ERBUD S.A.

Topic:
Signing of a major agreement with Imtech Polska Sp. z o. o., a sub-contractor of plumbing and sanitary works on Invasion Medicine Centre in Gdańsk
Legal basis: Article 56 section 1 item 2 of the Bid Law - current and periodic information

Content of report:

The Management Board of ERBUD S.A. informs, that on 20 July 2009 the Issuer ordered IMTECH POLSKA Sp. z o.o., with the registered office at 162 Aleje, 02-342 Warszawa the comprehensive performance of the following plumbing works: installation of equipment & motion control and BMS, including complete system networks, connections, water and sewerage system, facilities, equipment, accessories, finishes and processing, insulations, structures and substructures, reinforcement, drilling, riffling and effective filling up and sealing, connection to required and existing networks and installation, reserves in parameters, rebuilding, breaking up, reconstructing, marking, regulations and taking over, tests and start-up, design works and approvals, remedying defects and faults, preparatory, accompanying, supporting and protecting works, as well as all works and activities which are essential for the order in question, associated with positive and timely receiving by the Investor of unconditional permission for opening the object and other required permits, issued by relevant external authorities for correct operating the object - Invasion Medicine Centre in Gdańsk.

Net contract value: PLN 22,600,000.00.

Construction schedule:
- Date of commencement of the work: 27/07/2009
- Delivery of the building site/ operating field: 27/07/2009
- Deadline for completion of the whole work: 30/11/2010.

Performance bond: Security amounted to 10,0% of gross contract price as retention money deducted from subcontractor invoices

Contractual penalties:
In the event that the contractor fails to timely achieve scheduled terms, the contractor shall pay to the customer a contractual penalty equal to:
- 0.5% of the net contract price per each day of delay for failure to timely achieve the milestone
- 0.5% of the net contract price per each day of delay for failure to complete works within the time for completion
- 1.0% of the net contract price per each day of delay in removal of defects and faults
- 10.0 % of the net contract price for termination due to a cause attributable to the contractor.

In case that the agreement subject shall not comply with the parameters required or the deadline for completion shall be exceeding, the contractor shall be obliged to repay all the costs of defects removal and cover damages incurred by the Employer.
In case that the contractor fails to perform the subject of the contract in the scope agreed i.e. the quantity fixed and ordered, specified time and the appropriate quality and type, the customer has the right to order the third parties to execute remaining part of works at cost and risk of the contractor.

The parties have the right to pursue the claim for compensation according to general rules, if the contractual indemnity does not cover the damage done.