ERBUD S.A.

Current Report No. 44/2011
Date of Report: 2011-09-12

Topic:

Signing of a significant agreement
Legal basis: Article 56 section 1 item 2 of the Act on Public Offering - current and periodic information

Content of report:

The Management Board of the Issuer's announces that on 19 September 2011 Budlex Glinki A3 sp. z o.o - a company 100 per cent owned by Budlex sp. z o.o., which is a subsidiary of Erbud SA - signed a loan agreement with Bank BRE Bank Hipoteczny SA.
The loan for mortgage and construction purposes up to PLN 26,000,000.00 (in words: twenty six million zlotys) will be released in tranches to finance a development project - a complex of two multi-family buildings with a Net Sellable Area of 7558.26 m^2. Buildings will be erected on the "Zielone Tarasy" Housing Estate constructed by the Budlex Group in Bydgoszcz at Glinki Street.
Deadline for the final repayment of the loan has been fixed for 09.15.2015.
The loan is secured by:

1. capped mortgage of up to 200% of the loan amount;
2. registered pledge on the shares;
3. promissory note guaranteed by Budlex sp;
4. transfer of rights to compensation from an insurance policy against the risks of construction;
5. assignment of present and future receivables due to sales agreements;
6. escrow account agreement, including a power of attorney for the Bank to dispose of the bank account balance;
7. authorisation to dispose of all other open in and operated by the Bank as well as other bank accounts in other bank as agreed with the Bank;
8. transfer of rights under a performance bond issued by a bank or insurance company;
9. agreement to project support by Budlex Sp. o.o.;
10. financial liabilities of Budlex Sp. z o. o. to the amount of PLN 670,372.00, including the Bank's right to request to assign an enforceability clause to the enforceable title within 2 years after the date the final repayment of the loan specified in the contract;
11. statement on voluntary submission to the enforcement of up to 200% of the loan amount;
12. statement of Budlex Sp. z o.o. on submission to the enforcement from shares of up to 100% of the loan amount;
13. agreement on escrow account for all settlements related to the project.

The loan interest has been determined on market conditions.