

CONTRACT AGREEMENT

This Agreement made the 16th day of the month of March, 2009.

Between

THE GOVERNMENT OF THE REPUBLIC OF INDONESIA (herein after called the **EMPLOYER**) as represented by

Name : Ir. B.Gawan Soesetyo, MT
Title : PPK Pembangunan Jalan Sumbawa Barat
Address : Jl. Garuda 247 Sumbawa Besar
Telpon 0371-22655

Being authorized to act for and on behalf of the Directorate General of Highway, Ministry of Public Works, Government of the Republic of Indonesia, in accordance with the Decree of the Minister of Public Works, No. 150/KPTS/M/2009, dated January 23th 2009 (hereinafter referred to as **EMPLOYER**)

and

Name : Ir. I.B. Rajendra, MBA, Ph.D
Title : Director
Address : Kantor Taman Bintaro Jaya, Gedung B
- Jalan Bintaro Raya, Jakarta 12330

Being authorized to act for on behalf of PT. JAYA KONSTRUKSI MANGGALA PRATAMA, Tbk duly organized and existing under and virtue of the Laws of the Republic of Indonesia in accordance with the Notary Statement Sutjipto, SH, M.Kn. Number 144 dated December 24th, 2007 made in Kantor Taman Bintaro Jaya Gedung B, Jalan Bintaro Raya Jakarta 12330 (hereinafter referred to as the **CONTRACTOR**)

for

the package number : ENB – 01AB (hereinafter referred to as “**WORKS**”), under AusAID Loan No. AIPRD-L002 Eastern Indonesia National Roads Improvement Project (EINRIP)

NOW THEREFORE, it is hereby agreed by and between the parties hereto as follows:

1. In this Agreement, words and expressions shall have the same meanings as are respectively assigned to them in the Contract documents hereinafter referred to.
2. The Contractor should execute and complete the Works and the remedying of any defects therein, namely :

EASTERN INDONESIA NATIONAL ROADS IMPROVEMENT PROJECT (EINRIP)

LOAN NO. AIPRD-L002

PACKAGE NO. : ENB – 01AB

PACKAGE NAME : SUMBAWA BESAR – BY PASS

In accordance with this Agreement and the Contract Document as hereinafter defined. The time for completion from the Commencement Date shall be five hundred and forty (540) calendar days, and Defects Notification Period shall be three hundred and sixty five (365) calendar days.

3. The following Documents shall be deemed to form and be read as part of this Agreement and for the purposes of interpretation the priority of the documents shall be in accordance with the following sequence :
 - a. This Contract Agreement and Addendum (if any)
 - b. The Letter of Acceptance,
 - c. The Letter of Bid / Bid Submission Sheet (without Unit Price Analysis)
 - d. The Particular Conditions
 - e. The General Conditions
 - f. The Specifications
 - g. The Drawings
 - h. The Priced of Bill of Quantities
4. In consideration of the payments to be made by the Employer to the Contractor as indicated in this Agreement, the Contractor hereby covenants with the Employer to execute the Works and to remedy defects therein in conformity in all respects with the provisions of the Contract.
5. The Employer hereby covenants to pay Contractor in consideration of the execution and completion of the Works and remedying of defects therein, the Contract Price or such other sum as may become payable under the provisions of the Contract at the times and in the manner prescribed by the Contract.
6. The Contract Price **including** the Value Added Tax (VAT) obtained from the price and the estimated quantities of work as indicated in the Bill of Quantities, subject to such additions thereto or deductions there from as may be made under the provisions of the Contract is **Rp. 66,983,600,000.00 (Sixty Six Billion Nine Hundred Eighty Three Million Six Hundred Thousand Rupiah)**
Consisting of :
 - a. Civil Works :
 - Australian Agency for International Development (AusAID) portion (in Local Currency) as amount of 89% (eighty nine percent) of Contract Price excluding Value Added Tax (VAT) is **Rp. 54,195,821,818.18 (Fifty Four Billion One Hundred Ninety Five Million Eight Hundred Twenty One Thousand Eight Hundred Eighteen Rupiah Eighteen Cents)**.
 - Government of Indonesia (GOI) portion (in Local Currency) as amount 11% (eleven percent) of Contract Price excluding Value Added Tax (VAT) is **Rp. 6,698,360,000.00 (Six Billion Six Hundred Ninety Eight Million Three Hundred Sixty Thousand Rupiah)**
 - b. Value Added Tax (PPN) :
 - Australian Agency for International Development (AusAID) portion (in Local Currency) as amount is **Rp. 5,419,582,181.82 (Five Billion Four Hundred Nineteen Million Five Hundred Eighty Two Thousand One Hundred Eighty One Rupiah Eighty Two Cents)** which is not collected
 - Government of Indonesia (GOI) portion (in Local Currency) as amount is **Rp. 669,836,000.00 (Six Hundred Sixty Nine Million Eight Hundred Thirty Six Thousand Rupiah)**
7. For the purpose of the Contract, the parties agree to waive clause 1266 of the Indonesia Civil Laws (Kitab Undang-Undang Hukum Perdata)



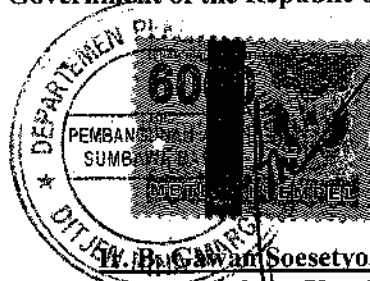
IN WITNESS WHEREOF, the parties here to have caused this Agreement to be executed with the laws of the Republic of Indonesia on the day, month and year indicated above.

For and on behalf of the **CONTRACTOR**
PT. JAYA KONSTRUKSI MP, Tbk



Ir. I. B. Rajendra, MBA, Ph.D
Director

For and on behalf the **EMPLOYER**
Government of the Republic of Indonesia



H. B. Gawan Soesetyo, MT
Pejabat Pembuat Komitmen
Pembangunan Jalan Sumbawa Barat