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General contractor agreement regarding construction of an office building

The Management Board of PRI "POL-AQUA" SA informs that on 27 August 2009, the Company and POLNORD WARSZAWA-WILANÓW III Sp. z o.o. (the Employer) signed a contract (the Contract). According to the Contract, PRI "POL-AQUA" SA (the Contractor) is to act as a general contractor in the project of constructing an A class office building which as part of an investment task entitled "Wilanów Office Park".

The scope of construction works includes in particular construction an office building with three aboveground storeys and two underground storeys, as well as construction of road and network infrastructure, landscaping, and obtaining of the occupancy permit.

The agreed fixed gross price for delivery of the contracted works amounts to PLN 59,656,220.

POLNORD WARSZAWA-WILANÓW III Sp. z o.o. has entered into negotiations with a bank in order to obtain a loan for financing the "Wilanów Office Park" investment task (which includes construction of the said office building). According to the aforementioned contract, the Employer undertook to notify PRI "POL-AQUA" SA in writing within 5 working days after receipt of information on the bank's decision to grant the loan which, combined with own fund's of the Employer, will be used for payment of the remuneration agreed in the contract. The parties agreed to sign the general contractor agreement in the reading specified in the Contract, with consideration of potential changes as may be required by the bank granting the loan, upon joint fulfilment of the following conditions:

- the Employer must be granted a loan for financing the investment task
- the bank must accept provisions of the contract signed on 27 August 2009.

The general contractor agreement will become effective on a date indicated in a separate written declaration of the Employer and the Contractor.

The contracted works are to be performed within 14.5 months from the date of handing over the site to the Contractor. The Contractor will be liable to the Employer under a warranty and a guarantee. The warranty liability will expire after 5 years as from the date of signing the final acceptance certificate for the contracted works.

The Contractor has provided to the Employer a workmanship guarantee for all works for a period of 5 years as from the date of signing the final acceptance certificate for the contracted works. The Contractor provides a guarantee for building materials (products), installations, and devices in accordance with guarantees of the manufacturer of such materials (products), but for no less than 3 years. The Contractor must remedy any defect at its own expense within seven working days from the date of receiving a notice of such defect, unless the parties mutually agree any other date appropriate to the circumstances, considering the Contractor's technological and technical capacity to remedy the defect.

The Contractor will pay liquidated damages to the Employer:

- if the contract is terminated for reasons attributable to the Contractor – 10% of the net contract price.
- in the event of delay in delivery of the contracted works – 0.1% of net contract price per each day of delay, including a delay in delivery of any agreed parts of the contracted works.
- for remedying any faults and defects which significantly hinder or partially limit utilisation of the building – PLN 10 000 for each day of delay against initially agreed dates, and in the event of failure to commence remedying such faults and defects by an agreed date, 150% of actual expenses incurred in order to remedy the faults and defects.

Total amount of damages in relation to delay in delivery of the contracted works, and remedying any faults and defects, may not exceed 10% of the Contractor's remuneration.



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The parties reserved the right to claim additional compensation, if the damage incurred by the Employer exceeds the amount of damages provided for in the contract. In such an event, the Employer may claim supplementary damages from the Contractor on general terms.

The Management Board of PRI "POL-AQUA" will announce conclusion of a final contract for the aforementioned project in a separate current report.

Legal basis: Article 56 section 1.1 of the Act on Public Offering – Confidential Information

Signature:

Piotr Chelkowski
President of the Management Board

Iwona Rudnikowska
Vice President of the Management Board