



N 02/S-342
06.11.19

To: Embassy of the Republic of Ukraine

From: JSC Partnership Fund

We would like to inform you, that the public auction concerning the whole property (located at No Meshketi St. Borjomi, Georgia with the following cadastral code: 64.23.01.534) of JSC Borjomi Mikani International, a subsidiary Company of JSC Partnership Fund, is announced.

The detailed information regarding the procedure and conditions for participation in the public auction is attached to the present letter (Annex 1). The above-mentioned information is also available on the following web-site: www.auction.ge, Application #: 117207RBS63359519, Auction #: 117207, Lot #: 633595.

If interested, please take appropriate actions.

Annex 1 – 3 pages

Regards,

Giorgi Khelais

Deputy Executive Director

Посольство України
в Тбілісі
Вхідний № 6135/1535
« 08 » 11 2019 р.



ANNEX 1

A BRIEF DESCRIPTION

JSC Borjomi Likani International, a subsidiary Company of JSC Partnership Fund, announces a public auction for leasing its own real estate with the right to build. The auction winner automatically acquires a Call Option to buy leased property.

The starting purchase price of the auction is 111.392.704.00 GEL. This price is the amount payable in case the Call Option right is exercised for purchase of the leased property and shall not be considered as a lease/right to build fee.

The annual lease/right to build fee is 8% of the purchase price.

CONDITIONS

The public auction will be held on December 6, 2019 at the following address: Tbilisi, Vukol Beridze Street N6, JSC Partnership Fund.

In order to participate in the public auction, the Bidder shall submit the following documentation:

- (a) Bidder's Identification data;
- (b) A power of attorney or another document (e.g. extract from the Entrepreneurial Registry) that proves the authority to represent the Bidder;
- (c) An unconditional and irrevocable bank guarantee (bid bond) of 100,000 (one hundred thousand) GEL issued by any commercial bank operating in Georgia in order to secure participation (participation implies the signing of the Agreement by the winning Bidder and payment of the first installment (annual fee of the lease/right to build)) in the public auction. The bank guarantee shall exceed 70 days from the date of the auction.

Registration and Application period: 06.12.2019 from 12:30 pm to 14:30 pm (After the expiration of the mentioned deadline the Bidder shall not be allowed to participate in the auction. If a Bidder appears in time and there is a queue, and the Bidder cannot begin the registration process until 14:30 due to reasons beyond its control, the Bidder shall be considered as appeared in time).

The Agreement shall be signed and the payment of the first year's lease/right to build fee shall be made within 60 (sixty) calendar days after the end of the auction.

The Bidder who fails to win the auction will have the right to receive back the submitted bank guarantee.

The auction will be held publicly, which means that the process of recording and dissemination is allowed.

The auction procedures may be terminated at any time by JSC Partnership Fund and/or the Owner (JSC Borjomi Likani International) unilaterally and by its absolute discretion, prior to the signing of the

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Agreement (including, the completion of closing stage of the Agreement). Therefore, the Bidder shall not be entitled to claim any damages and/or costs incurred hereunder (except for the right to receive back the submitted bank guarantee).

The auction may not be deemed as an any kind of offer and/or any obligation on the part of the owner and/or the JSC Partnership Fund.

The auction will be held by JSC Partnership Fund as a shareholder of JSC Borjomi Likani International (Identification Number: 40444085447) and thus the results of the auction shall be attributed solely to JSC Borjomi Likani International (including the Agreement shall be signed between the auction winner and JSC Borjomi International). The auction procedures will be carried out with the participation of the director of the owner.

DESCRIPTION

A public auction is held for leasing (with the right to build) of the real estate with the following cadastral code: 64.23.05.031 and movable property/intangible assets (the exact list of the movable/intangible property will be set out in the Act of Acceptance) of JSC Borjomi Likani International. The auction winner automatically acquires a Call Option right for the above-mentioned property the conditions of use of which are given below.

The starting price of the auction is 111.392.704.00 GEL, that shall be paid by auction winner only in case Call Option right is exercised.

The final price fixed at the auction shall be converted at the exchange rate set at the auction day (GEL/USD), but in any case, the final price shall not be less than \$ 37,565,408 US Dollars.

The term for lease/right to build and use of the Call Option right is 10 years. In case the Call Option right is exercised during this period, the amount of the paid lease/the right to build fee of the last two years prior to the purchase shall be deducted.

The annual lease/right to build fee is 8% of the purchase price (shall be fixed in US Dollars).

The winning Bidder shall submit a bank guarantee of 3,000,000 (three million) USD in order to secure its obligations (the text shall be acceptable to JSC Borjomi Likani International). The non-refundable and unconditional bank guarantee shall exceed lease/the right to build fee payment obligation period by minimum of 45 (forty-five) days.

The subject of the auction can be found according to the cadastral code. In addition, the Bidder may visit the site in agreed manner with prior notice. The auction is announced for disposal of the assets, not the business, therefore financial information that is not published/publicly available shall not be available.

For detailed information, please contact JSC Partnership Fund.

Please note, that the Owner shall not be liable for any ongoing/capital repairs or reimbursement of any costs incurred by the auction winner in this regard. Any offer regarding the terms and conditions of

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the Agreement providing that we (the owner) should be obliged for any defects of the property (the auction is based on the so-called AS IS standard) and/or in any part ensure the hotel's income, or assume any other obligation (other than the sole obligation that the property shall be leased with the right to build and the property shall be transferred into ownership in case of payment of the purchase price), shall be considered as rejection for signing the Agreement and accordingly payment of the funds under the bid bond will be demanded.