



HELLENIC REPUBLIC ASSET
DEVELOPMENT FUND

Q. When I login to the portal as Member and try to submit the form "Request Bidding Approval", the form displays the name of the person which created the account and not the legal entity which is the interested party. Is there some misconception as to who is the Member? Do I have to create a new account as Member?

A. We clarify that, in case of a legal entity, the registered Member which may subsequently be approved to participate in an auction is the legal entity entered in the field "Company Name (mandatory for Companies)" and not the physical person which created the account.

In the "Request Bidding Approval" form, which is submitted to the portal administrator, the Property ID, the Member name and the e-mail are recorded. The Member name and the e-mail identify the legal entity.

Q. In the template of the Letter of Guarantee, in the Process Letter (Annex 4) there is an anticipation for a Process Letter Number. However the Process Letter has no number but only a date. Should the Process Letter Number be filled in?

A. Due to an inadvertency the template of the Letter of Guarantee refers to a number of Process Letter instead to the correct "*Process Letter of 14.06.2013*". Interested Parties are invited to submit the Letter of Guarantee filling in the date of the Process Letter (and not the number).

Q. In the property for which I am interested in, there are "Special Terms of Auction". Do these terms change the Process Letter and in which way?

A. The "Special Terms of Auction" provisioned for certain properties relate only to the way of payment of the sale price. The rest terms of the auction for these properties apply as described in the Process Letter dated 14.06.2013.

Q. Please provide additional information - informational material - relative to the condition of the aforementioned property for which I am interested in (legal and technical audit, town planning audit with attached certificates etc.)

A. If you are registered to the portal www.e-publicrealestate.gr you have access to additional informational material (analytical legal and technical audit) which is available electronically. As regards data for existing leases the informational material is available in the offices of PPCo S.A. following a telephone communication (+30 210 333 9710). Analytical information for the process of accessing the additional information can be found in the portal in the Process Let-



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ter dated 14.06.2013 as well as in the "Term and Conditions of Participation in the Electronic Auctions" and the "Auction Procedure".

Q. I intend to submit "Request Bidding Approval" in an auction; do I have to bid?

A. No, the "Request Bidding Approval" does not generate an obligation for bidding in the auction.

Q. If I submit "Request Bidding Approval" for an auction, I submit the appropriate Letter of Guarantee but in the end I do not bid, is the Letter of Guarantee returned or forfeited?

A. The Participation Guarantees of the participants, even of those which did not bid in the said auction, are returned within 3 days from the submission of the Transaction Letter of Guarantee or the Transaction Downpayment from the highest bidder, or, otherwise, from their expiration date or the date of cancelation of the auction from HRADF (see par. 2.5 in the Process Letter).

Q. The property for which I am interested in has encumbrances (mortgages, foreclosures, claims etc.), what happens?

A. According to the article 2.12 of the law 3986/2011 (Hellenic Government Gazette 152/A'/01.07.2011): *"From the date of publication of the decree of the Transministerial Committee of Reconstructions and Privatizations which is foreseen in the paragraph 5, the property is transferred in the ownership, use and procession of the Fund free from any claims from any third party. In the case of claims that relate to the property which is transferred to the Fund, the third party has exclusive claims for compensation only against the state, with the reservation of the paragraphs 8 and 9".*

This means that every property is transferred with the present procedure free from encumbrances and, in any case, any compensation which might be claimed by a third party, is imposed on the state and not on the buyer of the property.

It is noted that the vast majority of encumbrances on the properties for sale are in favour of the Greek State and therefore, according to the article 2.5 of the law 3986/2011 (Hellenic Government Gazette 152/A'/01.07.2011), the properties that have been transferred to HRADF *"with total ownership, use and pocession and the State disclaims any rights on these properties from the date of publication of the decree of the Tansministerial Committee of Reconstructions and Privatizations in the Government's Gazette".*



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**Q. I am interested in certain properties, one of which is leased and the other con-
cessed. What happens in these cases?**

A. The highest bidder-buyer may ask from HRADF to terminate the existing lease during the signing of the sale contract based on the article 2.9 of the law N. 3986/2011 (Government Gazette 152/A/01.07.2011) which provisions that: *"Leases or concessions of properties owned by HRADF, or a company whose shares are wholly owned, directly or indirectly, by HRADF, may be terminated with a resolution of the HRADF's Board of Directors or the company's Board of Directors, overriding any other legislation. The termination notice brings about the termination of the lease or the concession two (2) months from its delivery to the lease-holder or the concessionaire of the property. For the early termination of the lease, three (3) months' rents compensation is due to the lease-holder.*

It is obvious that the highest bidder-buyer may continue the lease according to the applicable legislation.

Q. The property for which I am interested in is leased. I need more information.

A. Registered members of the portal can inspect the lease contracts or concessions in the offices of PPCo S.A. (7 Voulis St., Syntagma, Athens) following a telephone communication (+30 210 333 9710).

It is noted that in those properties which were managed by the ex "Hellenic Public Real Estate Corporation (KED)", the rents were transferred the local Tax Offices for collection. The rents due were added to other debt of the leasee to the Tax Office and it is possible that the total debt was arranged to be paid in installments.

Q. Is the buyer required to pay property sale tax or is there an exemption due to HRADF?

A. The sale of HRADF properties comes under the beneficial clauses of law 3986/2011, as amended today and specifically the article 2.11 (modified by the article 7.1 of law 4038/2012) by which the sale is exempted from any tax, rate, levy, fee or public right or from any other third party, [...] as well as the rights of notaries, lawyers, bailiffs, and fees or retributive levies of land registries or any other state fees.

Q. Is it possible for my company to participate in the auction on behalf of a third legal entity which will finally acquire the property?



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A. It is noted that it is not possible for a Member of the portal www.e-publirealestate.gr to act on behalf of a third person unless this Member is a realtor according to the articles 197 and subs. of the Greek law 4072/2012.

Q. Within how many days from the nomination of the highest bidder will the sale contract be signed?

A. It is not possible to foresee the exact time of the final sale contract signing because of the need of approval of the auction process, where applicable, by the Audit Court, but it is expected that it will not be more than three months from the nomination of the highest bidder.

Q. Is the downpayment taking place with the signing of the sale contract?

A. The downpayment is taking place during the signing of the final Sale Contract (par. 7.7 of the Process Letter).

Q. Process Letter, 5.1, (i): It states that a proxy statement is required for the submission of bids. Can you please clarify what you mean exactly taking into consideration that the auction will take place in the internet? Do you mean proxy statement for the person who will deliver the required auction participation documents?

A. As stated in the par. 4.1 of the Process Letter, the authentication of the right of participation in the Auction Process is taking place through documents ("Auction Participation Documents"), listed in the par. 5 which are submitted to the PPCo S.A. by hand or are sent by mail. In the case of legal entities it is required that the documents substantiate the will of the entity to participate in the auction as well as the power of representation of the physical person which will submit the offer electronically (usually the physical person which created the account of the legal entity). It is made clear that the proxy statement does not concern the person who will submit the Auction Participation Documents but the person which will submit the electronic offer.

Q. Process Letter, 5.1, (iii) & Annex 4: It is stated that the duration of the letter of guarantee for the participation in the auction is 6 months after the submission of the offer. Can you clarify that you refer to the auction date? For example if our company participates in the auction of July 23, 2013, the expiration date of the letter of guarantee should be the January 23, 2014?

A. The date of submission of the offer is the date that the auction will take place and the minimum duration of the Participation Guarantee is six months from this date; for example for



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the electronic auction of July 23, 2013, the expiration date of the Participation Guarantee is the January 23, 2014.

Q. Please let us know the tax value and the book value of the property located in Athens, 19 Ermou St.

A. The tax value (the fair market value set by the government) of this property was estimated at €3,428,034.81. There is no book value available.

Q. The Summary Review of the Asset's Legal Status of the property located at 19 Ermou St., Athens, states the 31/8/2013 as the expiration date of the lease contract while the Executive Summary of the Legal Audit the 31/10/2017. Which expiration date is correct?

A. Due to an inadvertency the Summary Review of the Asset's Legal Status states as expiration date of the lease contract the 31/8/2016. In any case due to differences in the legal opinion regarding the expiration date of the contract, interested parties are encouraged to proceed to their own expert legal opinion.

Q. In the context of the sale auction of the public property located at 35 Anagnostopoulou St., Athens, please let us know if there are any petitions in the appropriate courts concerning this property.

A. According to the Legal Audit of this property which was conducted by the law firm Potamitis Vekris Papadiamantis Papastavrou Paparrigopoulos Ioannou and which is part of the "Informational Material" of this property, there is no reference for petitions in any courts related to the abovementioned property.

Q. Regarding the solemn declaration for participating in the auction: in the case that the interested party is a Société Anonyme with the Chairman of the Board of Directors and the CEO different persons, will it be required to submit two separate solemn declarations according to paragraph 4.2 of the Process Letter (one for Chairman and one for the CEO)?

A. Paragraph 4.2 of the Process Letter explicitly states that the prohibition of participation due to criminal charges applies for both the Chairman or the acting Chairman of the Board of Directors and the CEO (if he exists), according to the Articles of Association or equivalent document of the legal entity. Consequently, in the case of a legal entity with different Chairman and CEO two separate solemn declarations will be required as it is stated in paragraph 4.2 of the Process Letter (one for the Chairman and one for the CEO).



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Q. Following our telephone communication we would like to inform you the following: Because we noticed the sale of the abovementioned property on Sunday 7-7-2013 and due to the fact that our customer lives abroad, the required money for the guarantee will be available on the Monday 15-7-2013. Please let us know immediately if we can submit the guarantee and the proxy statement on Monday 15-7-2013.

A. According to the clause 6.1(ii) of the Process Letter *"The Fund may, at its absolute discretion, request, through the Advisor, clarifications from any Interested Party and may allow the Interested Party to submit supplementary documentation or clarifications within a short time period specified, taking into account the principles of equal treatment and transparency"*.

**Q. 1) If there is an offer for a property by a physical person, is it possible for the property to be finally acquired by a company with only this person as shareholder?
2)) If there is an offer for a property by a physical person, is it possible for the property to be finally acquired by a company with shareholders additional physical and legal persons?
3) If there is an offer for a property by a physical person, is it possible for the property to be finally acquired by a company with shareholders two or more physical persons?**

Of course in any case all persons involved either as buyers or shareholders or members of the board of directors of legal entities, will fulfill the prerequisites of the Process Letter.

A. Taking into consideration the principles of equal treatment and transparency, it is in the absolute discretion of the Fund to decide if, taking into consideration that all the terms and conditions of the Process Letter have been met regarding the Participation Documents and the financial creditworthiness of participants, the change of the legal form of the highest bidder is acceptable, after his nomination as the highest bidder, with the precondition that such change will be approved by the Board of Directors of HRADF.

It is noted that according to the clause 8.1 of the Process Letter *"The Fund reserves the right at any time, and at any stage of the process, to postpone or to cancel the Auction Process and to amend the timetable and the terms and the Eligibility Criteria of the Auction Process or to repeat the Auction Process, at its absolute discretion, and without bearing any liability towards the Interested Parties, the Participants, the Highest Bidder or any third party"*.



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Q. How is the starting bid determined?

A. The starting bid is determined by an independent valuation of the market value of each property according to article 6 of the law 3986/2011.

Q. What will happen if there is no interest for a property within the time limits of the auction?

A. If there is no request for participation in an auction within the designated time limits, the auction is declared unproductive and it is either re-announced in the near future (e.g. with new time limits or terms of paying the sale price), or the property is withdrawn from the list of properties for exploitation.

Q. Is there a minimum number of bidders in order for the auction to be considered legitimate?

A. There is no minimum number of bidders as a requirement of legitimacy of the auction mainly because of the transparency, the extensive publicity and the ease of participation in the electronic auction procedure. Even if there is only one bidder (provided he submitted the requested Auction Participation Documents) in an auction, this auction will be concluded as legitimate.

Q. Has the property located on 34 Tsakalof St. been categorized as listed?

A. The property is not listed.

Q. Has the fair value of the property on 34 Tsakalof St. been evaluated?

A. The fair value of the property has been assessed by independent valuator according to the law 3986/2011, par. 3, article 6 and has been taken into consideration in the designation of the starting bid of the auction.

Q. Has the tax value of the property on 34 Tsakalof St. been estimated?

A. The tax value of the property has been estimated at €2.679.780,45. The prospect buyer is responsible for estimating the tax value by carrying out his own calculations.