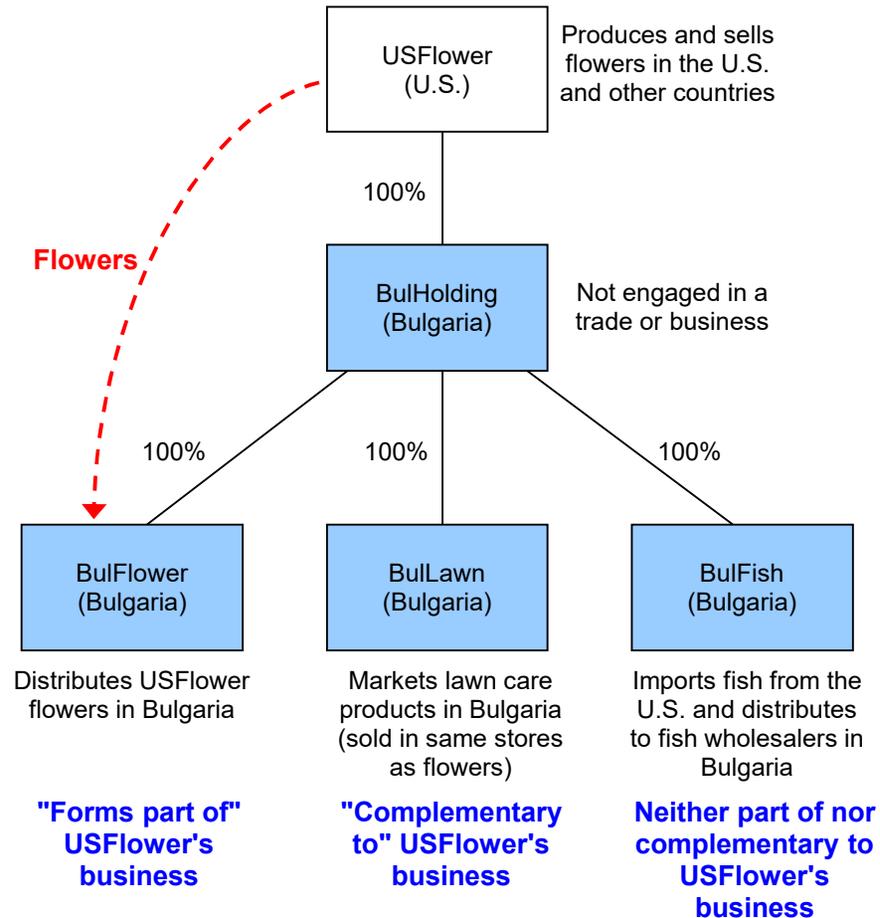


**Bulgaria Treaty (2007)
Treasury Tech. Explan.,
Article 21, Paragraph 4,
Example 5**

**Flower (Part of),
Lawn (Complem. to),
& Fish (Neither)**

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USFlower is a corporation resident in the United States. USFlower produces and sells flowers in the United States and other countries. USFlower owns all the shares of BulHolding, a corporation resident in Bulgaria. BulHolding is a holding company that is not engaged in a trade or business. BulHolding owns all the shares of three corporations that are resident in Bulgaria: BulFlower, BulLawn, and BulFish. BulFlower distributes USFlower flowers under the USFlower trademark in Bulgaria. BulLawn markets a line of lawn care products in Bulgaria under the USFlower trademark. In addition to being sold under the same trademark, BulLawn and BulFlower products are sold in the same stores and sales of each company's products tend to generate increased sales of the other's products. BulFish imports fish from the United States and distributes it to fish wholesalers in Bulgaria. For purposes of paragraph 4, the business of BulFlower forms a part of the business of USFlower, the business of BulLawn is complementary to the business of USFlower, and the business of BulFish is neither part of nor complementary to that of USFlower.



Limitation on benefits:
Active trade or business test ("derived in connection with")