 7. The Company cannot acquire real estate which is subject to legal dispute.

Investment objectives

Art. 8. (1) The main objective of the investment activities of the Company is aimed at increasing the market price of the shares of the Company and increasing the amount of the dividends, paid to shareholders, while preserving and enhancing the value of equity.

(2) The Company invests in agricultural property, providing income in the form of agenda and other current payments.

(3) The diversification of the portfolio of agricultural properties is achieved by investing in different types of agricultural property (arable land, land with permanent crops, vineyards, etc.), located in different regions of the Republic of Bulgaria, in order to reduce the unsystematic risk for the investment portfolio.

Term

Art. 9. (1) (*amend. Dec. of GM of 22.05.2009*) The Company is established for a period of thirteen years, as of the date of the initial registration into the commercial register.

(2) The existence of the Company may be extended by a decision of the General Meeting of the Company, adopted before the expiry of the term under para. 1, by a majority of three fourths of the capital, represented at the meeting.

General restrictions on the activities

Art.10. (1) The Company cannot:

1. be transformed into another type of commercial company;
2. change its scope of activity;
3. perform any other commercial transactions, unless they are directly related to its activities;
4. give loans or secure liabilities of third parties;
5. receive loans, except:
 - a) as an issuer of debt securities, listed for trading on a regulated securities market;
 - b) under bank loans with target designation - acquisition and letting into exploitation of the assets for securitization under Article 5 and Art. 6;
 - c) under bank loans amounting up to 20 per cent of the book value of the assets, used for payment of the interests if the loan is for a period of more than 12 months.

(2) The Company may invest its free funds only in:

1. securities, issued or guaranteed by the Bulgarian state and/or bank deposits – without limitations;
2. mortgage bonds, issued under the terms and conditions of the Law on Mortgage Bonds – up to 10 percent of the assets of the Company.

(3) The Company may invest up to 10 percent of its capital in a servicing company.

(4) Except in cases as specified in para. 2 and 3, the Company may not invest in securities, traded on a regulated market, or to acquire stakes in other companies.

Chapter second CAPITAL

Amount of the capital. Number and type of shares

Art. 11. (1) The capital of the Company is BGN 59,715,885 (fifty-nine million seven hundred and fifteen thousand eight hundred and eighty-five), divided into 59,715,885 (fifty-nine

million seven hundred and fifteen thousand eight hundred and eighty-five) ordinary dematerialized voting shares, with a nominal value of BGN 1 (one) each.

(2) The capital of the Company has been paid in full.

Contributions

Art. 12. (1) The acquisition of shares in the Company at the moment of its formation, as well as when increasing its capital, is subject to the full payment of their issue value. The shareholders of the Company may not make partial contributions.

(2) The capital contributions can be in cash only.

Types of shares

Art. 13. (1) The Company may issue only dematerialized shares, kept in the records of the Central Depository AD.

(2) The Company may issue two classes of shares: ordinary shares and privileged shares, giving rights under Art. 15 of the Statute. The restriction of the rights of the individual shareholders of one class is not acceptable.

Ordinary shares

Art. 14. (1) Each ordinary share entitles to a voting right at the General Meeting of shareholders, a right to a dividend and liquidation quota, in proportion to its nominal value.

(2) The right to voting at the General Meeting shall be exercised by the persons, registered as shareholders with the Central Depository AD 14 days before the General Meeting.

(3) The Company distributes dividends under the terms and conditions set out in SIPCA, POSA, CA and Chapter twelfth of the Statute, at a decision of the General meeting. Advanced distribution of dividends is prohibited. Entitled to receive dividends are those persons, registered with the Central Depository as shareholders on the 14th day before the General meeting when the annual financial statements is approved and the distribution of the profit is decided.

Privileged shares

Art. 15. (1) Company may issue privileged shares with a guaranteed dividend as well as shares with a redemption privilege.

(2) The privileged share entitles to a guaranteed dividend and/or a redemption privilege. That share may entitle to one vote at the General meeting of the shareholders or it could be without voting rights.

(3) The privileged shares are included upon determining of the nominal value of the capital. Privileged shares without voting rights cannot be more than the total number of shares of the Company.

Art. 16. (1) Company redeems the privileged shares in the manner, provided by law and in the decision for their issuance.

(2) The Company shall transfer the redeemed shares within 3 (three) years from their acquisition. In case that within the period under the preceding sentence the shares are not transferred, they shall be cancelled and the capital of the Company shall be decreased with them, pursuant to Art. 27, para. 1 of the Statute.

Art. 17. (1) For taking a decision for cancelling or limitation of the privilege of the shares under Art. 15 the consent of the privileged shareholders is required, who shall be convened at a separate meeting. If the shares are issued without the voting rights, they acquire a right to vote with the elimination of the privilege.

(2) The meeting under para. 1 is regular if at least 50 percent of the privileged shares are represented. The decision is taken by a majority of three quarters of the represented shares. For the convening and the carrying out of the meeting of the privileged shareholders, the relevant provisions of Art. 32- 35, 37 and 38 of this Statute shall apply.

Indivisibility

Art. 18. (1) The shares are indivisible.

(2) (*amended Dec. of GM of 22.05.2009*) When the share belongs to several persons, they exercise the rights on it together, by appointing a proxy.

(3) (*new Dec. of GM of 22.05.2009*) In order to execute the rights under the shares, the shareholders may authorize, pursuant to Art. 30, para. 4 - 6 of this Statute, any natural or legal person to participate or to vote on their behalf in the General meeting of shareholders.

Book of Shareholders

Art. 19. The Book of the shareholders of the Company is kept by the Central Depository AD.

Transfer of shares

Art. 20. The shares of the Company are freely transferable, subject to the requirements of the current legislation for transactions with immaterial securities. This Statute and other acts of the Company cannot establish any restrictions or conditions regarding the transfer of shares.

Chapter third

CAPITAL INCREASE

Method of increasing

Art. 21. (1) The capital of the Company is increased by:

1. issuance of new shares against cash contributions;
 2. issuance of new shares through conversion of bonds, issued as convertible into shares.
- (2) The capital of the Company may not be increased by increasing the nominal value of the issued shares or by conversion into shares of the bonds, which were issued as convertible.

(3) The capital of the Company may not be increased:

1. through capitalization of profits under Art. 197 of the CA;
2. by non-cash contributions under Art. 193 of the CA;
3. as well as under the condition the shares to be purchased by certain persons pursuant to Art. 195 of the CA, upon infringement of the right to privilege of the shareholders under Art. 23 of the Statute.

Art. 22. (1) The capital increase is made by a Decision of the General meeting or by a decision of the Board of Directors within the empowerment of Art. 43 of the Statute.

(2) (*amended Decision of the GM 22.05.2009*) The increase of the capital of the Company is carried out under Chapter sixth of the POSA - with a Prospectus for public offering of shares, confirmed by the Financial Supervision Commission (FSC) or without a prospectus or under Art. 79, para. 1-3 of the POSA.

Privileges of the Shareholders

Art. 23. (1) Upon capital increase, except in the case of Art. 24 of the Statute, each shareholder is entitled to acquire a part of the new shares, corresponding to its share in the capital before the increase. This right may be revoked or limited by the body taking a decision to increase the capital under Art. 194, para. 4 and Art. 196, para. 3 of the CA.

(2) The right under para. 1 is valid first for the shareholders of the class of shares, by which the capital is increased. The other shareholders exercise their privileged right after the shareholders under the previous sentence.

(3) (*amended Decision of the GM of 22.05.2009*) A right to participate in the increase have those persons, who have acquired shares not later than 14 days after the date of the decision of the General meeting for capital increase and if the decision for the increase of the capital was adopted by the Board of Directors pursuant to Art. 43 of the Statute – the persons who acquired shares not later than seven days after the date of publication of the notice for the public offering under Art. 92a, para. 1 of the POSA. On the next working day the Central Depository shall open accounts for the rights of the persons referred to in sentence one, based on the data from the Book of Shareholders.

(4) By increasing the capital of the Company rights are issued under § 1, item 3 of the Additional provisions of the POSA - For each existing share shall be issued only one right. The ratio between the issued rights and one new share shall be determined in the decision for capital increase.

Chapter fourth MANDATORY INITIAL INCREASE OF THE CAPITAL (suspended by a Decision of the GM of 12.07.2006)

Chapter fifth DECREASE OF THE CAPITAL

Art. 27. (1) The capital of the Company may be decreased by cancellation of the redeemed shares under the existing legislation and that Statute.

(2) The capital cannot be reduced:

1. by compulsory cancellation of shares;
2. through the redemption of ordinary shares pursuant to Art. 111, para. 5 of the POSA.

Chapter sixth BONDS

Art. 28. (1) The Company may issue bonds under the terms and conditions of Section VII of Chapter fourteenth of the CA or by public offering under Chapter sixth of the POSA. Pursuant to § 2 of the TCP of the SIPCA, the Company may issue bonds, including through public offering, as of the moment of its entry into the commercial register.

(2) The Company may issue only immaterial bonds, for the transfer of which there are no conditions or restrictions. The bonds loan could be concluded and the bonds may be issued only after the full payment of their issue value. Immediately after the conclusion of the bonds loan, the bonds are registered for trading on a regulated securities market.

(3) The Company can issue bonds which are convertible into shares (convertible bonds) under the application of the relevant rules regarding the privileges of the shareholders under Art. 23 of the Statute.

(4) Bonds are issued by a Decision of the General meeting or the Board of Directors within the empowerment under Art. 44 of the Statute.

(5) Based on the decision under para. 4, the Board of Directors shall prepare a proposal for the subscription of bonds under Art. 205, para. 2 of the CA or a prospectus for public offering of bonds under Chapter sixth of the POSA. The amount of the bond loan, the number, the type, the value and the conditions for subscription of the bonds; the yield; and the method and the term for payment of the obligations under the bond issue; the conditions, under which the loan is considered concluded and other parameters of the bonds loan are fixed in the proposal or the prospectus under the preceding sentence.

(6) The Company may not:

1. change the conditions under which the bonds issued are subscribed;
2. issue new bonds with a privileged mode of repayment;
3. issue new convertible bonds without the consent of the holders of convertible bonds from previous issues;
4. decide for the repayment of the bonds which are not issued as convertible, through their conversion into shares.

(7) A decision taken in violation of the prohibitions under para. 6 is void.

(8) In terms of the transfer of bonds, issued by the Company, the provisions of the existing legislation regarding the transactions with immaterial securities shall apply.

Chapter seventh BODIES OF THE COMPANY

Art. 19. The Company has a one-tier system of management. The bodies of the Company are the General Meeting of the Shareholders and the Board of Directors.

Section I. General Meeting of Shareholders. Members of the General Meeting of Shareholders

Art. 30. (1) (*amended Dec. of GM of 22.05.2009*) The General meeting includes the shareholders with the right to vote. They participate in the General meeting in person or through a representative, authorized under para. 4.

(2) The members of the Board of Directors may not represent a shareholder unless the shareholder has expressly indicated the method of voting under each item of the agenda.

(3) The Shareholders with privileged shares without voting rights, as well as the members of the Board of Directors, when they are not shareholders, participate in the work of the General meeting without the right to vote unless they are shareholders.

(4) (*new Dec. of GM of 22.05.2009*) The proxies of shareholders under para. 1, sentence 2 should be authorized by a written power of attorney, which shall be for the specific general meeting and shall contain at least the following details:

1. data of the shareholder and the proxy;
2. the number of shares, covered by the power of attorney;
3. the agenda of the issues, proposed for discussion;
4. the proposals for decisions under each item of the agenda;
5. the method of voting under each item, if applicable, where the method of voting under the separate items of the agenda is not specified, there should be indicated that the proxy is entitled to decide whether and how to vote.

6. date and signature.

(5) (*new Dec. of GM of 22.05.2009*) The authorization can be performed also by using electronic means. The Company is obliged to provide at least one way for obtaining powers of attorney by electronic means and shall publish on its website the terms and conditions for receipt of powers of attorney by electronic means. The order under the preceding sentence shall also apply to the withdrawal of the power of attorney.

(6) (*new Dec. of GM of 22.05.2009*) The proxy:

1. enjoys the same rights to speak and ask questions in the General meeting, as the shareholder, who it represents;
2. is obliged to exercise the right to vote in accordance with the instructions of the shareholder, contained in the power of attorney. Art. 220, para. 1, third sentence of the CA shall not apply if the shareholder has expressly indicated the way of voting under the items of the agenda;
3. may represent more than one shareholder in the General meeting of the public company. In this case, the proxy may vote differently on the shares, held by individual shareholders, who he represents;
4. cannot authorize further another person.

Competence of the General meeting

Art. 31. (1) The General meeting shall decide on the following issues:

1. amend and supplement the Statute of the Company;
2. transform and terminate the Company;
3. increase and decrease the capital of the Company;
4. elect and dismiss the members of the Board of Directors and determines their remunerations and the guarantee for their management, as required by law;
5. appoint and dismiss the registered auditors of the Company;
6. approve and adopt the annual financial statements after certification by the registered auditors and decide on profit distribution and replenishment of the Reserve fund and payment of dividends;
7. appoint liquidators upon material grounds for termination of the Company, except for the cases of bankruptcy;
8. discharge from responsibility the members of the Board of Directors.
9. (*new Dec. of GM of 22.05.2009*) elect an audit committee, define its mandate and its members, in accordance with the provisions of the Independent Financial Audit Act.

(2) The General meeting of the shareholders shall decide also on all other matters within its jurisdiction under the existing law.

(3) The amendments and the supplementation in the Statute of the Company, the transformation and the dissolution of the Company and the selection of persons to act as liquidators of the Company shall be made after approval by the FSC.

Conducting of General meeting

Art. 32. (1) The General meeting of the Company is held at its seat. The General Meeting shall be organised until the end of the first six months after the end of the reporting year.

(2) The General meeting shall elect a chairman and a secretary for each meeting.

Summoning of the General meeting

Art. 33. (1) The General meeting shall be convened by the Board of Directors. The General Meeting may be convened at the request of the shareholders holding at least 5 percent of the capital of the Company.

(2) (*amended GM of 22.05.2009*) The summoning could be done by an invitation, published in the Commercial Register and announced under the terms of Art.100t, para. 1 and 3 of the POSA at least 30 days before the opening of the General meeting. In the period under the preceding sentence the invitation, along with the materials for the General meeting under Art. 224 of the CA, shall be sent to the FSC and published on the web page of the Company. Under the preceding sentence, there shall be published also the models for voting through a proxy.

(3) (*amended GM of 22.05.2009*) The contents of the invitation for the summoning of the General meeting shall be determined by the requirements of Art. 223, para. 4 of the CA and Art. 115, para. 2 of the POSA. The shareholders holding at least 5 percent of the capital of the Company, may request to supplement the agenda, announced in the invitation, under the terms and conditions of Art. 223a of the CA. In the cases under the previous sentence, the shareholders shall submit to the Commission and to the Company not later than the next business day after the announcement of the issues into the commercial register, the materials under Art. 223a, para. 4 of the CA.

(4) (*amended GM of 22.05.2009*) The right to vote in the General meeting is exercised by the persons, entered into the records of the Central Depository 14 days before the General meeting, according to a list of the shareholders and of the foreign persons under Art. 136, para. 1 of the POSA in conjunction with Art. 41, para. 1 of the LFIM, provided by the Central Depository AD as at that date.

(5) (*new Dec. of GM of 22.05.2009*) In the presence of the necessary technical provision, by a decision of the Board of Directors of the Company, the right vote could be exercised before the date of the General meeting, by correspondence, by using mail, including electronic mail, courier or other technically possible way, specified in advance in the decision of the management body.

(6) (*new Dec. of GM of 22.05.2009*) The voting through correspondence shall be valid if the vote is received by the Company not later than the day, preceding the date of the General meeting. If the shareholder attends the General meeting in person, the voting right, exercised by him through correspondence shall be valid, unless otherwise stated by the shareholder. On issues, which the shareholder votes, the voting right, exercised by him by way of correspondence, subsides.

Right to information

Art. 34 (1) (*amended GM of 22.05.2009*) The written materials relating to the agenda of the General meeting shall be made available to the shareholders not later than the date of the announcement of the invitation for the General Meeting into the Commercial Register.

(2) When the agenda includes an election of members of the Board of Directors, the written materials include also data on the names, the permanent address and the qualifications of the persons, nominated as members.

(3) Upon request, the written materials shall be provided free of charge to each shareholder.

(4) (*amended GM of 22.05.2009*) The Board of Directors of the Company and the procurator are obliged to answer correctly, thoroughly and essentially to questions of the shareholders, asked at the General meeting, regarding the economic and the financial condition and the

business of the Company, except for circumstances that constitute inside information. Shareholders may ask such questions, irrespective whether they are related to the agenda.

List of attendees

Art.35.(1) (*amended GM of 22.05.2009*) For the meeting of the General meeting there shall be drawn up a list of the present shareholders and/or their representatives and of the number of shares, held or represented. The shareholders and their representatives certify their presence by signature. The list shall be certified by the chairman and the secretary of the General meeting. Upon conducting of the General meeting, by using electronic means, to the Minutes of the General meeting there shall be given a list of persons, who have exercised their right to voting in the General meeting by electronic means, and the number of shares held, which shall be certified by the Chairman and the secretary of the General meeting.

(2) (*amended GM of 22.05.2009*) The presence of representatives of the shareholders at the meeting shall be valid and the respective persons shall be entered into the list of the present shareholders, if the power of attorney is explicit for a particular general meeting and if it contains the legally required minimum content, as well as if there are met the other requirements of the POSA.

(3) If the legal requirements regarding the representation of the shareholders at the general meeting by their representatives are relaxed, there shall apply the more relaxed requirements, notwithstanding the provision of para. 2.

Quorum

Art. 36. (1) (*amended GM of 22.05.2009*) For valid taking of the decisions of the General meeting of the shareholders a quorum of 1/2 (one half) of all issued shares of the Company is necessary. The shares of the persons, who voted by correspondence are taken into account upon determining of the quorum and the voting shall be recorded in the minutes of the General meeting.

(2) (*amended GM of 22.05.2009*) In the absence of quorum in the cases of Art. 227, para. 1 and 2 of the CA, there could be summoned a new meeting, not earlier than 14 days and it shall be legal, irrespective of the represented capital. The date of the new meeting may be specified also in the invitation for the first meeting. In the agenda of the new meeting there may not be included items under Art. 223a of the CA

Voting and majorities

Art. 37. (1) (*amended GM of 22.05.2009*) The voting in the General meeting is personal. The voting by proxy is permitted only in accordance with the requirements of Art. 35 of this Statute and the legally defined conditions of the POSA.

(2) The decisions of the General meeting shall be adopted by simple majority of the represented shares, except where the legislation or this Statute provide for a higher majority for making certain decisions. For the adoption of decisions under Art. 31, para. 1, items 1-4 a majority of 3/4 (three quarters) of the represented shares with voting rights is required.

Minutes

Art. 38. (1) (*amended GM of 22.05.2009*) For the meeting of the General meeting minutes shall be kept, which must include information on the number of shares, under which actual votes are submitted, what part of the capital they constitute, the total number of actual votes

submitted, the number of submitted votes for and against and if necessary - the number of abstentions, for each of the decisions of the agenda.

(2) The minutes shall be signed by the chairman and the secretary of the meeting and the scrutineers.

(3) To the minutes there shall enclose also a list of the attendees and the documents, relating to the convening of the General meeting.

(4) (*amended GM of 22.05.2009*) The minutes and the enclosures thereto shall be kept for at least five years. They shall be made available to the shareholders. The minutes of the meeting of the General meeting shall be sent to the Commission within three days after the holding of the meeting. In the period under the preceding sentence the Company shall publish the minutes of the General meeting on its web page for a period, not less than one year.

(5) The Minutes book shall be kept and stored by a person, specially appointed by the Board of Directors.

Section II. Board of Directors. Mandate

Art. 39. (1) The Board of Directors of the Company is elected by the General meeting for a period of 5 (five) years.

(2) The members of the first Board of Directors are elected for a period of 3 (three) years.

(3) The members of the Board may be re-elected without restriction.

(4) After the expiry of their mandate, the members of the Board of Directors shall continue to perform their functions until the election by the General meeting of a new Board.

(5) The Minutes book shall be kept and stored by a person, specially appointed by the Board of Directors.

Members of the Board of Directors

Art. 40. (1) The Board of Directors consists of three to nine individuals and/or legal entities. The members of the Board of Directors may be changed by the General meeting at any time.

(2) The legal entity - member of the Board of Directors shall appoint a representative to carry out his duties in the Board of Directors. The legal entities are jointly and unlimitedly liable together with other members of the Board of Directors for the obligations, arising out of the actions of their representatives.

(3) The members of the Board of Directors shall have high education and shall not be:

1. convicted of a crime of general nature;

2. declared bankrupt as sole proprietors or as an unlimited liability partners in a commercial company and shall not be undergoing insolvency proceedings;

3. members of management or supervisory bodies of a company or a cooperative, terminated due to bankruptcy in the last two years, preceding the date of the declaration of bankruptcy, if there are unsatisfied creditors;

4. deprived of the right to occupy a materially responsible position;

5. spouses or relatives to the third degree including in a direct or collateral line between themselves or of a member in a management or supervisory body in a servicing company.

(4) The requirements under para. 3 should be present also for the individuals and the representatives of the legal persons - members of the Board of Directors.

(5) At least one third of the members of the Board of Directors shall be independent persons. The independent member of the Board shall not be:

1. an employee of the Company;

2. a shareholder, who owns directly or through affiliates at least 25 percent of the votes in the General meeting or a person related to the Company;
3. a person related to the Company;
4. a person, who is in permanent commercial relations with the Company;
5. a member of the management or controlling body or a procurator or an employee of the company or another legal entity under item 2, 3 and 4;
6. a person related to another member of the Board of Directors of the Company.

Management and representation

- Art. 41. (1) The Company shall be managed and represented by the Board of Directors.
- (2) The Board of Directors assigns the implementation of its decisions and the implementation of its functions of operational management of the Company to one or more of its members (executive director(s)). The Executive Director can be removed at any time.
- (3) The Board of Directors may appoint one or more procurators.
- (4) The Board of Directors may empower an executive director under paragraph 2 to represent the Company together with another executive director or another member of the Board of Directors or with a procurator. The authorization may be revoked at any time. The company can be represented also by two procurators together.
- (5) The names of the persons authorized to represent the Company are entered into the commercial register and shall be published.

Powers of the Board of Directors

- Art. 42. (1) The Board of Directors shall decide on all matters, relating to the activities of the Company, except for those which under the current law and this Statute are of the exclusive competence of the General meeting.
- (2) The Board of Directors of the Company shall take decisions on:
1. the purchase and sale of real estates;
 2. the conclusion, termination and cancellation of contracts with the service companies and with the bank - depositary;
 3. monitoring the implementation of the contracts under item 2;
 4. assisting the servicing company and the bank - depositary in the performing of their functions under the existing legislation and this Statute;
 5. insuring of the real estates immediately after their acquisition;
 6. determining the appropriate experts, meeting the requirements of Art. 19 of the SIPCA and possessing the appropriate qualifications and experience for evaluation of the properties owned;
 7. the investment of the free cash of the Company, subject to the limitations of law and this Statute;
 8. the immediate convening of the General meeting in the event of circumstances, essential to the Company;
 9. appointment of a Director for Investor Relations under an employment contract;
 10. opening of branches and representative offices;
 11. (*new Decision of GM of 22.05.2009*) define the rules for voting by correspondence or electronic means.
 12. (*amended Dec. of GM of 22.05.2009*) other matters within its competence under this Statute.
- (3) As far as the provisions of Art. 114 and the following of the POSA or by any other legal act do not provide otherwise, the Board of Directors of the Company is entitled to take with

unanimity and without any prior empowerment by the General meeting of the relevant decisions under Art. 236, para. 3 of the CA.

(4) The replacement of the servicing company or the depositary bank shall be subject to prior approval of the FSC.

Art. 43. (1) (*amended Decision of the GM of 22.05.2009; New Decision of the GM of 05.07.2010*) Within up to 5 (five) years as of registration of the amendment to the Articles of Association of the Company in the Commercial Register, the Board of Directors may in compliance with the provisions of the present Articles of Association and the effective legislation adopt resolutions for increase of the registered capital of the Company up to the nominal amount of 500 000 000 leva through the issue of new ordinary or preferred shares admissible by the law, including such with fixed or guaranteed dividend and/or with a redemption privilege and/or with a conversion/exchange in/for ordinary shares option.

(2) In the decision on capital increase, the Board of Directors shall determine the amount and purpose of each increase, the number and the type of the new shares, the rights and the privileges in them; the term and the conditions for the transfer of the rights under § 1, item 3 of the POSA, issued against the existing shares, the term and the conditions for subscription of the new shares, the amount of the issue value and the time and the conditions for its payment, the investment intermediary, to which the subscription has been entrusted.

Art. 44. (*amended Decision of the GM of 22.05.2009*) (1) Within 5 (five) years after entering of the amendment of the Statute of the Company into the Commercial Register, the Board of Directors may adopt decisions for the issuance of bonds in BGN, EUR or other currency, in the total amount of the bond issue of BGN 500 000 000, if there has been prepared and adopted a detailed plan for repayment of the principal and the interests on the loan. The type of the bonds, the method of formation of the income thereon, the amount and all other parameters of the bond issue shall be determined by the decision of the Board of Directors, in compliance with the current legislation and the Statute.

(2) (*amended Decision of the GM of 05.07.2010*) Regardless of the provision of the previous paragraph, within up to 5 (five) years as from the registration of the amendment to the Articles of Association of the Company in the Commercial Register, the Board of Directors may adopt resolutions for the issue of bonds that may be converted into ordinary, or replaced for ordinary, shares (convertible or exchangeable), given that the total amount of the bond loan is up to 500 000 000 leva.

Quorum and majorities

Art. 45. (1) The Board of Directors may take decisions if more than half of the total number of its members are present in person or are represented by another member of the Board. No one present member can represent more than one missing member.

(2) The decisions of the Board of Directors are taken by simple majority of all members, entitled to vote in accordance with Art. 46, para. 1, item 3 of the Statute, except for the cases where the law or the statute require a higher majority or unanimity for the adoption of certain decisions.

Due care. Non-admission of conflict of interests

Art. 46. (1) The members of the Board of Directors shall perform their functions with the care of the good trader, shall be loyal to the Company and shall act in the best interest of its shareholders, including:

1. perform their obligations with the essential professional skill, diligence and responsibility and in the manner which they reasonably believe to be in the interests of all shareholders of the Company, by using only that information which they reasonably believe to be reliable,

complete and timely;

2. put the interests of the Company and the investors in the Company before their own interest and not use for their benefit or for the benefit of other persons to the prejudice of the Company and shareholders circumstances that they learned about in the performance of their duties;

3. avoid direct or indirect conflicts between their interests and the interests of the Company, if such conflicts arise - disclose them promptly and not participate or influence the other members of the Board in taking of decisions in those cases;

4. not distribute information for the discussions and decisions of the meetings of the Board of Directors or any other public information about the Company, including after they have ceased to be members of the Board of Directors until the public disclosure of the respective circumstances of the Company.

5. provide and disclose information to shareholders and investors in accordance with the regulations and the internal regulations of the Company.

(2) Para. 1 shall apply also to individuals who represent the legal persons - members of the Board of Directors, and to the procurators.

Method of work of the Board of Directors

Art. 47. (1) The Board of Directors of the Company shall adopt Rules for its work and shall elect a chairman and vice-chairman among its members.

(2) The Board of Directors shall hold regular meetings at least once a month or special meetings, convened by the President. The latter shall mandatory and timely convene an extraordinary meeting for discussing and adopting of the reports of the servicing company and the depositary bank.

(3) Each member of the Board of Directors may request the Chairman to convene a meeting for the discussion of particular issues. In this case the Chairman is obliged to summon a meeting by sending notices within 3 days term before the date of the meeting, if in view of the urgency of the matter it is not necessary to convene the meeting within a shorter period.

(4) The notice for convening of the meeting there shall mandatory indicate the location, the date, the time of the meeting and the proposed agenda.

(5) The notification for the convening of the meeting is not necessary for the present members if the same were informed at the previous meeting of the Board of Directors of the place, the date, the time and the agenda of the next meeting. The members who were not present shall be notified under para. 3 and 4.

(6) Each of the members of the Board of Directors may request by the Chairman or the other members of the Board the required materials relating to the issues to be discussed at the upcoming meeting.

Minutes

Art. 48. (1) The decisions of the Board of Directors shall be recorded in minutes which shall be signed by all members present at the meeting.

(2) The minutes shall be kept by a specially appointed person for that purpose.

(3) The minutes of the Board constitute a trade secret. Facts and circumstances thereof may be published, disclosed or brought to the knowledge of third parties only at the discretion of the Board of Directors, or when a legal act requires that.

Responsibility

Art. 49. (1) The members of the Board of Directors must provide a financial guarantee for their management in the amount as determined by the General meeting, but not less than 3 monthly gross salaries, within seven days after their election. For the payment, releasing and the consequences from the failure to pay the guarantee, Art. 116c, para. 2 - para. 6 of the POSA shall apply.

(2) The members of the Board of Directors are jointly and severally liable for the damages caused by them to the Company.

(3) (*amended Dec. of GM of 22.05.2009*) Each of the members of the Board of directors could be released from responsibility if it is established that he does not have any fault for the damages occurred. The General meeting may discharge of responsibility a member of the Board of Directors on the regular annual general meeting in case of certified by a registered auditor, an annual financial statements for the previous year and interim accounts for the period from the beginning of the current year until the last day of the month preceding the month, in which the invitation for convening of the General meeting was announced.

Rules for determining of the remunerations of the members of the Board of Directors

Art. 50. (1) Each of the members of the Board of Directors receives a monthly flat rate remuneration, which may not exceed 10 (ten) times the minimum wage in the country.

(2) Apart from the monthly fee under para. 1, the Chairman and the Deputy - Chairman of the Board of Directors as well as the executive directors and the other members of the Board may receive additional remuneration (profit share), determined on the basis of the net asset value of the Company per one share before payment of dividends. The amount of each remuneration is determined by the General Meeting, subject to the provision of Art. 60 of the Statute.

(3) The persons under para. 1 and 2 may receive remunerations different in amount.

(4) The amount of the remuneration of the members of the Board of Directors shall be determined in accordance with the provisions of Art. 60 of the Statute.

(5) The remuneration under para. 1 shall be paid on a monthly basis in cash or via bank account on the first working day of the month, following the month, for which the remuneration is due, and the remuneration under pars. 2 - via bank account within five working days after the date of the audited annual balance sheet of the Company.

Chapter eighth SERVICING COMPANY Scope of activity of the servicing company

Art. 51. (1) The Company may not carry out directly the activities on exploitation and maintenance of the acquired real estates. It assigns to one or more companies (service companies) the implementation of these activities

(2) The Company may assign to service companies the performance of also other actions as required by law.

Requirements to the servicing companies

Art. 52. The servicing companies should meet the following conditions:

1. to be commercial companies;

2. not to be in bankruptcy or liquidation;
3. to possess the necessary qualifications, experience, organization, human and material resources to carry out their duties.

Rights and obligations of the servicing companies

Art. 53. (1) The servicing companies are required to service, maintain and manage the real estates, to carry out constructions and improvements and other activities assigned to them with the contract, to the best interest of the Company, with the care of a good merchant - professional and subject to the requirements of the law, the Statute of the Company and of the particular contract.

(2) The servicing companies have the obligations set out in the individual contracts, according to their assigned activities, including the obligations:

1. to control the state of the real estates of the Company;
2. to carry out all the necessary preparatory actions for leasing or for sale of the properties;
3. to collect the rental fee from the tenants of the property and in case of inadequate performance of the obligations of the tenants to take the necessary actions to protect the interests of the Company;
4. to keep the required records, relating to the outsourced activities;
5. to submit regularly and upon request of the Company the information for the carrying out of the assigned activities.

(3) The servicing companies are entitled to remuneration and other rights under the signed contract.

Rules for determining the remuneration of the servicing companies

Art. 54. The amount of the remuneration of the servicing company should be grounded in terms of the nature and the volume of the assigned work and the market conditions in the country and shall be determined by a decision of the Board of Directors. The amount of the remuneration shall be defined and amended subject to Art. 60 of the Statute.

Replacement of the servicing company

Art. 55. The replacement of the servicing company shall be made by a decision of the Board of Directors of the Company, subject to approval by the FSC.

Chapter ninth Depositary bank Function of Depositary bank

Art. 56. (1) The Depositary bank shall keep the cash and the securities of the Company.

(2) The immaterial securities held by the Company shall be entered into the register of the Central Depositary or another depositary institution to the sub-account of the Depositary bank and its cash and the other securities shall be held in the depositary bank.

(3) The depositary bank shall effect all payments for the account of the Company, in compliance with the conditions laid down in the Statute and the prospectus of the Company.

(4) The relations between the Company and the depositary bank are governed by the contract for depositary services.

Requirements to the Depositary bank

Art. 57. The Depositary bank must meet the requirements of Art. 173 of the POSA.

Rights and obligations of the Depositary bank

Art. 581 (1) The Depositary bank shall:

1. ensure that the payments related to the transactions with the assets of the Company would be transferred within the statutory time limits, unless the other party is faulty or if there are reasonable grounds to believe that it is faulty;
 2. ensure the collection and the use of the proceeds of the Company in accordance with the law and its Statute;
 3. dispose of the assets of the Company, entrusted to it only by the orders of authorized persons, unless they contradict the law, this Statute or the depositary agreement;
 4. regularly report before the Company for the entrusted assets and transactions made.
- (2) The depositary bank shall perform also other obligations under the law and the depositary agreement.
- (3) In fulfilling of its obligations the Depositary bank shall be governed by the interests of the Company.
- (4) The Depositary bank is entitled to remuneration , typical for the services performed, as well as other rights under the contract for depositary services.

Replacement of the Depositary bank

Art. 59. (1) The replacement of the Depositary bank shall be allowed at the decision of the Board of Directors, after approval by the FSC.

(2) The specific terms, conditions and procedures for the transfer of the assets of the Company in another Depositary bank shall be agreed in the contract with the depositary bank and shall be made after an approval by the FSC of the Depositary bank. These terms may not be longer than 10 (ten) days from the date of approval of the replacement by the FSC.

Chapter tenth THE MAXIMUM AMOUNT OF THE COSTS FOR MANAGEMENT OF THE COMPANY

Art. 60. The maximum total amount of all costs for management and servicing of the Company, including the expenses for salaries of the members of the Board of Directors of the Company, of the servicing companies, the registered auditor, the evaluators and the depositary bank, may not exceed 8% (eight per cent) of the value of the assets under the balance sheet of the Company.

Chapter eleventh ANNUAL CLOSING Documents under the annual closing

Art. 61. (1) Until the end of February each year the Board of Directors shall prepare for the preceding calendar year a financial statements and report for the activity and shall submit it to the registered auditors elected by the General meeting.

(2) When the General meeting has not elected registered auditors by the end of the calendar year, at the request of the Board of Directors or an individual shareholder, such will be assigned by the court.

Report for the Activity

Art. 62. (1) Upon receipt of the report of the registered auditors, the Board of Directors shall present to the General meeting a financial statements, a report for the activity and the auditors' report.

(2) The report for the activity shall describe the activity and the status of the Company and clarify the annual financial statements. The report also contains other information, required by the existing legislation.

Obligation for specific reports of the Company

Art. 63. (1) The Company shall submit to the FSC and the regulated market an annual and quarterly reports with the content and within the time specified in the POSA and the regulations on its application. The Company shall also provide to the FSC and to the other authorized bodies and organizations other information as required under the effective legislation.

(2) The Company publishes a notice for the presentation of the reports and the place, the manner and the time for introduction with them in at least one national daily newspaper, within 7 days after their submission.

Chapter Twelve DISTRIBUTION OF PROFITS

Art. 64. (1) Dividends are paid if according to the audited and approved financial statements for the respective year, the net value of the assets, decreased by the dividends, subject to payment, is not less than the amount of the Company, the Reserve fund and the company funds, which the Company is required to form by law.

“Reserve” and the other funds which the Company is required to form by law or by the Statute.

(2) In the sense of para. 1 the net value of the assets shall be the difference between the value of the rights and the obligations of the Company in compliance with its balance sheet.

(3) The payments under para. 1 shall be made to the amount of the profit for the respective year, the undistributed profit from previous years, the part of the Reserve Fund and the other funds of the Company, exceeding the minimum prescribed by law or the Statute, decreased by the uncovered losses from previous years and the deductions of the Reserve Fund and the other funds which the Company is obligated to form by law or by the Statute.

(4) The Company distributes mandatory as dividend at least 90% of its profits for the financial year.

(5) The dividends are paid to the shareholders within 3 - (three) months from the implementation of the General meeting on which a decision was taken for the distribution of the profit of the Company.

Chapter thirteenth
TRANSFORMATION OF THE COMPANY

HR. 65. (1) The transformation of the Company by merger or takeover is subject to permission by the FSC only between companies with special investment purpose which securitize assets of the same type.

(2) The transformation of the Company by division or separation is carried out by permission of the FSC as the newly created or the newly established companies also need to be companies with special investment purpose.

Chapter Fourteen
FINAL PROVISIONS

§ 1. For all issues which are not explicitly governed by this Statute, the provisions of the SIPCA, the POSA, the Commercial Act and the relevant regulations shall apply.

§ 2. In case of discrepancies between the provisions of the Statute and of a legal provision, the latter shall apply, without being necessary to amend the Statute, unless expressly required by the applicable law.

§ 3. This Statute was adopted by the Incorporation Meeting of ELARG Agricultural Land Opportunity Fund REIT, held on 14.03.2005 in the city of Sofia and was amended and supplemented by decisions of the General meeting of the shareholders, held on 12.07.2006, 30.06.2008, 22.05.2009, 05.07.2010 in Sofia.