ERBUD S.A.

Topic:
Signing of an important agreement to build a road border crossing in Budomierz

Legal basis: Article 56 section 1 item 2 of the Bid Law - current and periodic information

Content of report:

The Erbid's Management Board announces that a contract with Wojewoda Podkarpacki, located in Rzeszow, ul. Grunwaldzka 15 for building works to be performed under an open public tender procedure for the task: "Constructing a road border crossing in Budomierz" has been signed by the consortium consisting of Erbud S.A. (the Leader), based in 02-819 Warsaw, ul. Puławska 300 A and Wolff & Müller GmbH & Co.KG, based in 70435 Stuttgart, Schwieberdinger Strasse 107, Germany at the following conditions:

No. / Specified contract data

1. Date of contract signing: 05/05/2010.
2. Client: Wojewoda Podkarpacki, ul. Grunwaldzka 15, 35–959 Rzeszów.
3. Contract value: PLN 144,638,260.10 gross (118,555,950.90 net).
4. Contract subject: Building a road border crossing in Budomierz.
5. Place of the contract performance: Budomierz
6. Duration of works: Deadline for completing and commissioning the contract subject (Road Border Crossing in Budomierz) - 36 months from the date of concluding contract.
7. Terms of payment: 30 days from the receipt by the Client an invoice verified by the Substitute Investor.
8. Performance bond: (value, validity) 5% of gross contract price valid for 30 days from the date of final acceptance.
9. Repair works guarantee (value, validity): 1.5 % of gross contract price to be refund or released within 14 days after the expiry the of warranty and guarantee period and after removal of defects encountered during acceptance of works and warranty period.
10. Other guarantees (kind, value, validity): 36 months of warranty and guarantee for building works, sanitary installations, power facilities, low-voltage installations, technological installations, networks of outdoor infrastructure equipment and road works and 36 months of guarantee on equipment and units installed for facilities and users of the investment.

11. Penalties

The valid form of compensation are the penalties to be charged in the following circumstances and value:

1. The Contractor shall pay to the Client penalties for:

   a) delay in performance of the acceptance subject of the agreement in the amount of 0.05% of net price fixed in the contract for the subject of acceptance for each day of delay from the date on which the acceptance should took place,

   b) delay in removing defects or faults found upon acceptance or during the warranty period for defects of 0.05% of net contract price for the acceptance subject for each day of delay from the date appointed for the removal of defects,

   c) termination of the contract for reasons attributable to the Contractor in the amount of 10% of net contract price.

2. The Client shall pay penalties to the Contractor:

   In case of withdrawal for reasons caused by the Contractor in the amount of 10% of net contract price, except where the withdrawal occurred in the event of substantial change in circumstances causing that the execution of the agreement is not in the public interest, what could not be foreseen at the time of agreement conclusion.

3. If the penalties do not cover damage incurred, it shall be allowed use of additional compensation to the amount of damage suffered.

4. Principles for assessing compensation for the non-performance or improper performance of the contract shall be based on the provisions of the Civil Code.

12. Schedule of works and deliveries and financial schedule by the years 2010, 2011, 2012 will be developed and agreed with the Investor in within 30 days of signing the contract.