ERBUD S.A.

Topic:
Signing of a significant agreement for building works with the Regional Rehabilitation & Education Centre for Children and Youth in the Provincial Hospital No. 2 in Rzeszów.
Legal basis: Article 56 section 1 item 2 of the Bid Law - current and periodic information

Content of report:

The Executive Board of Erbud S.A. reports that an agreement for building works has been signed with the Regional Rehabilitation & Education Centre for Children and Youth in the Provincial Hospital No. 2 in Rzeszów.

On 5 June 2009, the Issuer informed in the Current Report No. 31/2009 of winning a court hearing before the District Court in Rzeszów for the contract award procedure related to the public tender for the project "Expansion and redevelopment of existing building of Regional Rehabilitation & Education Centre for Children and Youth in the Provincial Hospital No. 2 in Rzeszów.

On 22 June 2009, the Issuer concluded with the Investor a contract under the following terms:

1. Date of contract conclusion: 22.06.2009.
2. Investor: Provincial Hospital No. 2 in Rzeszów at 60 Lwowska St., 35-301 Rzeszów.
3. Contract value: PLN 51,100,412.27 gross i.e. PLN 41,885,583.83 net.
4. Subject of the contract: Expansion and redevelopment of existing building of Regional Rehabilitation & Education Centre for Children and Youth in the Provincial Hospital No. 2 in Rzeszów.
5. Place of works execution: Leszka Czarnego St. in Rzeszów.
6. Duration of works: 26.06.2009 - 25.08.2011.
7. Terms of payment: monthly, 30 days from the invoice delivery.
8. Performance bond: 5% of the gross contract price, valid for 30 days beyond the date of issue a certificate of completion.
9. Repair works guarantee: 1.5% of the gross contract price, valid for 3 years and 15 days after the date of issue a final approval certificate.
10. Other guarantees: 36 months for construction and installation works, and for machines, devices and equipment - according to the manufacturer or supplier guarantee but not less than 24 months.
11. Penalties
    a) The contractor will pay penalties in the event of termination for reasons attributable to the contractor the amount of 10% of the gross contract price and in case of failure to timely execution of works - 0.04% of the gross contract price, but not more than 20% of the gross contract value.
    b) The awarding entity will pay penalties in the event of termination if it is due to a cause attributable to the awarding entity in the amount of 10% of the gross contract price, for delay in the delivery of the site - 0.04% of the gross contract price, but not more than 20% of the gross value of the contract and in case of of termination by the awarding entity or contractor for reasons attributable to the awarding entity - 10% of the gross contract price.
12. Value of works to be executed in 2009: PLN 15 million.