ERBUD S.A.

Current Report No.23/2015
Report date: 2015-03-12

Topic:

Signing of a significant contract for construction works valued at PLN 41,286 thousand: demolition of existing building and construction of SZUCHA Premium Offices – office building consisting of two aboveground, seven- and three-storey portions, three-storey underground car park and necessary in-building facilities, incl. on-site development works.

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 11.03.2015
2. The Investor: GPG CORNER - Green Property Group Sp. z o. o. S.K.A, seated 63-460 Nowe Skalmierzyce, Podkocka 4B
3. Net contract value: PLN 41,286,000
4. Contract subject: Demolition of existing building and construction of SZUCHA Premium Offices – office building consisting of two aboveground, seven- and three-storey portions, three-storey underground car park and necessary in-building facilities, incl. on-site development works
5. Site location: Warszawa, Al. Szucha 17/19
6. Completion period: 18 months from the date of signing the contract
7. Payment terms - 30 days
8. Performance Bond: 10% of the contract price in the form of bank guarantee provided for the completion period plus an additional period of 60 days.
9. Remedying Defects Warranty: 2.5% of the net contract price provided in the form of bank guarantee for three years from the date of issue of the Contract Completion Certificate.
10. Other guarantees:
    a) three years for construction and installation works;
    b) ten years for the roofing, incl. its weathertightness, water and wind proofness of the façade and basement; building structure and structural components;
    c) the warranty for devices and equipment described in the specifications attached to the technical documentation annexed to the Contract Completion Certificate will be equal to the manufacturer's warranty period according to the specification, but not less than two years from the date of signing the Contract Completion Certificate, and the Contractor is the guarantor, incl. elevators (on the condition that elevators are serviced in accordance with the requirements of the manufacturer);
    d) one year for the greenery.
11. Penalties:
    a) for the delay in the possessing the Site - 0.1% of the net Contract Price for each day of delay;
    b) in the event of failure to timely achieve the Milestone and for exceeding the Time for Completion as specified in the Schedule - 0.1% of the net Contract Price for each day of delay. If, despite missing the deadlines in the course of the Work, the Time for Completion will not be extended, the Investor shall, together with the final payment, reimbursed to the Contractor previously deducted penalties due to failure in timely achieving the Milestones;
    c) in the event of failure to timely obtain an occupancy permit - 0.1% of net Contract Price for each day of delay, if the delay in obtaining the occupancy permit is the responsibility of the Contractor;
    d) for delay of timely fulfillment of warranty obligations - 0.02% of the net Contract Price for each day of delay;
    e) In the event of termination of the Contract by the Investor for reasons attributable to the Contractor - 10% of the net Contract Price;
    f) for any breach of H&S requirements, lack of technical and organizational measures to ensure the H&S, in case of providing protections that do not meet H&S requirements or are at wrong condition - PLN 2.000;
    g) the sum of liquidated damages shall not exceed 15% of the Contract Price.