ERBUD S.A.

Current Report No.09 /2018
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Topic:

Conclusion by ERBUD S.A. (the “Issuer”) of a contract for the performance as general contractor of construction works of the second phase of the “Legnica Dorzecze” project worth PLN 29 million.

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

Content of report:

The Management Board of ERBUD SA (the “Issuer”) informs that on 7 March 2018 it concluded with a subsidiary of Vantage Development S.A. - company under the name of VD Spółka z ograniczoną odpowiedzialnością Mieszkania XVII Spółka Komandytowa ("the Customer") a contract to perform the residential development project: “Dorzecze Legnicka in Wrocław on Małopanewska Street (the "Project").

The contract is valued at PLN 29 million net.

Under the Contract, the Issuer as the General Contractor is obliged to the comprehensive completion of a multi-family residential building within the Project “Dorzecze Legnicka, phase 2”, including the necessary services and utilities, site development works, demolition of existing buildings and construction of an access road. The second phase of the Project will comprise 142 apartments with a total area of 7,248 sq. m.
All works will be finished within 66 weeks from the date of delivery of Notice to Proceed, which may be issued by the Customer by 31 March 2018 at the latest.
Until the Notice to Proceed is issued, but no later than by 31 March 2018, the Employer is entitled to terminate the Contract without giving a reason and without the right to charge a contractual penalty for the termination. If the Customer does not issue the Notice to Proceed within the above time, the Contract expires on 31 March 2018, and the Contractor is not entitled to the withdrawal from the Contract, to charge contractual penalties or to any other claims for damages.
In addition, in the event of delays in the execution of milestones the Customer may withdraw from the Contract by 31 December 2019.

The aggregate amount of all contractual penalties charged may not exceed 15% of the remuneration.
The Customer has right to claim damages exceeding the amount of the contractual penalty available under the general provisions of the Civil Code.