ERBUD S.A.

Current Report No. 41/2014
Date of Report: 2014-10-31

Topic:

Concluding a significant contract for construction works valued at PLN 57,340,000 – shell of the hotel portion of Baltic Park Molo in Świnoujście

Legal basis:

Article 56 section 1 item 2 of the Act on Public Offering - current and periodic information

Content of report:

Below is information about the contract conditions:

1. Contract concluded on 31-10-2014
2. The Investor: Zdrojowa Invest Sp. z o.o. Projekt 7 S.K.A. ul. Marszałkowska 72/17, 00-545 Warszawa
3. Contract value: PLN 57,340,000 net, of which the value of works executed by ERBUD within the consortium is PLN 43,005,000 (75%)
4. Contract subject: shell and roof of the hotel portion of Baltic Park Molo, incl. Aquapark and 5-star Radisson Blu Resort, Świnoujście
5. Site location: Świnoujście, Uzdrowiskowa St.
6. Completion period: 31.10.2014–15.04.2016
7. Payment terms: invoicing according to work progress, payment within 28 days
8. Performance Bond: 5% of the contract price, in the form of bank or insurance guarantee or deposit at the Contractor's discretion
9. Remedying Defects Warranty: 5% of the net contract price provided for 36 months from the issue of Certificate of Completion, in the form of bank or insurance guarantee or deposit
10. Other guarantees: 36 months
11. Penalties: "Penalties do not differ from the market ones for this type of contract.
    The Parties reserve the right to claim on general principles additional compensation exciding the stipulated penalties.
    The total amount of liquidated damages accrued by each Party shall not exceed 10% of the contract price."
12. Notes:

    (1) The contract is executed in consortium with EKONOVA S.A. seated 03-338 Warsaw, 13 Julianowska St. The Consortium member participates in about 25% of the contract value.

    (2) The Employer shall provide the Contractor an advance payment of PLN 3,000,000 add VAT against bank guarantee.

    (3) ERBUD SA together with EKONOVA SA completes the largest hotel, conference & recreation complex on the Polish Coast, which currently is the biggest project of such kind in Poland, for a leader of condo hotels focused on holiday resorts - Zdrojowa Invest & Hotels from Kołobrzeg. Radisson Blu Resort in Świnoujscie will be the first hotel in Poland built in accordance with LEED certification.