

Unofficial translation

## MOSCOW GOVERNMENT

### DECREE

No. 637- ПП dated August, 13, 2002

On construction and reconstruction of the group of buildings situated on 24, 26/2/3 bld.1, 39 bld. 1 and 2, 41 bld. 1 and 2, Arbat Street; 4 bld. 2 and 5, B. Nikolopeskovsky Lane (The Central Administrative District)

For the purpose of implementation of the program for complex reconstruction and development in the central district of Moscow, as well as taking into consideration the necessity for reconstruction of the buildings belonging to the State Academic Theater named after E. Vakhtangov, the Moscow Government enacts:

1. Accept the offer of the Central Administrative District Prefect to carry out reconstruction and construction of the group of buildings situated on 24, 26/2/3 bld.1, 39 bld. 1 and 2, 41 bld. 1 and 2, Arbat Street; 4 bld. 2 and 5, B. Nikolopeskovsky Lane, at the investor's expense in full force and effect.

2. Appoint ZAO Trust – Oil as the general customer and investor for reconstruction and construction of the objects (cl. 1).

3. Carry out construction and reconstruction of the group of buildings (cl. 1) in two phases, as stipulated in Appendix 1.

4. Take note of:

4.1. Consent of Russia's Property Ministry for construction and reconstruction of the building situated on 39 bld.1 Arbat Str. at the expense of the investor ZAO Trust – Oil in full force and effect with further legal substitution of this building with the buildings situated on 4 bld. 2 and 5 B. Nikolopeskovsky Lane; the buildings shall later on be assigned to the State Academic Theater named after E. Vakhtangov (hereinafter – the Vakhtangov Theater).

4.2. Availability of agreement No. 809 dated July, 2, 2001, between ZAO Trust – Oil and the Vakhtangov Theater for regulation of relations when implementing the project of reconstruction of the buildings run and occupied by the Vakhtangov Theater.

4.3. Availability of agreements between GUP Mosproject – 2, and ZAO Trust – Oil for development of town planning verification for the reconstruction of the buildings situated on 39-41 Arbat Str., 24-26 Arbat Str., 4 bld. 2 and 5 B. Nikolopeskovsky Lane.

5. For implementation of cl. 1 agree with the proposal of ZAO Trust-Oil to purchase the buildings situated on 4 bld. 2 and 5 B. Nikolopeskovsky after the investor's reconstruction in accordance with the procedure established by law, as stipulated by Appendix 2.

**6. The Prefect of the Central Administrative district shall:**

6.1 Given consent of the Vakhtangov Theater, conclude investment contract with ZAO Trust-Oil in accordance with the law for construction and reconstruction of the buildings situated on 39 bld. 2, 41 bld. 1 and 2, Arbat Str.; 4 bld. 2 and 5, B. Nikolopeskovsky Lane in 2002-2006.

6.2. Given consent of the Vakhtangov Theater, conclude the investment contract with ZAO Trust-Oil in accordance with the law for construction of the administrative building on 24-26 Arbat Str. in 2002-2006.

7. Note that the investor ZAO Trust – Oil shall:

7.1. Give a commission to the Moscow City Architecture Committee for development of initial permissive documentation (cl.1) with preliminary engineering design. The project materials shall be submitted for consideration to the Moscow City Architecture Committee and subsequently to the Moscow City State Expertise as stipulated by the law.

7.2. Guarantee and provide accommodation for apartment owners (9 families, 15 persons), tenants, renters and other persons of the residential part, as well as premises for renters and owners of non-residential part in the framework of reconstruction Stage 1, within 6 months after this decree is issued, as stipulated by Appendix 3.

7.3. Increase the total area of the buildings situated on 4 bld. 2 and 5 B. Nikolopeskovsky Lane which shall be later occupied by the Vakhtangov Theater.

7.4. Carry out construction and reconstruction of the existing part of the group of buildings on 39-41 Arbat Str. within Stage 1.

7.5. Execute a subtenancy contract with the Vakhtangov Theater for lease of the piece of land on 24-26 Arbat Str. for the construction period.

7.6. Carry out construction of an administrative building on the premises adjacent to 24-26 Arbat Str, within Stage 2, under conditions of purchase of tenant-right for the piece of land. The total area of the building shall be specified after the project is approved by the Moscow City State Expertise.

When construction of the building on 24-26 Arbat Str. is over ZAO Trust – Oil shall give 2000 sq. m. (smaller stage) to Russia's Property Ministry to be further granted to the Vakhtangov Theater, and register ownership for the rest part of the building.

7.7. After Acceptance Committee Acts for the Objects and Investment Contract Implementation Acts are signed (cl. 6.1, 6.2), ZAO Trust – Oil shall transfer money full-scale within 10 banking days in accordance with cl. 5 and cl. 8.

7.8. After completion of cl. 7.2 it shall submit to the Moscow Land Committee all Initial permissive documentation and the investment contract for reconstruction and construction of the group of buildings on 39-41 Arbat Str. for execution of an agreement for short – term lease of the piece of land for engineering and construction period.

8. To be confirmed:

8.1. The cost of purchase of tenant-right for the piece of land on 24 Arbat with estimated total area of 0.3 ha, proceeding from the base bid of USD 1,800 000.

8.2. The cost of purchase of building leasehold on 24-26 Arbat to the amount of USD 2.106 000 as participation of the Moscow city in reconstruction of the Vakhtangov Theater, the amount being at the disposal of the investor for completion of cl. 7.6.

9. Whereas reconstruction of the State Academic Theater named after E. Vakhtangov is socially significant, by way of exception the Investor shall be exempt of participatory share payment for development of intercity network to the amount proportional to the costs for reconstruction of the theater.

10. Note that the Vakhtangov Theater shall:

10.1. Submit Lease Contract dtd. November, 11, 1994 No. M- 01 – 001295 to the Moscow Land Committee for amendments regarding specification of permitted use of the land as well as for conclusion of subtenancy contract with ZAO Trust – Oil (cl. 7.5).

10.2. Submit the Lease Contract dtd. November, 11, 1994 No. M - 01 – 001295 for amendments to exclude the piece of land on 24 Arbat, after completion of reconstruction and construction Stage 2 on 24, 26/2/3 bld. 1 Arbat Str., investor's payment for purchase of tenant-right for the piece of land.

11. The Moscow City Property Department shall sell the group of buildings to ZAO Trust – Oil according to Appendix 2 (cl. 5) as established by law.

12. Take into account the obligation of Trust – Oil that:

12.1 After construction of the objects is completed, registration of property rights shall be carried out in accordance with the law.

12.2. After registration of property rights for the premises built, the participants of the project shall formally establish legal relationship regarding the land in accordance with the law.

13. Moscow Government Decree dtd. June, 16, 1992 No. 400 “On Reconstruction of the State Academic Theater named after E. Vakhtangov”; Moscow Government Decree dtd. May, 31, 1994 No. 457 “On Amendments to the Moscow Government Decree dtd. June, 16, 1992 No. 400 “On Reconstruction of the State Academic Theater named after E. Vakhtangov”, excluding cl. 7; Moscow Government Decree dtd. November, 8, 1994 No. 1020 “On Partial Changes to the Moscow Government Decree dtd. dtd. May, 31, 1994 No. 457 “On Amendments to the Moscow Government Decree dtd. June, 16, 1992 No. 400 “On Reconstruction of the State Academic Theater named after E. Vakhtangov” shall be held invalid.

14. Control over the fulfillment of the decree shall be performed by G.V. Degterev, the Central Administrative District prefect.

Moscow City Major

Yuri M. Luzhkov

List of Objects to be reconstructed and  
constructed

No.	Address	total area, sq.m.	Notes
Stage One. Within the period of 2002 - 2006			
1.	39 bld. 2, Arbat Str.	315.0	
2.	41 bld. 1 - " -	824.0	
3.	41 bld. 2 - " -	141.0	
4.	4 bld, 2 B. Nikolopeskovsky Lane	627.1	The Objects Nos. 4 and 5 are to be enlarged up to the total area of 2,500 sq.meters
5.	4 bld. 5 - " -	165.0	
Stage Two. Within the period of 2002 - 2006			
1.	24 Arbat		Reconstruction of the east wing of the building belonging to the State Academic Theater named after E. Vakhtangov and enlargement of the total area of the reconstructed part up to 2000 sq. meters.

Appendix 2  
to the Moscow Government Decree  
dtd. August, 13, 2002 No. 637-ПП

List of Objects to be Purchased

No.	Address	Total Area, sq. m.	Price, USD
1.	39 bld. 2 Arbat Str.	315.5	214 502. 6
2.	41 bld. 1 Arbat Str.	824.0	650 846. 6
3.	41 bld. 2 Arbat Str.	141.0	107 141. 3
4.	4 bld. 2 B. Nikolopeskovsky Lane	627.1	460 569. 7
5.	4 bld. 5 B. Nikolopeskovsky Lane	165.0	130 563.9
		Total:	1 563 621.1

Appendix 2  
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List of Objects to move the leaseholders, property owners and tenants  
from the premises

No.	Address	User of non-residential premises	The total area occupied	Number of families/tenants	Notes
1.	41 bld. 1 Arbat		592.9	9/15	
2.	41 bld. 1 Arbat	Dry-cleaner No 22	286.4		lease
		reception center	100.3		
		arts foundation	75.0		
		TOO Mercury Plus	40.0		
		TOO Svet – 34	18.5		bought
		Arbat, Moscow self – financing center	80.0		lease
3.	4 Nikolopeskovsky Lane	The Vakhtangov Theater	627.1		lease
	bld. 2		165.0		
	bld. 5				