



GENERAL TERMS & CONDITIONS FOR CONSTRUCTION SERVICES

(Version: English 03.2006)

These General Terms & Conditions are valid as far as they are explicitly agreed between contracting parties.

§1. General Conditions subject matter

- 1.1. General Conditions regulate relations between the Orderer and the Contractor. The Contractor renders the service without material for the Orderer independently.
- 1.2. There are no obligations resulting from the General Conditions as such. For placing of an order and order acceptance is the specification of the order and the letter of intent of both contracting parties necessary.
- 1.3. Basics for a single order are:
 - regulations of General Conditions
 - bill of quantities with standard prices respectively other price agreements in written form
 - schemes and technical documentation
 - manufacturer's material processing guidelinesIn case of any objection the regulations are obligatory in the prementioned order.

§2. Orders

- 2.1. The detailed content of the order, prices and deadlines are specific for each building project and should be agreed upon separately.
- 2.2. The deadlines are valid on the following conditions:
 - the progress of the construction work is released and guaranteed by the Orderer and will not be handicapped by any other participating company,
 - material, final planning documents and guidelines will be delivered to the Contractor on time.
 - the progress of construction work will not be weather-beaten, handicapped by an act of God or any other circumstances not effected by the Contractor.

§3. Orderer's provision

- 3.1. In so far as it was not agreed upon in the particular contract, the Orderer gives to the disposal of the Contractor free of charge:
 - all materials and auxiliary materials needed for the progress of construction work
The materials will be transported upright with the crane respectively with the conveyor to the installation floor. The manual transport must be paid separately.
 - for the progress of construction work all needed, large and special tools and piston scoring materials like: levellers, lasers, hammer-drills, power saws, cutting discs, transport wagons, elevators, conveyors, ladders, scaffoldings, mobile scaffoldings, guardrails and other safety precautions
 - water and electric current located in the central withdrawal point of the construction site but not further than 50m away from the place of work.
 - changing rooms and sanitary facilities for workers
 - measurement of all necessary axles and heights
- 3.2. Building rubble and trashes will be loaded into the waste bin, the cost of Disposal transportation goes on the Orderer.

§4. Power of attorney on the construction site

- 4.1. The Orderer and the Contractor entitle their attorneys responsible for the execution of contract in written form before initiation of work.
- 4.2. The attorneys are eligible to make binding agreements concerning details of contract's execution and deadlines. Any other agreements, which are different than regulations of contract should be confirmed by the signer of contract unless there is an entity with power of attorney eligible for it.

§5. Price

- 5.1. The price for the Contractor's provision should be specified in particular order and signed by both parties.
- 5.2. The prices are fixed and contain all the costs needed for the complete service delivery with the exception of the Orderer's costs resulting from other assignations of General Conditions.
- 5.3. The cashing up follows the site measuring of the actual rendered services or contracted rates by the hour.
- 5.4. The services without specified prices in the bill of quantities or services that are significant different than services mentioned in the specifications for tenders may be executed only if the price for these services is indicated before. It is incumbent upon the Contractor to submit an additional offer to the Orderer before initiation of work.
- 5.5. The Orderer is obliged to take a stand on Contractor's additional offer within 3 working days, otherwise is the content of additional offer starting from the 4th day valid.
- 5.6. The services without specified prices should be calculated as hourly wages. The hourly wages will be paid as soon as the Orderer's Attorney receives and accepts the order for hourly wages.
- 5.7. The evidence of hours should be submit to sign on the following day, however at the latest till the end of the current week. In case the Orderer's Attorney is away from the construction site, the evidence of hours can be sent by fax to the Orderer's company seat. In case of any additional offers is the same regulation valid.
- 5.8. In case the cashing up of the entire provision is at cost agreeded, the evidence of hours should be submitted every week.
- 5.9. In case of transpiring at a later time that the hourly wages services were part of the standard prices, the cashing up follows the standard prices.

§6. Cashing up and terms of payment

- 6.1. The basis for payments is the Contractor's monthly invoice based on measurement of finished work and standard prices or worked hours. For the invoice as a basis should be taken all services already rendered.
- 6.2. The amount and deadlines of interpayments should be agreed upon separately. As long as any specific written agreement exist, each 14 days the interpayment-invoice for 90% of services rendered should be issued with the term of payment 10 days but minimum 7 days after receipt of invoice.
- 6.3. Interpayments are made after receiving the invoice in cash or as a money transfer to the Contractor's account. Occasional cash payments or payments made in advance should be deducted from next interpayment.
- 6.4. The final invoice can be issued immediately after completing the work and is due within 21 days after receiving it by the Orderer.
- 6.5. In case of any claims only the contentious amount can be kept. The rest of payment should be paid on time.
- 6.6. In case of any missed deadlines of payments the Contractor gains the right to invoice the Orderer with the accrued interest in the amount of regular loan interest rate, however at least 2% over the bank rate of the Central Bank relevant to the place of rendered services.
- 6.7. In case there is no caveat within the period of time mentioned in 6.4., the final invoice is valid as an acknowledged definitive.
- 6.8. The final cashing up follows the provable invoice with all the services listed from the beginning of construction work.

§7. Approval and warranty.

- 7.1. The approval of the services can be executed exclusively by the Orderer. The date of approval is also the date of the beginning of the warranty period. The duration of warranty should be contracted in each single order.
- 7.2. As soon as the Contractor informs the Orderer in written form about completion of his services, the approval should be made within 14 working days from the date of completion of services, at the point of time suggested by the Contractor.
- 7.3. The Contractor is obliged to indicate the approval in his notification about service completion and to suggest its deadline.
- 7.4. In case the approval is handicapped by the Orderer, the Contractor is obliged to repeat his invitation for approval. In case the formal approval will not take place within next 14 days starting from the completion of services, the Contractor's provision is valid as waned. In this case the Contractor gains the right to issue one-sided acceptance certificate.
- 7.5. The Contractor is liable for professional and appropriate realisation of his contractual services.
- 7.6. The scale of warranty conforms to the Construction Tendering and Contract Regulations (VOB, German Law). The Contractor is not responsible for:
 - a) any mistakes in Orderer's documentation
 - b) any faults in the material
 - c) any services rendered by other companies
- 7.7. The Orderer advises the Contractor about any objections arising as soon as they are discovered. The Contractor is obliged at the latest within 3 weeks after receiving such a deficiency notice to remedy the deficiencies at his own cost at the date arranged with Orderer.
- 7.8. In case the Contractor doesn't remedy the deficiencies within the framework of existing agreement, the Orderer gains the right, without losing his rights for warranty, to remedy these deficiencies at the Contractor's cost. In this case the Contractor is obliged to cover actual incurred costs.
- 7.9. In case the Orderer remedies the deficiencies without allowing the Contractor to remedy them before, the Contractor cannot be invoiced with the costs of removal as well as with any warranty claims concerning this stage of construction.
- 7.10. The Orderer is allowed to retain 10% of instalment as a deposit of a security for safeguarding his warranty claims as far as it is explicitly agreed in particular contract. Half of the security deposit will be disbursed in final payment after approval of services. The rest of the deposit will be disbursed after expiry of warranty with standard banking interest. In case the Contractor puts the guarantee of his Credit- or Insurance institute with seat in EU-country, the deposit of a security should be disbursed to the Contractor within 1 month after submitting this guarantee.

§8. Contract termination

- 8.1. The Orderer can anytime terminate the order without informing about his reasons. In this case is the contracted (if applicable: the rest of the) price to pay to the Contractor within contracted period of time. The contracted price can be reduced of Contractor's operating costs that he can spare in case of not rendering the remaining services.
- 8.2. The Orderer can terminate the contract also in case the Contractor, despite all warnings of termination and despite getting reasonable terms and conditions, breaks the constituents of the contract, especially:
 - a) delays the beginning or progress of work over 25% of the total time frame
 - b) does not perform his obligation to remedy the essential deficiencies of his service
- 8.3. The Contractor can terminate the contract in case the Orderer, despite all warnings of termination and despite getting reasonable terms and condition, breaks the constituents of contract, especially:
 - a) does not put at disposal: tools, materials, final planning documents etc.
 - b) does not release the progress of the construction work
 - c) delays his payment obligations for longer than double term of payment and over 15% of the contracted price
- 8.4. In case of termination due to 8.2a),b) the Contractor's provision ends and the cashing up of services already rendered follows. The Orderer can invoice the Contractor with the costs, if applicable, accrued due to his replacement, only in case if these costs exceed the price of the Contractor's remaining services that he was supposed to render.
- 8.5. The Contractor's contract termination due to 8.3. c) results as the Orderer's contract termination without informing about his reasons.

§9. Insurance

- 9.1. The Orderer declares that he has taken all legal and contractually agreed insurance matter in order to cover the liability resulting from Contractor's provision on the construction site from the general public liability insurance of the Orderer. Independently the Contractor is obliged to contract his own public liability insurance.
- 9.2. The Contractor is obliged to contract the casualty insurance for his own staff and is responsible for covering accrued costs of medical treatment and hospitalisation.

§10. Final assignments.

- 10.1. For the execution of this General Conditions as a basis should be taken the legal act relevant to the place of the construction site.
- 10.2. As a court of jurisdiction should be taken the court relevant to the place of construction site.
- 10.3. Any changes or appendixes of General Conditions should be in written form and should be signed by both parties.
- 10.4. These General Conditions are valid for all future orders, placed by the Orderer to the Contractor, as long as there are no other written agreements between both parties.