

Riga, _____, 2020

Pledgee

SIA "SF MGMT collateral", registered in the Commercial Register of the Register of Enterprises of the Republic of Latvia with a unitary registration No. 42103112030, legal address: Bukultu iela 11, Riga, LV – 1005, represented by a Board member Nikita Gončars, who is acting based on the Articles of Association,

and**Pledger**

The Pledgee and the Pledger hereinafter referred to as the Parties,

whereas:

- a) The Pledgee and _____ (hereinafter the Lendee) have signed a Parallel Obligations Agreement No. _____ (hereinafter the Obligations Agreement), which is signed in relation to loan(s) agreement(s), which are or will be signed between the investors and the Lendee, using www.lendsecured.eu platform (hereinafter the Platform),

The Parties, expressing their free will, without fraud, constraint and delusion, are entering into the following Pledge (Mortgage) Agreement, hereinafter the Agreement:

1. Subject of the Agreement

- 1.1. In order to secure the claims that could arise out the Obligations Agreement, the Pledger pledges the real estate owned by the Pledger: _____ (hereinafter the Real Estate).
- 1.2. The Parties hereby agree that the pledge right on the Real Estate shall secure the claims of the Pledgee arising from the Obligations Agreement, that is, the principal amount of the loan, and the additional claims related hereto (interest, possible penalties, commission fees, interest on arrears, supervision fee etc.), possible court fees, as well as the claims related to necessary and reasonable expenses of the Pledgee that can arise due to care and maintenance of the Real Estate and enforcement of the pledge right.
- 1.3. All the fixtures of the Real Estate that are perpetually linked to the Real Estate, as well as the improvements of the Real Estate, its issues and profits (including those that arise by combining, adding of the Real Estate) and the fixtures that arose in the process of restoration or reconstruction of the Real Estate, shall be included in the constitution of the Real Estate and meet the requirements defined in Clause 1.1 and 1.2 hereof.
- 1.4. The maximum amount of claim secured by the pledge is EUR _____.

2. Rights and obligations of the Pledger

- 2.1. By signing this Agreement, the Pledger certifies that he is the only owner of the Real Estate, the only one who has a right to make free use of the Real Estate (including pledging), and the Real Estate at the moment of pledging is not encumbered by any proprietary rights, it has not been rented, leased, given for use to any other party.
- 2.2. The Pledger undertakes:
- 2.2.1. not to alienate the Real Estate without a prior written consent of the Pledgee, not to encumber it by any proprietary rights (not to divide, exchange, donate, pledge, rent, lease, borrow the Real Estate, not to alienate any of its deemed shares);
- 2.2.2. to protect the Pledgee's pledge right in case it is challenged by other creditors and to reimburse the Pledgee for the losses that arose in this regard;
- 2.2.3. to register the first mortgage on the Real Estate in the Land Register for the benefit of the Pledgee;
- 2.2.4. to pay all existing and possible future taxes, fees, insurance payments and other payments for the Real Estate (including those that are related to the enforcement of the pledge right);
- 2.2.5. in case if the Real Estate has been rented (leased) with a prior written consent of the Pledgee, not to collect the rent from the lessees or tenants for more than six months in advance;
- 2.2.6. to take due care of the Real Estate during the whole period until all the claims of the Pledgee are satisfied, ensuring that the value of the Real Estate is not reduced, as well as, to the extend practical, to avoid actions of any third parties that could reduce the value of the Real Estate;
- 2.2.7. to give a prompt notice to the Pledgee in case if the value of the Real Estate has reduced.

- 2.3. The Pledger shall be entitled to possess the Real Estate until the moment when the Pledgee exercises his pledge rights pursuant to this Agreement. The Parties hereby agree that the Pledgee shall exercise his pledge right, if the Pledger fails to timely perform any of the payment liabilities hereunder, that is, when any of the payment obligations specified in the main agreement is not performed after the respective regular due date (of loan repayment, interest payment) or after the final maturity date. Should the above situation arise, the Pledgee shall be entitled to take over the Real Estate in his possession and to sell it for a free price, executing the claim by judicial means, including the unsolicited sale by auction within legal action.
- 2.4. Should the Pledger violate any of the obligations stated in Clause 2.2.1-2.2.7, the Pledger shall, at a request of the Pledgee, pay a 5% (five percent) penalty from the principal debt amount based on the Obligations Agreement in each case of default.

3. Rights and obligations of the Pledgee

- 3.1. The Pledgee undertakes:
- 3.1.1. within 20 (twenty) business days after the Pledger has fulfilled all his liabilities to the Pledgee under the Obligations Agreement, to issue a corroboration request for the cancellation of the mortgage registered in the Land Register on the Real Estate for the benefit of the Pledgee.
- 3.2. The Pledgee shall be entitled:
- 3.2.1. to examine the condition and the use of the Real Estate at any time,
- 3.2.2. to sell the Real Estate in the cases and according to the procedure as defined herein.

4. The period of the Agreement

- 4.1. The Agreement shall enter into legal force upon its signature by both Parties and shall remain in force until the complete satisfaction of the Pledgee's claims under the Obligations Agreements.

5. General provisions

- 5.1. Any amendments and additions hereto shall be made in written under the mutual agreement of the Parties and annexed hereto. All such amendments shall become an inalienable part of this Agreement.
- 5.2. The Parties sign this Agreement voluntary, free of fraud, constrain or delusion.
- 5.3. Any disputes related to the performance of obligations hereunder shall be resolved in accordance with the procedure specified in the Obligations Agreement.
- 5.4. A message sent by one Party to the other Party by a registered letter to its declared or residential address specified herein, shall be deemed received on the 5th (fifth) calendar day after its submission to a post office.
- 5.5. The Agreement is made in four identical copies, all of them with equal legal force, one copy is issued to the Pledger, two copies – to the Pledgee, one copy shall be submitted to the Land Register.

6. Signatures of the Parties

Pledgee:

Pledger:
