03/08/2016

Current Report No. 55/2016

Topic:
Signing of a significant contract for construction works valued at PLN 28.1 m - Core and shell construction of Seaside Park hotel and health complex.
Legal basis: Article 17 section 1 of the MAR – confidential information.

Content of report:
The Management Board of ERBUD S.A. (the "Issuer") announces that on 2 August 2016 a construction contract was signed under the following terms and conditions:

1. Contract concluded on 2016-08-02

2. The Investor: Montreal Spółka z o.o., Henryka Sienkiewicza 19, 78-100 Kołobrzeg

3. Contract net value: PLN 28,105,192.11

4. Contract subject: Core and shell construction of Seaside Park hotel and health complex including required on-site service infrastructure, rehabilitation and sports equipment and an underground car park.

5. Site location: Kołobrzeg, Przesmyk St., plot No. 29/1 and 29/2, cadastral district 6

6. Completion period: Commencement of Works not later than within 7 days from the handing over the possession of the site by the Investor, what will take place not later than by the end of 30 August 2016. Final Acceptance Certificate will be signed not later than by 30 June 2017.

7. Payment terms: 30 days from the date of delivery of a correctly issued invoice to the Investor

8. Performance Bond: 10% of the net contract price valid until the day of signing the Certificate of Contract Completion plus additional 30 days.

9. Defects Liability Bond: 5% of the contract price for 12 months, 2.5% of the contract price for subsequent 5 years and 3 months.

10. Other guarantees: The Contractor provides a warranty to the Employer for the period of:

10 years for reinforced concrete structures
for Devices and Equipment according to the manufacturers' warranty periods for new products, but not less than 12 months
2 growing seasons for greenery
5 years - other

11. Penalties for the Contractor: for exceeding the time limit for obtaining the final decision granting building occupancy permit - 0.1% of the contract price for each day of delay; 10% of the net contract price in case the Investor withdraws from the contract for reasons attributable to the Contractor. Penalties limit: 10% of the contract price for all breaches of the contract.