ERBUD S.A.

Current Report No. 12/2011
Date of Report: 2011-03-23

Topic:

Concluding a significant construction contract for erection of the Alfa Park Housing Estate in Gdańsk.
Legal basis: Article 56 section 1 item 2 of the Act on Public Offering - current and periodic information

Content of report:

Referring to the Current Report No. 11/2011 dated 21 March 2011, the Issuer announces that an agreement with M-Alfa Osiedle sp. z o.o. joint-stock partnership has been signed under the following conditions:

1. Contract concluded on: 23.03.2011.
2. Developer: M-Alfa Osiedle sp. z o.o. joint-stock partnership based 80-391 Gdańsk, ul. Kołobrzeska 41C.
3. Contract value: PLN 40,990,000.00.
4. Contract subject: Alfa Park residential complex; 189 apartments in 7 buildings.
5. Place of performance:Myśliwska Street in Gdańsk.
6. Duration of works: 18 months from 30.04.2011 to 30.10.2012.
7. Terms of payment: 45 days.
8. Performance bond: retention money of 5% plus bank guarantee of 5%; with a validity till final acceptance.
9. Remedying defects guarantee: bank guarantee of 5%; a) 60 months for structural elements, b) 60 months for aluminium and PVC joinery, c) 60 months for roofing, d) 48 months for other works, e) for plant and equipment - in accordance with the manufacturer's warranty (not less than 18 months) from the final acceptance.
10. Other guarantees.
11. Penalties: 0.1% of the scope of work per day for exceeding the milestones and 0.2% per day for delay in removing defects and faults; penalties are limited up to 10% of the contract price.