ERBUD S.A.

Current Report No.52/2017
Report date: 2017-10-06

Topic:

Conclusion of Annex No. 2 to a significant contract for construction works – building the "Seaside Park" Hotel and Spa Complex in Kołobrzeg. The value of the Annex is PLN 23.3 million. The total contract value after signing of Annex No. 2 amounts to PLN 77.3 million.

Legal basis:
Article 17 section 1 of the MAR – confidential information

Content of report:

With reference to Current Report 55/2016 of 03.08.2016 and Current Report 10/2017 of 31.03.2017 the Management Board of Erbud S.A. (the “Issuer”) informs that on 6 October 2017 it has been concluded Annex No. 2 to the Contract for building the "Seaside Park" Hotel and Spa Complex with a value of PLN 23,313,624.69 million. The total contract value after signing of Annex No. 2 amounts to PLN 77.3 million.

Terms and conditions of the Annex No 2 are as follows:

1. Annex concluded on 06.10.2017.
2. Investor: SEASIDE Park Sp. z o.o., 00-549 Warszawa, 18 Piękna Street.
3. Annex value: PLN 23,313,624.69.
4. Contract subject: comprehensive finishing works, plumbing and HVAC for the “Seaside Park" Hotel and Spa Complex.
5. Site location: Kołobrzeg, Przesmyk Street; plots with a cadastral Nos.29/1 and 29/2, cadastral district 6.
6. Completion period: 06.10.2017. – 31.01.2019.
7. Payment terms: 30 days from the delivery of a valid invoice to the Investor.
8. Performance Bond: Bank guarantee of 10% of the net Contract Price expiring on 31.01.2019.
9. Defects Liability Bond: 5% of the Contract Price provided for 12 months; 2.5% of the Contract Price provided for another 5 years and 3 months.
10. Other guarantees: The Contractor shall provide the Investor warranty for:
    - reinforced concrete structures - 10 years;
    - equipment - according to the manufacturer's warranty but not less than 12 months;
    - greenery - 2 growing seasons;
    - other - 5 years.
11. Penalties for the Contractor:
    - in the event of failure to timely achieve the final occupancy permit - 0.1% of the net Contract Price for each day of delay;
    - in the event of termination of the Contract by the Investor for reasons attributable to the Contractor - 10% of the net Contract Price.

    The sum of liquidated damages shall not exceed 10% of the Contract Price.