ERBUD S.A.

Topic:
Signing of a major construction agreement
Legal basis: Article 56 section 1 item 2 of the Bid Law - current and periodic information

Content of report:

1. Date of contract conclusion: 22.06.2009.
2. Investor: Warszawa Przy Promenadzie Sp. z o.o. (Grupa LC Corp) , 2-4 Powstańcow Śląskich St., 53-333 Wrocław.
3. Net contract value: PLN 25,600,000.
4. Subject of the agreement: Multifamily residential building, incl. services on the ground floor and an underground garage within the framework of execution of the project "Przy Promenadzie Housing Estate - III phase".
5. Place of contract performance: Streets Mikołajczyka/Rechniewskiego in Warsaw.
6. Deadlines: 16.5 months from the delivery date of a valid building permit and logging permit and documents proving the right to neighbouring plots necessary for the construction site organisation.
7. Terms of payment: 21 days, monthly prepayment invoices.
8. Performance bond: 5% of the contract price, valid 2 months beyond the duration of works.
9. Repair works guarantee: 2.5% of the contract price, valid 3 years and 3 months from the date of signing the final acceptance.
10. Other guarantees: 3 years for all works covered by the agreement, excluding:
    a) damp proof course and floor insulation in the garage and premises located on the first underground level of the building - 10 years
    b) equipment and facilities - in accordance with the manufacturer or supplier warranty
11. The contractor will pay penalties:
    - in case of termination for reasons attributable to the contractor - 10% of the contract value still to be paid,
    - in case of delay in performance of the agreement - 0.02% of the net contract price for each day of delay.
    The employer will pay penalties:
    - in case of termination for reasons attributable to the employer - 10% of the contract value still to be paid,
    - for late payments - legal interest.
    Both parties agree to limit the total amount of contractual penalties up to 10% of net contract price.
12. Works value in 2009: PLN 8 million.