

CLARIFICATIONS ON E-AUCTION Q 109784

KYTHNOS XENIA - Hotel facilities and two thermal springs within a property of 7,018 m² at the Kythnos Thermal Springs

latest update: 14.05.2021 (questions posed until 13.05.2021)

QUESTION: *Do the standard terms for agreements similar to the Contract, to which you refer in your answers to questions posed until 19.03.2021, include a) the obligation of the surface right holder to obtain the consent of the owner in order to transfer its right to a third party or to contribute its right to a corporation and/or b) the obligation of the surface right holder to transfer its right to the Fund or a third party nominated by the Fund?*

RESPONSE: a) the transfer of the surface right by the holder to a third party or its contribution to a corporation is governed by the agreement freely made by the contracting parties on the matter of whether the consent of the owner is required or a simple prior notification is sufficient. b) Upon expiry of the surface right, the Property returns to its owner or, as the case may be, to its successor.

QUESTION: *According to the current city plan, is the Building Block 29 a communal area and of which category, or is it designated for any other purpose;*

RESPONSE: The BB29 is planned to be a communal greenery area, for the creation of which the expropriation took place.

QUESTION: *Has a resolution of the Board of Directors of the PPCo SA, which manages the Property, been made to record the excerpt of the relevant Minutes of Meeting and the said management right over the Property with the Kythnos Land Registry?*

RESPONSE: The margin notation at the Records Book of the management rights of the PPCo SA on the thermal springs (provided by art. 39 par. 18 of the Law 3105/2003, as amended by art. 17 par. 2 of the Law 3986/2011) is not necessary because said rights have been conferred by Law and do not concern the ownership of the Property, which belonged to the Hellenic Tourism Organization (HTO) and has been duly recorded. Consequently, there is no problem with the chain of ownership of the Property, as it was transferred from the HTO to the Fund, and the PPCo SA only retains management rights conferred by Law.

QUESTION: *Has the eviction of I. Agiopetritis been completed?*

RESPONSE: The minor trespass of 4.30sqm by I. Agiopetritis concerns a fence structure and does not affect the transfer of rights over the Property because the delimitation of the Property has been made on the basis of existing material borders on the ground, therefore no relevant action is necessary.

QUESTION: *Has the Note of Escrow for the amount of €174,174 been placed by the Fund?*

RESPONSE: Yes.

QUESTION: *Has an act for the delimitation of the zones of protection of the thermal springs in the Property been issued?*

RESPONSE: No.

QUESTION: *We request the topographical diagram accompanying the allocation act 1/2018.*

RESPONSE: It is included in the Information Pack.

QUESTION: We request the building permit which may have been issued for reinforcement works to the listed building of the old hotel in the Property.

RESPONSE: No such permit has been issued. Refer to the Technical Report of the Architectural Preliminary Report (Information Pack 5.2.1.).

QUESTION: We request the operation permit of the installation with the accompanying plans and the Environmental Impact assessment of the Standard Environmental Obligations study which may have been drafted for the installation.

RESPONSE: No such permit has been issued. Refer to the Technical Report of the Architectural Preliminary Report (Information Pack 5.2.1.).

QUESTIONS POSED UNTIL 12.05.2021

QUESTION: Regarding the Participation Guarantee by means of a non-personal bank cheque, is it mandatory for the Interested Party to maintain a bank account in Greece or abroad? If the Interested Party does not have a bank account, may it indicate a different account for the return of the Guarantee?

RESPONSE: Due to the pending rules on countering money laundering and terrorist financing, the return of the Participation Guarantee may be made only to a bank account of which the Interested Party is a holder.

QUESTION: Par. 2.3 of the General Auction Terms provides that "the Financial Consideration for each Asset may be paid ... in installments... In the case of payment in installments, the transfer of the ownership of the Asset will be subject to conditions precedent and/or ... the provision of a letter of guarantee on the part of the Highest Bidder and/or other conditions, as specified in the Asset's Special Auction Terms". The Special Auction Terms provide the option to pay the Financial Consideration in 5 yearly installments, without specifying the security. Having in mind that the particular tender does not concern the transfer of the ownership of the Property, in case of payment in 5 yearly installments, will there be an obligation to provide the Fund with a letter of guarantee for the credited amount or to allow a mortgage note to be placed (if yes, of which class) or to provide any other mode of security?

RESPONSE: In this particular case (surface right) payment of the Financial Consideration in installments is possible (art. 25 of the Law 3986/2011) and the securitization of the credited amount will take place by a letter of guarantee, which will be replaced or reduced in amount annually in order for its amount to equal the installments pending at that time.

QUESTION: Will the amount of € 174,174, which the Fund must pay due to the city planning of Building Block 29, be borne by the Fund? Will there be a provision in the Contract that the Fund undertakes that obligation? Is there any special agreement concerning the terms of payment of the compensation owed by the Fund to the owners of the neighboring plots (payment timeframe)?

RESPONSE: This question has already been answered (see below).

QUESTION: Please clarify whether a Participating foreign legal entity is obliged to submit documents (such as tax and social security certificates) also for its Greek branch.

RESPONSE: It is noted that in Phase A of the Tender, i.e. the submission and review of the Auction Participation Documents, it is not required to submit any certificates, but only solemn declarations of the Interested Party, i.e. the person or entity wishing to participate in

the electronic auction and, if declared the Highest Bidder, signing the Contract for the Property. Following its selection, the Highest Bidder, i.e. the contracting party obtaining the rights over the Property, must submit the relevant documents enumerated in par. 6.3 of the General Auction Terms.

QUESTIONS POSED UNTIL 30.04.2021

QUESTION: Are we allowed to change the exterior form of the building?

RESPONSE: The Information Pack contains an architectural preliminary study approved by the Ministry of Culture. Any change must be notified to the Ministry and obtain its approval.

QUESTIONS POSED UNTIL 19.03.2021

QUESTION: The Information Pack does not include a draft of the notarial deed for the establishment and transfer of the surface right. How may we gain access to the draft Contract?

RESPONSE: The Information Pack does not include a draft of the Contract. the draft Contract is communicated to the Highest Bidder following its selection and is formulated in accordance with standard legal terms for similar contracts, the Tender Terms (General and Special) and the specific choices of the Highest Bidder (eg. payment in instalments, substitution, etc.).

QUESTION: Please clarify if:

- a) the Fund as a beneficiary owner of Building Block 28 is willing to pay its share for the damages of the owners of BB 29 (€ 174,174.00 plus expenses) before the Auction,***
- b) the beneficiary owners of BB 25 have proceeded to the payment of their share for the damages of the owners of BB 29 (€ 229,868.60),***
- c) The Municipality of Kythnos is willing to waive its Supreme Court appeal dated 30.07.2020 and to proceed to the payment of its share for the damages of the owners of BB 29 (€ 1,541,789.60).***

RESPONSE:

a) The Fund, in order to ensure the completion of the expropriation, decided at the Meeting of its Board of Directors dated 04.03.2021 to deposit with the Deposit and Loans Fund the amount of € 174,174,00 plus court expenses and legal fees before the deadline for the submission of the Participation Documents for this Tender.

b) The owners of BB 29, as beneficiaries of the awarded damages, have already waived by means of a notarised statement their claim to be compensated by the other owners (except the Fund) with the amount of € 229,868.60. The relevant notarial acts (1227/26.02.2021 and 1228/26.02.2021) have been added to the Information Pack (6.5.5 and 6.5.6).

c) The Municipality of Kythnos has already waived its No 18/31.07.2020 Appeal before the Supreme Court and its right to appeal against Judgment No 76/2020 of the Aegean Three- Member Court of Appeals. The statement of waiver (20/24.02.2021) has been added to the Information Pack (6.5.3).

It is noted that the Clearing Table of the Judgment No 76/2020 of the Aegean Three-Member Court of Appeals has been approved by means of the Resolution No 11/2021 of the Financial Committee of the Municipality of Kythnos and has been added to the Information Pack (6.5.4).

QUESTIONS POSED UNTIL 19.02.2021

QUESTION: *In the case that we submit a Participation Bond from the Deposits and Loans Fund, we would like to ask whether the bond must be drawn up according to Annex 2 of the General Tender Terms of 27/10/2020. Is the submission of the bond receipt issued by the Deposits and Loans Fund sufficient?*

RESPONSE: The text of the Participation Bond (and the Transaction Letter of Guarantee), must be the exact text, without deviation, included in the respective Annexes of the General Tender Terms, under penalty of exclusion of the Interested Party.

QUESTION: *What is the independent valuation of the Property and how can we be informed about it? Will a starting price be announced before the final date for submission of the supporting documents, i.e. on 18/03/2021?*

RESPONSE: The independent valuation of the Property is addressed to HRADF and is not disclosed to Interested Parties. It should be noted that, for reasons of transparency and protection of the fairness of the procedure, the independent valuation is unsealed at the same time as the First Offers for each Property, i.e. eventhe HRADF does not know it before the opening of the First Offers. When this simultaneous opening takes place, HRADF sets the Starting Price of Phase II (e-auction), which is usually (but not necessarily) the highest amount between the valuation and the First Offers.

QUESTION: *For a legal entity in the form of a Cypriot company branch, do the Auction Participation Documents need to be signed by the representatives (Managers) of the Cypriot company or by the authorised / legal representative of the Greek branch, duly registered at the General Electronic Commercial Registry?*

RESPONSE: By the representatives (Managers) of the Cypriot company.

QUESTION: *How is the price of the First Offer calculated considering that the independent valuation of the Property has not been disclosed to us?*

RESPONSE: Please see above.

QUESTION: *In the event where more than 4 valid First Offers are submitted, of which the lowest is by more than 20% lower than the highest First Offer, how will the tender process proceed?*

RESPONSE: The lowest First Offer will be excluded and the Interested Party will not be accepted to Phase II of the Tender Process (see par. 5.1 of the General Terms). Therefore, the submission of a low First Offer should be avoided, because it could lead to an exclusion of the Interested Party from the Tender Process.

QUESTION: *We ask that you please provide the following documents:*

- (a) The topographic map attached to EOT document 87454/1968, which has been deposited at the Kythnos Land Registry,***
- (b) the EOT topographic map of 21-10-1975, with the designations study number 25, plan number 4, file number 32155, as well as plans number 1 to 43 and study number 431, which are in the EOT archive and in which are displayed the legalized building installations in accordance with EOT Declaratory Act number 501236/19.09.2005.***

ANSWER: Neither HRADF nor HPPC has the requested diagrams and plans on file. For this reason, it was decided, following precise measurements and surveys, that a new site plan be drawn up. Decision ΥΠΠΟΑ/ΓΔΑΜΤΕ/ΔΠΑΝΣΜ/161028/16840/1578 of the Minister of Culture and Sports, taken on 17 May 2018, approved the study as a whole and is in force.

The data on the spaces included in and counted as the new areas and the spaces that were part of the pre-existing building and were integrated by decision of the Central Council of Modern Monuments (KSNM) are set out on page 89 et seq. of the approved Technical Report.

ADDITIONAL FREQUENTLY ASKED QUESTIONS

PARTICIPATION

QUESTION: How can I participate in an auction for a Property I am interested in?

RESPONSE: First, you must sign up on website www.public-realestate.gr. Then, you must state your interest in one or more of the properties put up for Auction by clicking on the button "I am interested in the Property", on the upper right part of the page of the respective Property. You should continue by carefully reading the General and the Special Terms of the Auction included in the lower part of the page of the Property you are interested in. The steps you must take to participate are described in detail there.

QUESTION: How can I gain access to the Information Pack of the Property I am interested in?

RESPONSE: After you sign up on www.e-publicrealestate.gr you must send (from the email you stated when signing up on the website) by email to admin@e-publicrealestate.gr, a request for receiving Additional Information by writing the code number of the Property you are interested in. Within a short time, you will receive a password and instructions in order to gain online free access to the Additional Information Pack (available legal and technical reports, as well as any other documents available for free about this Property). We note that it is up to you to independently check the legal, technical and actual status of the Property before you submit your Bid.

QUESTION: I read in the general terms, that in order for someone to participate, they must select the property and select "Application for participation in the auction". I cannot find such an option however. Do I need to select it or can I simply send the auction participation documents and participate regularly?

RESPONSE: You cannot simply send the Participation Documents to participate in the respective Auction - you must declare your interest in the specific Property and gain access to its Information Pack.

QUESTION: From the General auction terms I understand that together with the auction participation documents I must submit an opening bid. Is there any form in order to submit it? Will the auction then start from the highest opening bid price?

RESPONSE: The Opening Bid is submitted, in a sealed envelope, together with the Auction Participation Documents and must comply with Annex 4 of the General Auction Terms (see 4.3 of the General Auction Terms). Then, and after taking into consideration the independent valuation and the highest-Opening Bid, according to term 5.1 Phase II, the starting price is disclosed and the bid increment of the e-auction where the interested participants may submit their improved Bid.

QUESTION: How can I visit a Property I am interested in?

RESPONSE: Please make a relevant request in writing to info@e-publicrealestate.gr or by phone at +30 210 333 9711.

QUESTION: *Can the Participation Documents for an Auction be submitted online?*

RESPONSE: No, the Participation Documents for an Auction (solemn statements, Participation Letter of Guarantee, etc.) shall be submitted in the original solely in person or by mail, according to the provisions of paragraph 4.4 of the General Auction Terms,

QUESTION: *Is a Bid that is lower than the Starting Price of the Auction acceptable?*

RESPONSE: No, the minimum acceptable Bid is equal to the Starting Price.

QUESTION: *As regards the certificates and auction participation documents you request when a party is declared the Final Highest Bidder, in the case of foreign residents, do you need them only from the country of residence of the final highest bidder, only from Greece or from both countries?*

RESPONSE: From both countries.

QUESTION: *I understand from the General Auction Terms, that for each property for which I want to submit a bid, I must submit a closed envelope for each one, which in turn will contain the respective participation Documents. Should the sender's details be written on the outside of the envelope or do you need only the details referred to in paragraph 4.1, and should the participation envelope essentially be placed inside a dispatch envelope?*

RESPONSE: The exterior envelope must include the sender's details, the code of the property and the title "First Bid", see paragraph 4.3 of the General Auction Terms. It is not necessary, but neither is it prohibited, to have an interior envelope with the Participation Documents, since the exterior envelope is not opened by Protocol, but it is forwarded sealed, as submitted, to the competent Auction Committee.

QUESTION: *Paragraph 6.3 of the General Terms: First Instance Court Certificates - should they have been issued before the date of submission of the Auction Participation Documents?*

RESPONSE: No. To facilitate Interested Parties, the Auction relies on solemn statements by Participants and only the Highest Bidder is called upon to submit the relevant certificates, which are issued after the award.

QUESTION: *Do Solemn Statements need attestation of the signature?*

RESPONSE: No.

QUESTION: *Where do I address any clarifying questions regarding participation in the auction?*

RESPONSE: At the email address info@e-publicrealestate.gr.

PROPERTY

QUESTION: *Is 100% of the full ownership of the Properties sold?*

RESPONSE: The rights to be transferred vary depending on the Property (sale, establishment of surface rights, lease). To find out the exact rights to be transferred carefully read the Special Terms of each property you are interested in after taking into account the relevant Information Pack.

QUESTION: *Are the Properties that are sold via the website www.e-publicrealestate.gr transferred free of any encumbrances (mortgages, mortgage notes, etc.)?*

RESPONSE: As a rule, the Properties for sale on the website www.public-realestate.gr are free of encumbrances. The legal status of the Property you are interested in is included in the relevant legal report included in the Information Pack. We remind that it is up to the

Interested Parties to proceed with their own independent check of the legal, technical and actual status of the Property, because it is sold “as is and where located”. In any case, the auction process per se via the website www.public-realestate.gr does not entail the automatic elimination of any encumbrances the Property.

QUESTION: What does it mean that the property is sold “as is and where located”? Have any irregularities been arranged beforehand and has the legally required Certificate been obtained by the seller, in order for the Notary Public to draw up the Purchase and Sale Agreement?

RESPONSE: It means that the property is sold in its current legal and actual status, in which it is at the time of the Auction (the ascertainment of which is up to the Participants through their own checks and advisors). More specific available information (Information Pack, see. par. 2.7 of the General Terms) are disclosed to the Interested Parties after the expression of interest for the specific property. As a rule, the properties up for Auction are arranged as regards planning regulations, or their arrangement is under way, and in any case the documents necessary for the conclusion of the Contract will have been issued before its signing.

QUESTION: Who pays the expenses for the energy certificate and engineer certificate of no irregularities?

RESPONSE: The certificates required by Law for the conclusion of a property transfer contract by the seller (such as, e.g., energy certificate, certificate of no irregularities/arrangement, payment of property tax, etc.), are issued at the care and cost of HRADF.

QUESTION: Who bears any debts (e.g., to Public Utilities companies) and fines (e.g., planning or fines for late payment of utilities bills) created before the sale of the Property?

RESPONSE: Debts (e.g., to Utilities companies) and fines (e.g., planning or fines for late payment of utilities bills) created before the sale of the Property, shall not be borne by the Highest Bidder.

QUESTION: Which Notary undertakes the transfer?

RESPONSE: The transfer shall take place through a Notary chosen by HRADF.

GUARANTEES

QUESTION: At what point in time is the Participation Guarantee submitted?

RESPONSE: See paragraph 4.1 of the General Auction Terms,

QUESTION: What is the starting date of the minimum period of effect of the Participation Letter of Guarantee (in the example you request that this date be stated)? Is it the date of expiry for the submission of the Auction Participation Documents?

RESPONSE: Yes.

QUESTION: "If the Participation Guarantee is submitted by deposit of cash, the relevant deposit slip must be submitted and the Interested Party's bank account must be declared for the refund of the Guarantee according to these General Auction Terms". Can the deposit be made directly from a foreign bank? In what form should the bank account for the refund of the guarantee be declared?

RESPONSE: The Participation Guarantee can be deposited directly from a foreign bank, in which case the relevant remittance documents must be submitted. The bank account where the participation guarantee will be refunded is declared with the usual details of

international inter-bank remittances (holder's name, name and registered address of bank, IBAN and SWIFT numbers, etc.).

QUESTION: When are the Participation Guarantees refunded to parties who were not awarded the Auction?

RESPONSE: See paragraph 2.6 of the General Auction Terms.

QUESTION: Can the Participation Guarantee be offset against the Transaction Guarantee and it, in turn, against the Purchase Price?

RESPONSE: Such offsetting is possible only if the Participation Guarantees and Transaction Guarantees after that are deposited in cash. If they are deposited in the form of letters of guarantee, such offsetting is not possible, since letters of guarantee have strict provisions as regards the reason of issue and forfeiture (which differs in the case of the two bonds).

QUESTION: What is the purpose of the Transaction Guarantee?

RESPONSE: The Transaction Guarantee, which corresponds to 10% of the financial consideration, serves as a commitment by the Highest Bidder not to renege from the purchase of the Property during the period between the award and the conclusion of the relevant Property transfer contract (Purchase and Sale Agreement).

QUESTION: Instead of a Transaction Letter of Guarantee, can cash be deposited, as in the case of the Participation Guarantee?

RESPONSE: Yes, see paragraph 6.2 of the General Auction Terms,

QUESTION: At what point in time is the Transaction Guarantee submitted?

RESPONSE: Within 10 working days from the award to the highest bidder, see paragraph 6.2 of the General Auction Terms,

QUESTION: When is the Transaction Letter of Guarantee returned?

RESPONSE: The Transaction Letter of Guarantee, if not forfeited according to the provisions of paragraph 6.2, will be returned to the Highest Bidder either at the signing of the Contract or, in case of cancellation of the Auction process, after said cancellation, The Transaction Advance Payment will be refunded to the Highest Bidder only in case of cancellation of the Auction Process, otherwise it will be offset (deducted) against the payable Agreed Price.

QUESTION: Is there provision for the case of failure of an Auction? When is it declared a failure? Clarify with precision the time and method of return of the Guarantees in the case of a failed Auction.

RESPONSE: See paragraph 7.1 & 2.6 of the General Terms of the Auction,

QUESTION: In the case where I am selected as Highest Bidder and together with the documents of paragraph 6.3 of the General Auction Terms, I also submit a substitution request, what will happen to the Transaction Letter of Guarantee I have already submitted? Do I need to submit a second Transaction Guarantee for the same amount to also cover the party indicated by me?

RESPONSE: According to paragraph 6.5 (ii) of the General Auction Terms and provided that the substitution request is accepted by the BoD of HRADF, you must replace the Transaction Letter of Guarantee you have already submitted, with a new one for an equal amount which covers both the Highest Bidder and the person indicated by them.

CONTRACT

QUESTION: *If the Auction is completed, how long will it take for the Court of Auditors to decide on awarding the purchase to the Highest Bidder?*

RESPONSE: In the cases where the Purchase Price exceeds €1.000.000,00, the Law requires the approval of the Court of Auditors before the conclusion of Contract. The approval, as a rule, takes 1-2 months, and cannot be precisely determined in each case. If the price is lower than €1,000,000, this procedure is not necessary.

QUESTION: *How long after the completion of the Auction will the Purchase and Sale Agreement be signed?*

RESPONSE: As a rule, the period required is 3-4 months from submission of the Highest Bidder's documents provided for in paragraph 6 of the General Auction Terms,

QUESTION: *If the set payment method is 5 instalments, can the Highest Bidder pay the total price as a lump sum?*

RESPONSE: Yes.

QUESTION: *What does four annual installments mean? Four quarterly payments or in four years? And based on what amount is the interest rate calculated? The outstanding amount?*

RESPONSE: These are the installments that are due every year after the signing of the Contract. In the case of the four annual installments, the highest bidder pays 20% of the Price at the signing of the Contract, and 20% of the Price at the anniversary of each year after the signing, thus paying up within 5 years after the signing. It is noted that the Highest Bidder may request fewer than four annual installments or pay an amount higher than 20% of the Price at the signing of the Contract or pay up the outstanding amount of the installments earlier. Interest is calculated on the remaining (credited) amount of the Price, which is reduced as the installments are decreased.

QUESTION: *If a deposit is chosen for the Transaction Guarantee (and not a letter of guarantee), it has been clarified that it may be offset against the previous deposit for the Participation Guarantee. Can the deposit for the Transaction Guarantee be then offset against the purchase price or its first instalment?*

RESPONSE: Yes.

If a party is the Highest Bidder for a Property, and has also participated in other auctions but not chosen as the highest bidder where it has made deposits as a Participation Guarantee (and not letters of guarantee), can the deposits for the Participation Guarantees in the auctions where such party was not selected as Highest Bidder be offset against the purchase price of the Property where it is the highest bidder?

RESPONSE: Yes.

QUESTION: *Is the signing of the Purchase and Sale Agreement with you the same as signing the purchase contract?*

RESPONSE: Yes.