

## **(Current Report No 25/2007)**

**August 1st 2007**

A significant agreement concluded by the Issuer's subsidiary.

Legal basis: Art. 56.1.2 of the Act on Public Offering – current and periodical information

The Management Board of LC Corp S.A. reports that on July 31st 2007 its subsidiary Europlan Projekt Gocław sp. z o.o. Sp. komandytowa (limited partnership) concluded a significant agreement with an entity unrelated to the Issuer i.e. Erbud SA, to provide building work on the following terms:

1. The Investor: Europlan Projekt Gocław Sp. z o.o. Sp. komandytowa (limited partnership) with its registered office in Warsaw ul. Ostrobramska 75C/60.
2. General Contractor: Erbud S.A. with its registered office in Warsaw ul. Taneczna 18A, 02-829 Warsaw.
3. Scope of the agreement: construction of a complete residential building with retail units on the ground floor, comprising 385 flats and 14 retail units, as well as 448 parking spaces. Net usable area – 43,8088 m<sup>2</sup>, including the flats usable area of 26,6301 m<sup>2</sup> and the retail units usable area of 731.2 m<sup>2</sup>.
4. Commencement and completion of work: The completion period starts as from the date the Investor transfers the construction log book and a valid tree removal permit to the General Contractor. The General Contractor is obliged to complete the contracted work within 22 months from the commencement date.
5. Value of the agreement: net PLN 115,900,000.00 (say: one hundred fifteen million nine hundred thousand zloty 00/100).
6. Security: The General Contractor will grant the Investor the performance bond for timely and contract-compliant completion of the works, in the form of an unconditional, irrevocable, bank-transferable Performance Bond, payable on the first demand, in the amount of 5% of the agreement value. The above-mentioned bond will be replaced with a defect removal guarantee of 2.5% of the agreement value, valid for 36 months as from the date of final acceptance inspection. After the final acceptance report is drawn up and signed by the parties, and the Investor is provided with all documents requisite for obtaining Occupancy Permit, the General Contractor will be able to issue an invoice totalling 100%, and the Investor will pay up to 97.5%. The Investor will pay the remaining amount after receipt of the defect removal guarantee.  
The General Contractor is entitled to issue monthly invoices up to the amount of 95% of the agreement value.
7. Penalties: The General Contractor will pay the Investor a contractual penalty of 0.02% of the agreement value for each day of delay in completion of the works. The maximum penalty is limited to 10% of the agreement value.