

**CREDIT AGREEMENT NO.****GENERAL CONDITIONS****1. Object of the Agreement**

- 1.1. The parties of this Credit Agreement – the Lender and the Borrower specified in the Special Conditions of the Agreement – agree about the terms and conditions of the credit secured by the maximum mortgage of the real estate defined in the Special Conditions of the Agreement. According to these terms and conditions, the Lender grants the credit specified in the Special Conditions to the Borrower, while the Borrower accepts the credit and undertakes to repay it, to pay interest specified in the Special Conditions, and to fulfil other obligations undertaken hereby.
- 1.2. This Credit Agreement consists of special and general conditions, as amended or supplemented.
- 1.3. The Lender shall consider confirmations given by the Borrower and provided in the Special Conditions of the Agreement to be an essential condition of this Agreement. The Lender shall consider that the material breach of the Agreement has occurred, if any of the aforementioned confirmations is false or incorrect.
- 1.4. All the issues not discussed in the Agreement shall be solved in accordance with the legal acts of the Republic of Lithuania, Rules of Use of the System [www.hipocredit.lt](http://www.hipocredit.lt) available at <https://www.hipocredit.lt/> (hereinafter – **Rules**), other directions and/or clarifications provided on the website <https://www.hipocredit.lt/>, and usual practice of credit grating secured by mortgage of real estate.

**2. Terms and Conditions for Payment of Credit Money**

- 2.1. The credit's amount and its repayment term are specified in the Special Conditions of the Agreement e.
- 2.2. The Lender shall pay credit into the bank account(s) indicated in the Special Conditions within 2 (two) business days after the Borrower has performed all the actions below (and provided the supporting documents):
  - 2.2.1. the Borrower has concluded properly and registered (if provided by the legal acts of the Republic of Lithuania) the security measures of performance of obligations specified in the Special Conditions in appropriate authorities;
  - 2.2.2. the Borrower has submitted the insurance contract of mortgaged property that would satisfy insurance conditions provided in clauses 3.2-3.6 of these General Conditions (if insurance is required according to clause 3.1 of the General Conditions);
  - 2.2.3. there are no circumstances that would make the Borrower's statements and confirmations provided in the Special Conditions false or inaccurate.
- 2.3. If the credit (its part) is granted to the Borrower to acquire the real estate mortgaged for credit's security and indicated in the Special Conditions as personal property and to settle with the seller of bought and mortgaged real estate (or another third person), upon the Lender's instruction, the credit amount (its part) shall be paid directly to the bank account of the seller of the real estate indicated in the sale and purchase contract of the real estate or the third person indicated by that seller of the real estate that is intended for payment for the bought real estate. In this case, the credit shall be paid within 2 (two) business days after the Borrower has performed all the actions below (and provided the supporting documents):
  - 2.3.1. the Borrower has submitted a copy of notarized sale and purchase contract of the real estate to the Lender. The part of the price paid by the Borrower using own (not lent) funds should be stated clearly in the contract, as well as part of the price of the real estate paid by the granted credit, data of the bank account of receiver of the purchase price, and payment purpose. It has to be stated when the part of the price of the real estate is paid using the credit;
  - 2.3.2. copies of the certificates or extracts issued by the State Enterprise Centre of Registers that would confirm lien-free ownership of the Borrower to the real estate;
  - 2.3.3. the documents that would confirm that difference between the price of the real estate specified in the sale and purchase contract of the real estate and the credit amount intended and payable for purchase of the real estate under this Agreement has been paid in full scope using own (not lent) funds of the Borrower;
- 2.4. The parties agree that the Lender shall have a right to postpone application of clause 2.2 of the General Conditions, if provided so in the Special Conditions, and to issue the credit before all or any security measures of performance of obligations are concluded and registered and before other actions are performed. In absence of such separate agreement, the Lender shall not pay the credit money or shall cancel (or suspend) the payment until all the preconditions for credit payment listed in clause 2.2 of the General Conditions are carried out.
- 2.5. The Borrower confirms that s/he knows and understands that the real estate specified in the Special Conditions may be mortgaged to the Lender or by the maximum mortgage contract, whereby the mortgage would enter into force when the contract is signed, or by the conditional maximum mortgage contract, whereby the mortgage would enter into force when the condition indicated in the mortgage contract is fulfilled, i.e. when the credit money is paid to the bank account specified in the Special Conditions. When the condition of the mortgage contract is fulfilled and the credit is paid, the Lender reserves the right to notify the notary about proper fulfilment of the condition and to ask to notify the Mortgage Register about the fact of the condition's fulfilment in accordance with the legal acts. The notification expenses incurred by the Lender in relation to the fact of mortgage's entrance into force shall be compensated by the Borrower. The aforementioned expenses shall be added to the invoice for credit repayment and interest payment of the current month, when the application was submitted to the notary regarding making the fact of mortgage's entrance into force public, that is sent to the Borrower and has to be paid in accordance with section 4 of the General Conditions.

**3. Insurance and Appraisal of the Property to be Mortgaged**

- 3.1. The Borrower undertakes to safeguard that the property mortgaged to the Lender (save for land, securities, property rights) would be insured until appropriate performance of contractual obligations under the conditions specified in clauses 3.2 – 3.6 of the General Conditions, unless the Special Conditions provide otherwise. The Borrower shall have the right to insure the property in any insurance company of his/her choice, if the property's insurance conditions set by the insurance company comply with the conditions specified in clauses 3.2 – 3.6 of the General Conditions.
- 3.2. The insurance contract of the property mortgaged to the Lender has to satisfy the following conditions:
  - 3.2.1. the property has to be insured against destruction or damage caused by impact of fire (caused by blaze, lightning, explosion), impact of water (failure of water-supply, heating system, sewerage, etc.), unlawful actions of third persons (arson, explosion, etc.), natural disasters (flood, storm, rainfall, hail, big snow, sedimented ground, etc.);
  - 3.2.2. the insurance period of the mortgaged property cannot be shorter than the credit term specified in the Special Conditions, while the insurance premium has to be paid for the period not shorter than one year. The Borrower undertakes to safeguard that insurance of the mortgaged property would be continuously valid for the entire term specified in the Special Conditions, until the credit (plus calculated interest and default interest) is repaid in full or until the mortgage/pledge is terminated on other grounds. If less than a year is left before the repayment deadline, the mortgaged property has to be insured for the term that is equal to final repayment term plus 60 (sixty) calendar days;

- 3.2.3. the insurance amount of the real estate cannot be smaller than the property's reconstruction (construction) value, whereas the insurance amount of the movables cannot be smaller than the market or residual (balance) value of the property. In individual cases, when the Lender express written consent, the proportionate insurance may be applied for the mortgaged property (the insurance amount is below the property's value);
- 3.2.4. the insurance of the mortgaged property has to be arranged for the benefit of the Lender, so it is necessary to state in the insurance contract of the mortgaged property that beneficiary of insurance benefit is UAB Hipotekiniai kreditai.
- 3.3. When the Borrower repays the whole amount of credit and pays other amounts due under the Agreement, the Lender undertakes to grant the consent to change the beneficiary indicated in the insurance contract of the real estate or to terminate the insurance contract of the real estate.
- 3.4. The Borrower undertakes:
  - 3.4.1. to submit to the Lender a copy of the insurance certificate of the mortgaged property (policy) or document confirming payment of premium not later than within 5 (five) calendar days after the insurance contract has been made or the insurance premium has been paid. If insurance premiums are paid in instalments according to the insurance contract, then the Lender has to pay the due amount not later than 10 (ten) calendar days before the payment day of the premium set in the insurance contract;
  - 3.4.2. to submit to the Lender a copy of the extended (new) insurance certificate (policy) not later than within 5 (five) calendar days after extension of insurance. The Borrower has to extend validity of the insurance contract not later than 10 (ten) calendar days before the expiry date of the insurance contract;
  - 3.4.3. to notify the Lender in writing about the insured event and preliminary amount of damage not later than within 2 (two) business days after it has happened;
  - 3.4.4. not to change conditions of the insurance contract without advance written consent of the Lender.
- 3.5. The parties agree that the Lender has a right to receive an insurance benefit regardless whether it has been named a beneficiary. If the insurance company pays an insurance benefit to the Lender, it has a right to use it to cover whole or part of the outstanding credit, calculated interest and other amounts due under the Agreement at its own discretion, regardless of the deadlines for payment of credit, interest and other due amounts provided in the Agreement, and to pay the remaining part to the Borrower. The Lender may allow the insurance company to pay insurance benefit directly to the Borrower.
- 3.6. The Borrower agrees that the Lender would receive information from the insurance company about insurance of the mortgaged property and insurance conditions, payment or non-payment of insurance premium, extension or failure to extend the insurance contract. The Lender has a right to pay an insurance premium to the insurance company if the Borrower has not paid it within the term set in the insurance contract. The Lender has a right to insure the mortgaged property and to pay an insurance premium if the Borrower has not extended the insurance contract. The Borrower has to reimburse all the Lender's expenses related to payment of an insurance premium and conclusion (extension) of the insurance contract. If the Lender pays an insurance premium, the Borrower undertakes to pay the interest in the amount specified in the Special Conditions to the Lender that would be calculated from the day when the insurance premium is paid until it is refunded to the Lender.
- 3.7. Unless provided otherwise in the Special Conditions, the property mortgaged to the Lender has to be appraised by independent property assessors. Their report on property appraisal (or equivalent document) shall be submitted to the Lender. The Borrower shall have the right to select any independent property assessor, who has to be included into the List of Persons entitled to engage in Appraisal Activities of External Property or Business in accordance with the Law on Fundamentals of Appraisal of Property and Business of the Republic of Lithuania (the list is available at [www.atvi.lt](http://www.atvi.lt)) and the right to appraise real estate. The Borrower shall also have the right to select a property assessor from another Member State of the European Union that has the right to appraise real estate in the Republic of Lithuania once or multiple times. The Lender has the right to express reasoned disagreement with the independent assessor chosen by the Borrower.
- 3.8. The Borrower undertakes to safeguard repeated appraisal of the property mortgaged to the Lender by an independent assessor upon request of the Lender until all the obligations undertaken hereby are implemented in full in the following cases:
  - 3.8.1. the Borrower applies for a credit or increase of total amount of the credit;
  - 3.8.2. the value of the mortgaged real estate decreases because of the Borrower's fault within the validity period of the Agreement;
  - 3.8.3. the Borrower asks to change the essential conditions of the Agreement: to rearrange the credit repayment schedule, to extend the deadline of repayment, to change the interest rate, to change the credit's currency, to withdraw part of security measures or to replace them by other security measures.
- 3.9. The Borrower shall consent irrevocably with the Lender's right to order repeated appraisal of the mortgaged property in cases specified in clause 3.8 of the General Conditions, if the Borrower does not have possibilities and/or refuses to carry out repeated appraisal of the mortgaged property. The Borrower undertakes to reimburse the Lender's expenses related to such repeated appraisal of the property and to pay interest in the amount specified in the Special Conditions to the Lender that would be imposed from the day when appraisal expenses are paid until they are refunded to the Lender.

#### **4. Terms and Preconditions for Calculation of Total Credit Cost and its Annual Rate**

- 4.1. The total credit cost shall include all the Borrower's expenses related to the credit (interest, Agreement's administration fee, property's appraisal expenses when such appraisal is necessary to get a credit), and other expenses related to the Credit Agreement that the Borrower has to pay and that are known to the Lender. The property's insurance expenses are not included into the total credit cost.
- 4.2. The default interest paid by the Borrower for non-fulfilment of his/her contractual obligations, as well as notary's fee, registration expenses of mortgage and pledge contracts in the Mortgage Register and registration expenses of the property due to registration and acquired by the Borrower for the credit money shall not be included into the total credit cost.
- 4.3. The annual rate of total credit cost shall be calculated according to the Rules approved by Resolution No 03-178 of the Board of the Bank of Lithuania on 13 Dec 2016 and provisions of this Agreement, taking the following preconditions into consideration:
  - 4.3.1. the Agreement shall be valid for the term specified in the Special Conditions;
  - 4.3.2. the Lender and the Borrower are going to fulfil their obligations under the terms and conditions of this Agreement;
  - 4.3.3. the interest rate and other fees shall remain the same as at the time of the Agreement's conclusion and they shall be applicable until the expiry date of the Agreement, provided the Agreement contains conditions that allow changing the interest rate and fees included into annual rate of the total credit cost that cannot be assessed quantitatively at the time of calculation.
- 4.4. When the annual rate of total credit cost is calculated, additional preconditions established in Resolution No 03-178 of the Board of the Bank of Lithuania on 13 Dec 2016 and other legal acts shall be applied additionally.

#### **5. Calculation and Payment of Interest and Other Fees**

- 5.1. The Borrower has to pay fixed interest for use of the credit. The interest expressed in percentage is provided in the Special Conditions of this Agreement.
- 5.2. The interest shall be calculated daily for factually used part of the credit starting with the day when the credit is paid to the Borrower (inclusive) until the day when total credit is repaid to the Lender, regardless whether the Agreement has been terminated. The interest shall not be calculated for the last day of debt's repayment.
- 5.3. The Borrower shall repay the credit and pay interest in strict compliance with the credit's repayment schedule provided in the Special Conditions, with regard to instructions provided on the invoice issued by the Lender. The schedule provided in the Special Conditions is set for the entire credit period. The invoice shall be issued and sent by e-mail of the Borrower registered in the Lender's database before the end of each payment term indicated in the credit's repayment schedule.

Lender \_\_\_\_\_

Borrower \_\_\_\_\_

- 5.4. The schedule of the credit repayment and interest payment may be formed using an annuity method (a payment method, when the Borrower pays the same amount of interest to the Lender within the interest fixing period set in the Special Conditions of the Agreement, and that amount covers repayable part of the credit and calculated part of interest. When the due interest is calculated, it is considered that a year has 360 days and a month has 30 days) or a linear method (a payment method, when the credit is repaid in equal shares and when the interest calculated from outstanding credit amount is paid. When the due interest is calculated by the linear method, it is considered that a year has 360 days and a month consists of a factual number of days). The method agreed by the parties for credit repayment and interest calculation shall be provided in the Special Conditions.
- 5.5. The Lender may change an interest rate (when the Lender increases it, the particular size has to be notified to the Borrower), when such a change is substantiated by the following reasons affecting the credit cost:
  - 5.5.1. substantial establishment, increase, reduction or withdrawal of the State taxes related to credit granting;
  - 5.5.2. the credit repayment term is changed on the Borrower's request;
  - 5.5.3. the credit currency or other essential conditions of the Credit Agreement are changed on the Borrower's request;
  - 5.5.4. upon the Lender's consent, the obligations under the Agreement are transferred to the third party.
- 5.6. The Lender shall notify the Borrower about changed calculation procedure of interest in the cases specified in clause 5.5 of the General Conditions not later than 3 days before the change of interest rate, acting in compliance with the procedure described in clause 9.4 of the General Conditions. If the Borrower does not agree with the changed calculation procedure of interest, s/he has the right to repay the total credit and other amounts due under the Agreement to the Lender within 15 (fifteen) calendar days after the Lender's notice has been sent, without paying a fee of premature repayment of the credit. If the Borrower does not make use of this right, it shall be considered that the Borrower has agreed with the changed calculation procedure of interest.
- 5.7. The Lender's expenses incurred in order to defend, preserve and/or implement the violated rights under the Agreement (including but without limitation to postal expenses of reminders and letters to the Borrower, expenses for the services provided by third persons, litigation and recovery expenses) that are not known to the Lender in advance shall be reimbursed in accordance with the legal acts of the Republic of Lithuania.
- 5.8. The Borrower agrees that the Lender would finance the administration fee of the Credit Agreement and undertakes to pay this fee within 1 business day after the credit has been granted.
- 5.9. The Borrower shall deposit or transfer all the amounts payable under this Agreement to the Lender's account provided in the Special Conditions of the Agreement. The Borrower's payment duty shall be considered performed when the paid amount is recorded in any bank account of the Lender. The Borrower has to state clearly the payment purpose on the payment order (personal (legal entity's) number, for what the payment is made, number of the Credit Agreement or number of the invoice issued by the Lender). If the payment purpose is not stated or is stated unclearly, the Lender shall record the payment with regard to the paid amount, payment time and other circumstances that allow determining the Borrower's will.
- 5.10. The Borrower agrees that the Lender would distribute the received amount in the following sequence, regardless of the payment purpose stated by the Borrower: (i) the Lender's expenses related to filing of demand to perform the obligation, (ii) forfeit and other fees under the Agreement, (iii) interest, and (iv) credit. If the Borrower has some debts to the Lender and according to other contracts entered into by the Lender and the Borrower, the Lender will get smaller amount from the Borrower than the total amount payable by the Borrower to the Lender under the concluded contracts, then the Lender shall distribute the received amount at its own discretion to cover the debts, regardless of the payment purpose stated by the Borrower.
- 5.11. The Borrower shall have the right to repay total or part of the credit prematurely, provided the Lender has been notified thereof in writing on paper or other durable storage medium at least 10 (ten) days beforehand. The notice should contain the number of this Agreement, the credit's repayment date stated in the Special Conditions of the Agreement, planned factual repayment date and amount. If the Borrower repays part of the credit prematurely, it shall be considered that the Borrower has repaid the parts of the credit, the repayment terms of which set in the Agreement are the earliest. The Lender declares that it shall not demand compensation from the Borrower for premature repayment of the credit. If the Borrower does not use this right, the Lender shall reduce the total credit cost immediately by the amount formed by interest and other expenses for the remaining period of the Credit Agreement calculated from the day when the credit or its part has been repaid.
- 5.12. If the Borrower pays bigger amount than required according to this Agreement, the overpayment shall be refunded to the bank account of the Borrower upon the Borrower's request and for his/her account or it shall be used for other purpose specified by the Borrower. If the overpayment is set off, the appropriate notice shall be delivered individually or an appropriate remark shall be made on the Lender's invoice (or on another notice).
- 5.13. Upon the Borrower's request provided in writing on paper or other durable storage medium within the validity period of the Credit Agreement, the Lender undertakes to postpone the repayment of credit instalments by the Borrower, save for interest, for the period requested by the Borrower that cannot exceed 3 months, when the Borrower does not satisfy any more the requirements set in the legal acts for creditworthiness evaluation and responsible lending related to financial obligations of the Borrower under the Credit Agreement and other contracts in proportion of average instalment and income, and in case at least one of the following circumstances is present: (i) the Borrower's marriage is dissolved; (ii) the Borrower's spouse dies; (iii) the Borrower or his/her spouse becomes unemployed; (iv) the Borrower is recognized unfit for work or partially fit for work in accordance with the Law on Social Integration of Persons with Disabilities of the Republic of Lithuania. When payment of credit instalments is postponed, the parties of the Credit Agreement agree to recalculate the postponed credit instalments and to renew the credit's repayment schedule. The interest calculated within this period shall be paid under the terms and conditions of this Agreement.
- 5.14. The repayment of credit instalments under the housing credit agreements for the Borrowers who are on compulsory initial military service shall be postponed according to the Law on National Conscription of the Republic of Lithuania.

## 6. Borrower's Rights and Obligations

- 6.1. The Borrower shall have the right:
  - 6.1.1. to withdraw from this Agreement within 14 days after its conclusion. The Borrower shall notify the Lender about his/her decision to withdraw from the Agreement in writing on paper or other durable storage medium not later than on the last day of the term established in this clause. If the Borrower withdraws from the Agreement, the Borrower shall repay the credit to the Lender and pay interest accumulated from the credit's (its part) payment until its repayment within 30 days after the notice of withdrawal has been sent. If the Borrower makes use of the right to withdraw from the Credit Agreement, s/he has the right to cancel the insurance contract of the real estate or other contract for additional services related to the Credit Agreement that are provided by the Lender or third person under the contract entered into with the Lender, without assuming any additional obligations.
  - 6.1.2. to refuse other financial products and services related to the Agreement offered by the Lender or agreed with the Borrower, except when the Lender has the right to demand that the Borrower would enter into the insurance contract of the property, the mortgage whereof is used to secure performance of obligations undertaken by this Agreement;
  - 6.1.3. to receive the schedule and/or information about outstanding credit or other amounts payable under the Agreement free of charge (in writing, by phone, e-mail or in other method selected by the Borrower);
  - 6.1.4. other rights provided in the Agreement or derived directly from its provisions.
- 6.2. The Borrower undertakes:
  - 6.2.1. to enter into contracts on security of performance of obligations specified in the Special Conditions with the Lender and/or to safeguard their conclusion (if performance of contractual obligations is secured by third person) and, if provided so by the legal acts

Lender \_\_\_\_\_

Borrower \_\_\_\_\_

- of the Republic of Lithuania, to register them in appropriate authorities. The notary's fee (when the notary's services are used) and registration expenses of the contracts shall be covered by the Borrower;
- 6.2.2. to take and repay the credit within the terms set in the Agreement, to pay interest and to fulfil other payments to the Lender, and if amounts due to the Lender under the Agreement are not paid on time, to pay daily default interest specified in the Special Conditions from late amount for each overdue day until the debt is repaid to the Lender in full, regardless of the Agreement's termination;
  - 6.2.3. to reimburse all the expenses incurred by the Lender, and to pay all the fees related to the mortgage and/or pledge contract, including the amendments, notarization, registration and deregistration, appraisal (re-appraisal) of the mortgaged property and its insurance;
  - 6.2.4. to safeguard use of the credit money for the intended purpose indicated in the Special Conditions;
  - 6.2.5. without written consent of the Lender: (i) not to sell, not to give as a gift, not to exchange or assign otherwise, not to pledge, not to lease, not to grant for loan for use and to transfer to the third persons the property mortgaged to the Lender, not to worsen its condition, not to charge or restrict it by any in rem or obligatory right or other methods and/or not to carry out the forest cutting works if the land lot of forestry purpose was mortgaged to the Lender; not to carry out and not to allow third persons to carry out the earthwork and/or building works, including demolition of present structures and their restructuring, if the land lot was mortgaged to the Lender, where performance of such actions is permitted according to the legislation of the Republic of Lithuania; not to change the present property's use procedure and not to establish the new one; not to share the property with other persons; (ii) not to mortgage the real estate or other property owned by the Borrower or acquired during the validity period of this Agreement, not to sell, not to give as a gift, not to exchange or assign otherwise the real estate or non-current assets owned by the Borrower or acquired during the validity period of this Agreement; (iii) not to lend to any third persons and not to borrow from them, not to undertake any liabilities by issuing the bills of exchange or by signing loan, crediting, leasing (financial lease), sale-purchase by instalments or other contracts; (iv) not to assume any debts of third persons, not to fulfil obligations of third persons, not to warrant or guarantee for behalf of third persons, not to pledge own property, and not to secure performance of obligations of third persons by own property otherwise;
  - 6.2.6. in order to get the Lender's consent for actions specified in clause 6.2.5 of the General Conditions, the Borrower has to submit a written request to the Lender. The Lender has to examine it and to give response not later than within 14 calendar days after receipt of the request. The Lender shall be entitled to reject the request only by providing reasonable arguments and only if the Lender considers that such a consent would reduce value of the appropriate property, its liquidity or the Borrower's ability to repay the credit or other due amounts on time;
  - 6.2.7. to store and handle legal and technical documentation of the mortgaged property by entering and registering all the amendments, and to submit it on the Lender's request;
  - 6.2.8. to create suitable conditions for the Lender's employees or properly authorized persons to check the use of credit money, not to create obstacles for recording of the mortgaged property's condition, to submit the required information and documents with the terms set by them;
  - 6.2.9. to notify the Lender in writing not later than within 5 (five) business days if the Borrower's name, surname, address, phone or employer have changed; the Borrower or third person have filed application for bankruptcy proceedings of the Borrower or if it is intended to offer to carry out extrajudicial bankruptcy proceedings of the Borrower; the demand against the Borrower has been filed in court or other dispute solving authority, the whole property of the Borrower or its part has been arrested, the ownership right has been restricted otherwise, or criminal proceedings have been initiated against the Borrower; the property mortgaged to the Lender has been destroyed, damaged or its value has decreased for some other reasons; the Borrower will not be able to perform the obligations undertaken hereby properly;
  - 6.2.10. to inform (familiarize) third persons, who have secured/intend to secure performance of the Borrower's obligations and/or other persons related to the Agreement's performance about the main conditions of the Agreement and their amendments;
  - 6.2.11. the Borrower, who is not implementing the obligations under the Credit Agreement or who is implementing them improperly, has to cooperate with the Lender and endeavour at real correction of defects in performance of obligations;
  - 6.2.12. to carry out other obligations provided in the Agreement or derived from its provisions.
- 6.3. If the Agreement is entered into with several borrowers, all the borrowers shall have solidary obligation to perform the obligations to the Lender specified in the Agreement, regardless whether credit money is used to satisfy the needs of all of them or just one of them. The parties agree that in implementation of the rights and obligations according to the Agreement, the Lender shall not be liable for claims and disputes between the borrowers. The borrowers state and confirm irrevocably that presence of such claims and/or disputes shall not be regarded as a ground for non-implementation (suspension of implementation) of the obligations of any of the borrowers under the Agreement.
- 6.4. If the Borrower mortgages a real estate – building (residential or non-residential) or premises (of residential or non-residential purpose), such real estate would be mortgaged together with all the things present in the object, i.e. furniture, domestic appliances and other things linked to the real estate according to their characteristics, for example, heating systems, elements of water-supply, sewerage, gas pipes, radiators, electric installation, electric wires, switches, sockets, fastened finish details – floor, ceiling, wall covers, wall papers, paint layers, wall and floor tiles, windows, doors and other things linked to the real estate according to their characteristics. Accordingly, the Borrower undertakes:
- 6.4.1. to safeguard timely and proper payment of all the taxes and charges related to the mortgaged real estate (real estate tax, utilities, etc.);
  - 6.4.2. to safeguard that the mortgaged real estate would be of good condition that would meet requirements of the legal acts, and that worsening of the real estate's condition would be prevented as much as it is not related to the natural wear. For this purpose, the Borrower shall have the right to repair, improve or change the mortgaged real estate without the Lender's consent, provided such actions do not worsen market value of the property in question. When certain changes are made, the Borrower has to notify the Lender thereof and to permit inspection and photo-taking of the mortgaged property;
  - 6.4.3. to safeguard preservation of appropriate condition of the things indicated in clause 6.4 of the General Conditions that would not be related to natural wear, i.e. to preserve and maintain the things, not to damage, break or appropriate them; the number and condition of these things shall be recorded according to the photos provided in the report on appraisal of the real estate or consultation regarding possible price of the property and/or by making a separate inventory of the things signed by the parties and enclosed to the Agreement as its annex (shall be decided at the Lender's discretion).

## **7. Lender's Rights and Obligations**

### **7.1. The Lender undertakes:**

- 7.1.1. to pay the credit in the established amount to the Borrower under the terms and conditions of this Agreement;
- 7.1.2. if the credit or its part is repaid prematurely (before the dates set in the schedule of credit repayment and interest payment provided in the Special Conditions), to record the prematurely repaid credit in accordance with clause 5.10 of the General Conditions and to issue the schedule renewed according to the factual situation;
- 7.1.3. when the Borrower repays part of the credit and submits an appropriate written application, to withdraw excessive security measures, provided (i) the Borrower is implementing all the obligations under the Agreement; (ii) the Borrower's financial situation causes no doubts that the credit will be repaid; and (iii) the outstanding credit makes not more than 50 percent of the market value of the remaining mortgaged property fixed by an independent property assessor;
- 7.1.4. when the Borrower is not able to implement the obligations under the Credit Agreement, the Lender has to act fairly, justly and professionally and to cooperate with the Borrower. Having assessed the available data on the Borrower, upon the request of the

Lender \_\_\_\_\_

Borrower \_\_\_\_\_

Borrower, the Lender has to propose possible methods and/or measures of further implementation of the Borrower's obligations under the Credit Agreement;

- 7.1.5. to carry out other obligations provided in the Agreement or derived directly from its provisions.
- 7.2. The Lender shall have the right:
  - 7.2.1. to refuse to grant a credit completely or in part without separate warning, if negative information on the Borrower was received from creditworthiness databases after the Agreement had been entered into. In such a case, the Lender shall have the right to terminate the Agreement from the day indicated in the Lender's notice. The fees paid by the Borrower to the Lender under the Agreement (Agreement's administration fee, fees related to mortgage and/or pledge transaction, including their amendments, notarization, registration and deregistration from the mortgage authority, appraisal (re-appraisal) of the mortgaged property, insurance, etc.) shall not be refunded and the Borrower's losses incurred thereof (if present) shall not be reimbursed;
  - 7.2.2. to check the use of the credit money, to record the condition of the mortgaged property, to demand and receive all the documents and information about the Borrower's financial state or use of the credit from the Borrower necessary for the Lender. The Borrower shall agree irrevocably to grant the right to the Lender and/or third persons hired by it to take photos, make audio and video records for the purposes specified in this clause;
  - 7.2.3. to demand for additional security of credit repayment (that may be mortgage of real estate and/or immovables, warranty of the third persons), if: (i) the value of the property mortgaged to the Lender is reduced at the fault of the Borrower or the mortgagor; (ii) any circumstance indicated in clause 8.2 of the General Conditions takes place, regardless of its duration; (iii) the reorganization, restructuring, bankruptcy or liquidation procedure of the legal entity that has secured performance of the Borrower's obligations is started; (iv) the Borrower violates the Agreement; (v) other circumstances that justify such a demand in the Lender's opinion appear;
  - 7.2.4. to demand in writing that the Borrower would eliminate any violation of the Agreement and would fulfil the obligation within 10 (ten) calendar days after receipt of the Lender's demand;
  - 7.2.5. to satisfy its demand from the mortgaged funds prior to other creditors, if the Borrower is not implementing the obligation secured by mortgage or if another person directs recovery to the mortgaged funds;
  - 7.2.6. if the Borrower violates clause 3.8 of the General Conditions, to re-appraise the property mortgaged to the Lender, to demand that the Borrower would reimburse immediately the re-appraisal expenses of the mortgaged property incurred by the Lender if independent property assessors have re-appraised the property, or to pay for the re-appraisal of the mortgaged property performed by the Lender under separate agreement of the parties, if the re-appraisal was performed by the Lender;
  - 7.2.7. to present information held by the Lender about the Borrower to persons that secure performance of the Borrower's obligations, to third persons that provide services to the Lender, audit the Lender, etc. (in the scope necessary to provide the aforementioned services), to the Bank of Lithuania that manages the database of loan risk, and to other persons – in other cases provided in the laws of the Republic of Lithuania or in the Agreement, or when the Borrower is not implementing or is implementing improperly the obligations provided in the Agreement;
  - 7.2.8. other rights provided in the Agreement and/or legal acts of the Republic of Lithuania.

## **8. Consequences of the Agreement Default and Termination of the Agreement**

- 8.1. If it is established that the Borrower is not implementing the contractual obligations or is implementing them improperly, the Lender shall submit information to the Borrower in writing on paper or other durable storage medium about the obligations that are not implemented or that are implemented improperly, and it shall state the amounts of overdue credit instalments (their part) or due forfeit, as well as accurate outstanding credit amount and set a reasonable term for performance of non-implemented or improperly implemented obligations.
- 8.2. The Lender shall have the right to terminate the Credit Agreement unilaterally under the terms and conditions of this Agreement and to demand for repayment of total credit prematurely and to pay interest in case of substantial violation of the Credit Agreement. The following cases shall be regarded as substantial violations of the Agreement:
  - 8.2.1. The Borrower is late to repay the credit and/or to pay interest for more than 90 (ninety) calendar days and/or is not paying other amounts due under the Agreement;
  - 8.2.2. It is learnt that at least one of the Borrower's statements provided in the Special Conditions is false or any deliberately false or misleading information was presented by the Borrower to the Lender after the Agreement's conclusion and the Borrower does not correct this violation for more than 90 calendar days;
  - 8.2.3. The Borrower is not implementing any obligation provided in clauses 3.1, 6.2 or 6.4 of the General Conditions for more than 90 calendar days;
  - 8.2.4. The disputes regarding the property mortgaged to the Lender have arisen and the Borrower does not submit any other security of credit repayment acceptable to the Lender within 90 calendar days, or the Borrower or the person, who has secured performance of the Borrower's obligations, has violated or disputes the contract on security of performance of the Borrower's obligations or that contract has expired or is not valid anymore; or there are other grounds provided in the laws of the Republic of Lithuania when the Lender has the right to direct recovery to the mortgaged property before the deadline of the obligation's performance, and the Borrower does not correct the defects of the Agreement's implementation within 90 calendar days;
  - 8.2.5. The insurance contracts of the property mortgaged to the Lender have expired or have been terminated, or they have not been extended, and this violation of the Agreement continues for more than 90 calendar days;
  - 8.2.6. The bankruptcy procedures have been initiated for the Borrower (the application has been filed at court for bankruptcy proceedings of the Borrower or the offer has been made to the creditors to perform the Borrower's bankruptcy proceedings in extrajudicial mode) and the Borrower does not reinstate his/her creditworthiness for more than 90 calendar days;
  - 8.2.7. The circumstances are learnt in the course of this Agreement's validity that cause hazard for the Borrower's financial state and ability to repay the credit or its part on time and/or to carry out other pecuniary obligations provided in the Agreement and these threats are not eliminated for more than 90 calendar days;
  - 8.2.8. The Borrower is not able or acknowledges not being able to cover all the debts before the deadline, suspends payment of any debts or starts negotiations with one or several creditors because of factual or expected financial difficulties regarding extension of payment terms of any debt and does not correct this situation for more than 90 calendar days;
  - 8.2.9. In other cases specified in laws that would satisfy the criteria of substantial violation of the contract listed in Article 6.217 of the Civil Code of the Republic of Lithuania, if the violation continues for more than 90 calendar days.
- 8.3. Before the Credit Agreement is terminated or the demand to repay total credit prematurely without termination of the Credit Agreement is made, the Lender has to exhaust all the objectively available possibilities and measures, including the ones listed in clause 8.1 of the General Conditions, to carry out the obligations specified in the Credit Agreement.
- 8.4. Prior to termination of the Credit Agreement or making a demand to repay total credit prematurely without termination of the Credit Agreement, the Lender has to notify the Borrower about the default obligations under the Credit Agreement at least twice by sending a registered mail or using another method indicated in clause 9.4 of the General Provisions, and to submit the information specified in clause 8.1 herein. Both notices should set an additional term of at least 30 days for implementation of the obligations.
- 8.5. In case of substantial or another violation of the Agreement, the Lender shall have the right to refuse granting the credit or its part or to suspend implementation of the obligations until the Borrower corrects violations of the Agreement. The Lender may use this right in case of any violation of the Agreement, regardless whether the Borrower is already paying default interest or fines for this violation and whether the Lender is using other remedies.

- 8.6. The termination of the Agreement shall not suspend calculation of default interest and other amounts due under the Agreement and shall not revoke the Borrower's duty to repay the credit, to pay interest or other amounts due under the Agreement, as well as to implement other conditions of the Agreement if these conditions survive termination of the Agreement because of their essence and nature,, unless the Lender states otherwise.
- 8.7. If the Borrower violates any of his/her contractual obligations and does not correct the violation within 30 calendar days after the notice specified in clause 8.1 herein has been sent, the Lender shall become entitled to calculate unilaterally until the violation is eliminated, and the Borrower undertakes to pay interest higher by 2 (two) percent point then specified in the Special Conditions. The Lender shall notify the Borrower about changed interest rate in writing, stating the amounts of credit and interest instalments after the changed interest rate enters into force.
- 8.8. The Lender shall not be regarded liable for non-implementation or partial non-implementation of any obligations under this Agreement and shall not be liable for any losses if this was caused by force majeure circumstances, including actions of third persons, disorders of communications, electronic data exchange and payment system, including online banking, caused without fault of the Lender, and if the third persons, whose actions have caused violation of the Agreement, are not related to the Lender, provided the Lender could not have foreseen or controlled such actions.

## 9. Miscellaneous

- 9.1. The Borrower agrees with the following:
  - 9.1.1. The Lender may assign all or part of the demands arising from the Agreement or its part to unlimited number of third persons under the terms and conditions of the legal acts of the Republic of Lithuania. In such a case, the Lender shall have the right to disclose the information received in the course of the Agreement's implementation to third persons, unless this Agreement states clearly otherwise. The Borrower understands and agrees that the Lender does not have to inform the Borrower about cession of the demand arising from this Agreement;
  - 9.1.2. When the right of demand (or its part) arising from this Agreement is assigned to third persons, the third persons shall also have the right to transfer such acquired right of demand to unlimited number of other third persons under the terms and conditions of the legal acts of the Republic of Lithuania without separate consent of the Borrower. In such a case, the third person (cessionary) shall have the same right to disclose the information received in the course of the Agreement's implementation to third persons as the Borrower under the terms of this Agreement, and it is not necessary to notify the Borrower about such a cession;
  - 9.1.3. When the right of demand arising from this Agreement is assigned, the Lender shall have the right and not the duty to continue acting according to this Agreement as an assignee of the person, who has acquired the right of demand (authorized person), administering collection of payments under this Agreement. If the Lender continues acting as an assignee of the person, who has acquired the right of demand, administering collection of payments under this Agreement, the Borrower will continue paying to the Lender's account or another account indicated by the Lender in appropriate notice. Besides, the Borrower agrees that the Lender does not have to notify the Borrower that it continues acting as the authorized person of the person, who has acquired the right of demand. If the Lender assigns all the rights of demand arising from this Agreement to third persons, the Borrower shall make payments under this Agreement to the account of the new creditor indicated in the Lender's notice;
  - 9.1.4. When the Lender offers (advertises) a possibility for third persons to acquire the right of demand arising from this Agreement (or its part), the Lender is entitled to disclose publicly to the third persons the following data related to the Borrower (including presentation of such information on the main website): the Borrower's monthly income (after taxes), expenses, credit history, age and other information related to the Borrower. When the possibility to acquire the right of demand arising from this Agreement is disclosed publicly (advertised), the Lender undertakes not to disclose the Borrower's name, surname, personal number, phone number, e-mail address or photo.
- 9.2. If the Agreement is entered into with the spouses and/or other co-debtors, they shall bear solidary liability until the obligation under the Agreement is implemented in full, and they shall not be entitled to assign their obligations without written consent of the Lender. The solidary responsibility shall not be divided between the successors after death of one of the borrowers and the successors of the deceased borrower shall have solidary liability to the Lender together with the remaining borrower.
- 9.3. All the notices and other documents sent between the parties in the course of the Agreement shall be delivered personally or sent by registered mail to the address indicated in the Special Conditions, and if the address changes – to another address notified in writing. The Lender shall be entitled to send notices to the Borrower to the e-mail address provided by the Borrower. The parties may send notices to each other via the system [www.hipocredit.lt](http://www.hipocredit.lt). The notices sent by registered mail shall be considered received on the 3<sup>rd</sup> (third) day after their conveyance to the company providing postal services. The notices sent by the Lender to the e-mail address provided by the Borrower or via the system [www.hipocredit.lt](http://www.hipocredit.lt) shall be considered received on the day of their dispatch. The personally delivered notices shall be considered received on the day of their delivery. The party that fails to notify about change of its address (Borrower – also e-mail address) shall not be able to file any claims that the actions of the other party performed according to the last known data are not in compliance with the Agreement's conditions or that it has not received the sent notices. The Lender shall not be held liable if the notices sent by the Lender to the e-mail address provided by the Borrower do not reach the Borrower or become known to third persons after their dispatch.
- 9.4. If the Borrower does not notify the Lender in writing about his/her changed particulars, it shall be considered that the notice sent to the last known address notified in writing by the Borrower was sent properly.
- 9.5. If the Lender does not use some rights provided in the Agreement, it does not mean that these rights were waived or that their future use is prevented. The Lender shall decide at its own discretion what rights and when should be used.
- 9.6. The Agreement may be amended or supplemented by written additional agreement or by arranging the revised Agreement.
- 9.7. The Agreement's conditions and information received at the time of its conclusion or performance shall be considered confidential (trade secret) and it cannot be disclosed to third persons without consent of both parties, save for the cases provided in the laws of the Republic of Lithuania and in the Agreement. The Lender shall have the right to disclose the Agreement's conditions to the persons, who have secured performance of the Borrower's obligations.
- 9.8. This Agreement shall be governed by the law of the Republic of Lithuania. The disputes related to the Agreement's performance shall be resolved by amicable negotiations in accordance with the resolution procedure of borrowers' complaints available on the Lender's website [www.hipocredit.lt](http://www.hipocredit.lt). If the Borrower receives the Lender's response to the claim that does not satisfy him/her or if the response is not received within the set term, the Borrower shall have the right to refer to the Bank of Lithuania for extrajudicial dispute resolution. The application to the Bank of Lithuania shall be examined only if the Borrower submits evidence that confirms previous referral to the Lender. In all the cases, the Borrower shall be entitled to refer to court in accordance with the laws of the Republic of Lithuania.
- 9.9. The authority that supervises activities of the Lender is the Bank of Lithuania (6, Gedimino ave., LT-01103 Vilnius, 4, Totorių str., LT-01121 Vilnius (for correspondence).
- 9.10. The Agreement is made in 2 (two) copies of equal legal power, one to each party.
- 9.11. Signatures of the parties:

LENDER:

BORROWER:

\_\_\_\_\_  
(office, name, surname, signature)

\_\_\_\_\_  
(office, name, surname, signature)

Lender \_\_\_\_\_

Borrower \_\_\_\_\_

Lender \_\_\_\_\_

Borrower \_\_\_\_\_