

## General Terms of the Mortgage Agreement

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## 1. Definition of Terms

- 1.1. Unless otherwise defined by the **Mortgage Agreement** or otherwise stated in its context, the following terms in the **Mortgage Agreement** shall have the following meanings
- 1.1.1. **Account** – the account(s) of the **Owner** maintained at the **Bank**;
- 1.1.2. **Bank** – JSC Liberty Bank (ID# 203828304), which is the **Party** (Mortgagee) to the **Mortgage Agreement**;
- 1.1.3. **Bureau** – credit information bureau(s);
- 1.1.4. **Representations and Warranties** – the representations and warranties of the **Owner** set forth under paragraph 2 of the **General Terms of the Mortgage Agreement**. The representations and warranties of the **Owner** under the **Mortgage Agreement** as well and/or under the agreements(s) concluded within it;
- 1.1.5. **Annex** – any annex (including and not only the **Description of the Mortgage Object**), which specifies, amends and/or terminates the **Mortgage Agreement** and/or the terms and conditions thereof. **Annex** represents an integral part of the **Mortgage Agreement**;
- 1.1.6. **Mortgage Object** – the real estate/immovable item(s) determined by **Annex(es)** to the **Mortgage Agreement** (along with its appurtenance, fruits and/or any attached/built-on/alterd structures (current or future) that will be added to the real estate and/or will be registered with the **Registry**), including the land plot with or without building structures thereon, building-structure (under construction, constructed or destroyed), building structure unit (under construction, constructed or destroyed), and linear building, which are, jointly and separately, the security mean for the **Bank's** claim;
- 1.1.7. **Mortgage Right** – the right granted to the **Bank** under the **Mortgage Agreement**, in case of non-fulfillment and/or improper fulfillment by the **Debtor** the obligations arising out of the **Principal Agreement**, to satisfy its claim(s) against the **Debtor** through the sale, taking into the ownership and/or other use of the **Mortgage Object**;
- 1.1.8. **Mortgage Agreement** – the combination of application(s) submitted by the **Owner** to the **Bank**, the present **Mortgage Agreement** and/or any additional application(s)/annex(es) that have been signed/will be signed in connection with the **Mortgage Agreement** and represents an integral part thereof;
- 1.1.9. **General Terms of the Mortgage Agreement** – the main terms of the **Mortgage Agreement** provided under this document, which is an integral part of the **Mortgage Agreement** and is placed on the **Bank's** website: [www.libertybank.ge](http://www.libertybank.ge)
- 1.1.10. **Law** – the combination of all applicable legislative and subordinate normative acts of Georgia as well as the international treaties and agreements of Georgia in the system of normative acts of Georgia;
- 1.1.11. **Confidential Information** – unless otherwise provided under the **Mortgage Agreement**, any information/documentation (including the information/documentation regarding the **Party's** personal, shareholding, financial data, the data of **Persons** owning/governing/related to the **Party**, transaction(s) with **Third Parties**, movable and/or immovable property/objects possessed, business processes/procedures, marketing strategy, project(s) and/or other data) received, processed, created and/or sent by one of the **Parties** regarding the other **Party** in consequence of signing and/or fulfillment of the **Mortgage Agreement** and/or other important information/documentation;
- 1.1.12. **Owner** – the owner of the **Mortgage Object** as defined under the **Mortgage Agreement**, who is a **Party** to the **Mortgage Agreement**;
- 1.1.13. **Third Party** – any **Person** other than the **Parties** to the **Mortgage Agreement**;
- 1.1.14. **Debtor(s)** – existing and/or future party(ies) to the **Principal Agreement**, whose obligations to the **Bank** are secured by the **Mortgage Object**;
- 1.1.15. **Party/Parties** – the **Bank** and/or the **Owner** as the context requires;
- 1.1.16. **Penalty (Fine)** – the amount of money under the **Mortgage Agreement**, which shall be paid by the **Party** if it fails to fulfill and/or unduly fulfills its obligations.
- 1.1.17. **Person(s)** – individual(s), legal entit(ies)y (including legal entit(ies)y under public law), non-entrepreneurial (non-commercial) legal entit(ies)y and/or other organizational formation(s) created on the basis of the **Law**.
- 1.1.18. **Registry** – the Legal Entity under Public Law – National Agency of Public Registry under the management of the Ministry of Justice of Georgia, the Legal Entity under Public Law – Service Agency of the Ministry of Internal Affairs of Georgia under the management of the Ministry of Internal Affairs of Georgia, Registrar of Securities, their legal successors and/or other registering entities/subjects defined by the **Law** that carry out including but not limited to the registration of the rights and/or obligations under the **Mortgage Agreement** of the **Parties** with the registry in connection with the **Mortgage Object**.
- 1.1.19. **Banking Day** – the part of the working day determined by the **Bank** (other than holidays determined by the **Bank** and/or official holidays determined by the **Law**) when the **Bank** provides banking services;
- 1.1.20. **Collateral** – any facilities (mortgage, pledge, surety, bank guarantee, etc.) by which the full and timely fulfillment of the Secured Claim to the **Bank** is ensured.
- 1.1.21. **Secured Claim** – the **Bank's** claim arising out of the **Principal Agreement** (including other agreement(s) associated with the **Principal Agreement**), **Mortgage Agreement** as well. The **Secured Claim** is variable and includes the current or future and/or conditional claims against the **Debtor(s)**, including but not limited to the withdrawn principal credit amount, interest rate, commission fees, penalty, the amounts of reimbursement of damage/loss, also the expenses of maintenance of the **Mortgage Object**, court/arbitration enforcement expenses and expenses related to the sale of **Mortgage Object**, service of specialist and/or other expenses determined by the **Law**. The **Secured Claim** is also all claims of the **Bank** (including related to the credit product actually received and / or used by the **Debtor**) arising from the termination (annulment as well) of the **Principal Agreement** and/or any, several or all agreement(s) entered in the scope of the **Principal Agreement**.
- 1.1.22. **Principal Agreement** – the agreement(s) defined as such under the **Mortgage Agreement** (including the current and/or future annexes, amendments and/or additions to the **Principal Agreement**) and all other agreement(s) associated thereto (agreements concluded or to be concluded on the basis of the **Principal Agreement**, parties of which are the current and/or future **Debtor(s)**, representing the basis for **Secured Claim**.

## 2. Representations and Warranties

- 2.1. The **Owner** represents and warrants that:
- 2.1.1. the **Owner** an authorized and legally capable **Person** who has obtained all necessary consents, permits and/or proxies/orders (power of attorney) for concluding, signing and executing the **Mortgage Agreement**;
- 2.1.2. it is a lawful and true owner lawfully possessing the **Mortgage Object** on the basis of the authentic right;
- 2.1.3. the **Owner** is aware and confirms that: (a) the **Mortgage Object** is mortgaged in favor of the **Bank** to secure the existing **Secured Claims** to the **Debtor**, (b) possible amount of claim that is ensured by the **Mortgage Object** in favor of the **Bank**, (c) the terms of the **Principal Agreement** (including all changes and/or additions made to it);

- 2.1.4. the conclusion and/or fulfillment of the **Mortgage Agreement** by the **Owner** is not contradictory to the **Law**, any other Law under jurisdiction of which the **Owner** operates/conducts business, international norms and/or other regulations, does not result the violation/breach of the obligation(s) assumed by the **Owner** under any other contractual relationship; and does not give rise to the **Third Party's** right to contend for the **Mortgage Agreement**;
- 2.1.5. the **Owner** has not been involved in any lawsuit and/or arbitration dispute, in civil, criminal and/or administrative proceedings (as a plaintiff, defendant, third person or otherwise) that may prevent the full and proper fulfillment of the obligations assumed by it under the **Mortgage Agreement**;
- 2.1.6. the **Owner** is solvent and no solvency (bankruptcy or rehabilitation) proceedings or liquidation process has been initiated against it and/or there is no other circumstance that would prevent the full and proper fulfillment of the obligations assumed by it under the **Mortgage Agreement**;
- 2.1.7. In order to enter into a **Mortgage Agreement**, the information submitted to the **Bank** is true and accurate, and the submitted documents are the complete and current/valid editions;
- 2.1.8. In order to enter into a **Mortgage Agreement**, the **Bank** and/or **Third Persons** have not carried out any violence, intimidation/threaten, deception, misleading and/or any other influence on the **Owner** and/or its relatives for the purpose of concluding the **Mortgage Agreement**, and the **Bank** has not abused its market power;
- 2.1.9. the **Owner** is aware of the type and volume of claims arising out of the credits, for which it encumbers with mortgage the **Mortgage Object** in favour of the **Bank**. The **Owner** is aware of and agrees to the fact that the volume/amount of **Secured Claim** may increase due to the changes/amendments and/or additions made to the **Principal Agreement** (including the agreements associated thereto and annexes) and in case of non-fulfillment and/or improper fulfillment by the **Debtor(s)** of the obligations envisaged by the **Principal Agreement** (including the agreements associated thereto and annexes);
- 2.1.10. the **Owner** is aware of the **Principal Agreement**, other agreement(s) associated thereto and/or annexes and agrees with the terms and conditions of them;
- 2.1.11. the **Owner** guarantees that it will read the texts of changes/amendments and additions to the **Principal Agreement**, the agreement(s) associated thereto and/or annexes in future;
- 2.1.12. the **Mortgage Object** does not have any legal defect (except the one envisaged by **Annex(es)** to the **Mortgage Agreement** and acceptable to the **Bank**, if any), including but not limited to seizure, mortgage or other encumbrance;
- 2.1.13. the **Mortgage Object** does not have any characteristic, the reveal of which may lead to the destroy, damage, spoiling or value reduction of the **Mortgage Object**;
- 2.1.14. the **Owner** shall immediately notify the **Bank** of any circumstance(s) that may result in violation of the **Representations and Warranties** under **Mortgage Agreement** and/or any obligations assumed under the **Mortgage Agreement**.
- 2.2. The **Parties** acknowledge and agree that they sign/conclude the **Mortgage Agreement** based on the **Representations and Warranties** and hold them to be the terms and conditions of the **Mortgage Agreement**. Accordingly, violation of the **Representations and Warranties** shall be deemed as the sufficient grounds for the **Bank** to request to cover any credit product (in full or in part) issued within the **Principal Agreement** prematurely and/or to unilaterally waive to perform any or all obligations provided under the **Principal Agreement** (which includes without any restriction the issuance of credit). In case of recall/demand back the credit product by the **Bank**, any credit product received within the **Principal Agreement** shall immediately be repaid/returned along with interests accrued thereon and penalties imposed, if any. If the **Bank's** such claim is not satisfied, the **Bank** is authorized to satisfy its claim against the **Debtor(s)** by selling and/or otherwise disposing the **Mortgage Object**.

### 3. General Terms and Conditions of the Mortgage

- 3.1. **Origination and registration of the mortgage.** The **Bank** is authorized to ensure the registration of the **Mortgage Right** (including the obligation referred to in paragraph 3.7 of the **General Terms of the Mortgage Agreement**) by the following ways: (a) ensure that the **Mortgage Agreement** is signed in the presence of the **Parties** and an authorized representative of the **Registry**; or (b) ensure that the **Mortgage Agreement** is concluded notarially and then submitted to the **Registry** for registration.
- 3.2. The **Owner** shall ensure the registration of the mortgage right with the **Registry** within 5 (five) calendar days after the signature of the **Mortgage Agreement**. In addition, irrespective of this obligation of the **Owner**, the **Bank** is authorized to apply to the **Registry** for the registration of the **Mortgage Right** during or after expiration of the above term.
- 3.3. If changes/amendments and/or additions to the **Mortgage Agreement** require registration with the **Registry** due to their content (replace the claim with the other claim, change the rank of the **Mortgage Right**, make amendments to the **Principal Agreement** without changing the previous record of the **Mortgage Right**) the **Owner** shall ensure the registration of change(s)/amendments and/or addition(s) with the **Registry** under the rules set forth in this article of the **Mortgage Agreement**. In addition, irrespective of this obligation of the **Owner**, the **Bank** is authorized to apply to the **Registry** for the registration of change(s)/amendments and/or addition(s).
- 3.4. **Merger of the Mortgage Object with other item, its division and/or transformation.** Upon prior written consent of the **Bank**, the **Owner** is authorized to transform, divide, merge with other item the **Mortgage Object** in the way not to allow the reduction of the real value of the **Mortgage Object** as a result of such transformation, division and/or merger with other item. In addition, at the request of the **Bank**, the **Owner** shall submit report/conclusion of the competent expert acceptable to the **Bank**, confirming the real value of the **Mortgage Object** obtained as a result of transformation, division and/or merger with other item.
- 3.5. The **Mortgage Right** fully apply to: (a) appurtenance of the **Mortgage Object** (movable item essentially associated with the immovable item) and fruits thereof; (b) a new item obtained as a result of merger of the **Mortgage Object** (including the additions such as attached, built-on and other structures); (c) new buildings and/or linear buildings on the **Mortgage Object**; (d) each new property arising from the division of the **Mortgage Object**; and/or (e) any other improvement of the **Mortgage Object**.
- 3.6. **Use and maintenance of the Mortgage Object.** The **Owner** is authorized to possess and use the **Mortgage Object** so that its value is not reduced. Unless otherwise determined by the **Bank**, the **Owner** may receive the fruits from the **Mortgage Object**.
- 3.7. Only upon the prior written consent of the **Bank**, the **Owner** may enter into a lease agreement on the **Mortgage Object** (a) the duration of which exceeds 3 (three) years; and/or (b) in case of prematurely termination of which, a penalty or other monetary liability shall be imposed on the **Owner**.
- 3.8. The **Owner** shall bear the risk of maintenance and accidental destruction and/or damage of the **Mortgage Object**. The **Owner** shall:
- 3.8.1. maintain the actual value of the **Mortgage Object** and in case of existence any peril/danger to the existence of the **Mortgage Object** to prevent such peril/danger within a reasonable time;
- 3.8.2. take all necessary measures to keep the **Mortgage Object** harmless, including to protect the **Mortgage Object** from encroachment by and/or claims of the **Third Parties**;
- 3.8.3. immediately notify the **Bank** if the value of the **Mortgage Object** is reduced or there is any threat of reduction;

- 3.8.4. ensure that the **Mortgage Object** is used properly, maintained in good order, and incur all expenses necessary for the maintenance of the **Mortgage Object** until the mortgage is terminated, including to provide current and capital repair of the **Mortgage Object**;
- 3.8.5. If the **Mortgage Object** is transferred to any **Third Party** for use, by the relevant agreement (lease, rent, etc.) shall be envisaged the obligation of the person using the **Mortgage Object** (lessor) to transfer/pay the amount payable for the use of the **Mortgage Object** (rental, rental for lease) to the **Owner's** account maintained with the **Bank** or any other account indicated by the **Bank**;
- 3.9. If the value of the **Mortgage Object** is reduced due to any of the **Owner's** action, the **Bank** shall be authorized to request the **Owner** to quit the action(s).
- 3.10. The **Bank** is authorized to inspect the existence, state, maintenance conditions of the **Mortgage Object** by studying the documents submitted thereto and/or on site visual examination; and if the **Owner** fails to fully and duly fulfill the obligation of maintenance of the **Mortgage Object** envisaged by the **Mortgage Agreement**, the **Bank** shall be authorized at any time (a) to request from the **Owner** to take all necessary measures to maintain the value of the **Mortgage Object**; (b) to remedy all defects of the **Mortgage Object** at its own expenses and request from the **Owner** to reimburse the expenses incurred for remedy of such defects; and/or (c) to request from the **Owner** to transfer the **Mortgage Object** to the **Bank** for administration/possession purposes.
- 3.11. If the value of the **Mortgage Object** is reduced and/or any **Third Party** has initiated a lawsuit against the **Mortgage Object** or any part thereof (if the claim envisaged by the lawsuit is raised regarding the termination, restriction of the **Owner's** title to the **Mortgage Object** or any part thereof or the recognition of the **Third Party's** ownership right on the **Mortgage Object** or any part thereof), the **Owner** shall provide additional property as collateral if requested by the **Bank** so that the **Principal Agreement** is fully secured by the **Debtor(s)**. The breach of this obligation shall be the basis for the termination of the **Principal Agreement** by the **Bank** and request the immediate performance of obligations thereunder.
- 3.12. **Insurance**. If under the **Mortgage Agreement**, **Annex** and/or other agreement(s) concluded by the **Parties**, it is agreed between the **Parties** that the **Owner** shall carry out insurance:
- 3.12.1. The **Owner** shall insure, at the request of the **Bank**, all insurable events determined by the **Bank** (which includes the **Owner's** life insurance, insurance of the **Mortgage Object**, the **Debtor(s)** civil liability insurance, etc.) in favour of the **Bank**, in which case the beneficiary shall be the **Bank** and/or any other **Person** named by the **Bank**;
- 3.12.2. Unless otherwise requested by the **Bank**, insurance (excluding the deductible) shall fully cover the claims of the **Bank** and/or the **Person** named by the **Bank**, and the one time or total term of insurance shall not be less than the validity term of the **Mortgage Agreement**;
- 3.12.3. The **Owner** undertakes to:
- 3.12.3.1. provide insurance with a highly reputable insurance company acceptable to the **Bank**;
- 3.12.3.2. submit document(s) confirming the insurance to the **Bank** within 10 (ten) calendar days from the moment of insurance;
- 3.12.3.3. if the one-time validity term of the document confirming insurance is less than the validity term of the **Bank's** claims, submit a new document confirming insurance with updated term(s) within 10 (ten) calendar days before not less than the expiry of the validity term of the current insurance document;
- 3.12.3.4. meet the terms and conditions of the insurance agreement, including immediately notify the **Bank** and the insurance company of any insured accident/event, and carry out all the actions requested by the insurance company to cover/reimburse the insured accident/event.
- 3.13. **Involvement/participation of Third Part(ies) in mortgage relations**. The **Mortgage Right** and the claim, for the security of which the **Mortgage Right** has been determined, may be transferred to the **Third Part(ies)** only together and jointly.
- 3.14. Transfer of the **Mortgage** and any underlying claim of the **Mortgage** to the **Third Part(ies)** shall not require the **Owner's** consent or the prior notice to the **Owner**.
- 3.15. Change of the mortgagee shall subject to registration with the **Registry**. The previous record of the **Mortgage Right** established by the **Mortgage Agreement** shall remain effective until a new mortgagee is registered.
- 3.16. The **Mortgage Right** and the claim thereunder shall transfer to a new creditor in the same form as maintained with the **Bank**.
- 3.17. **Purchase of the Mortgage Object by the Third Part(ies)**. with the prior written consent of the **Bank**, the **Owner** shall be authorized to transfer the ownership of the **Mortgage Object** (sell, give as a gift, exchange) to the **Third Part(ies)**. In such case, the **Owner** is obliged to give a written notice to the **Bank** and **Third Part(ies)**. If the **Mortgage Object** is transferred to the **Third Part(ies)**, the **Third Part(ies)** acquire(s) the **Mortgage Object** encumbered with mortgage. The **Mortgage Agreement** (including the main terms of the **General Terms of the Mortgage Agreement**) will fully apply to the purchaser.
- 3.18. Change of the **Owner** of the **Mortgage Object** shall not be the ground for termination of the **Mortgage Right**. In such case, the burden of obligations associated with the **Mortgage Object** shall accompany the **Mortgage Object**.
- 3.19. The **Mortgage Object** may be encumbered with the right to build only under prior written consent of the **Bank**.
- 3.20. If the **Mortgage Object** is encumbered with the right to build and at the time of its (right to build) expiration date, it is still the subject of the mortgage (encumbered with a mortgage), the **Bank's** pledge shall automatically apply on the claim for remuneration arising from the right to build. The **Owner** undertakes to take all necessary actions within 5 (five) banking days upon request of the **Bank** to register the **Bank** as a pledgee for the remuneration claim mentioned above.
- 3.21. **Property valuation**. The **Owner** agrees to the full authority of the **Bank**, during validity of the **Mortgage Agreement**, the **Bank** employee or a person designated by the **Bank** evaluate, illustrate the **Mortgage Object** and draw up a relevant act.

#### 4. Satisfaction of the Secured Claim

- 4.1. The **Bank** is authorized to carry out any and all actions under the **Mortgage Agreement** and/or **Law** for ensuring enforcement against the **Mortgage Object** if:
- 4.1.1. the **Debtor(s)** fail to fulfill and/or unduly fulfill the obligation(s) assumed under the **Secured Claim**; and/or
- 4.1.2. the **Owner** fails to fulfill and/or unduly fulfills the obligation(s) assumed under the **Mortgage Agreement**; and/or
- 4.1.3. the **Mortgage Object** or any part thereof is seized; and/or
- 4.1.4. a circumstance occurs that may: (a) jeopardize the **Mortgage Object** and/or (b) the **Bank** suspects that the **Owner** may fail to fully and duly fulfill the obligations and/or (c) grant to the **Bank** the right, unilaterally to terminate in whole or in part the **Principal Agreement** and/or any of the **Constituent Agreement** concluded within it.
- 4.2. The **Bank** shall exercise its rights irrespective of who possesses or owns the **Mortgage Object** (or any part thereof – if the **Mortgage Object** is divided). The **Parties** agree that if the right of enforcement against the **Mortgage Object** arises, the **Bank** is authorized to use one of the following rights independently, without additional agreement with the **Owner**, at its own discretion:
- 4.2.1. Under the Civil Code of Georgia, based on the prior consent of the **Owner** declared by signing of the present **Mortgage Agreement**, sell the **Mortgage Object** by auction through a specialist or legal entity selected (appointed) by the **Bank**, whose service shall be paid by the **Owner** of the **Mortgage Object**;
- 4.2.2. sell the **Mortgage Object** in accordance with the applicable **Law** under a writ of execution issued by a notary public;

4.2.3. under Article 300 of the Civil Code of Georgia, directly receive the **Mortgage Object** in ownership. For the purpose of transferring the **Mortgage Object** into direct ownership, the **Mortgage Agreement** shall be considered as joint application of the **Bank** and the **Owner** for registration of the ownership right of the **Bank** over the **Mortgage Object** and the relevant office of the **Registry** shall register the **Bank** (applicant) as the owner of the **Mortgage Object** based on the **Bank's** application attached with a copy of the present **Mortgage Agreement**;

4.2.4. sell the **Mortgage Object** through the direct sales. In such case, the **Bank**, as an authorized representative of the **Owner**, shall be authorized to enter into the real estate purchase agreement, whereunder the **Bank** shall transfer the ownership right over the **Mortgage Object** to any **Third Party** selected by the **Bank**, on behalf of the **Owner**.

4.3. The **Parties** agree that the **Bank** shall be authorized to sell the **Object of Mortgage** by auction through a specialist under the rules established by the Civil Code of Georgia and for that purpose the **Owner** gives its consent, without necessity of further confirmation, to appoint Consulting Group LLC as a specialist provided for by the Civil Code of Georgia (identification number: 404483536), that will sell the **Object of Mortgage** at its own according to the terms and conditions envisaged by the present **Mortgage Agreement**. The **Parties** agree that the specialist shall be paid for carrying out the auction in amount of not more than 3 (three) % of the amount received by selling the property by auction, but not less than 590 (five hundred ninety) GEL.

4.4. The auction envisaged by 4.3. paragraph of the General Terms of the **Mortgage Agreement** shall be carried out taking into consideration the following terms and conditions: a) the specialist is not entitled to participate in auction; b) the initial price of the first auction shall be determined in the total amount of the claim secured by the **Mortgage Agreement** and the other expenses; c) the winner of the auction shall transfer/place the amount of auction on the deposit account of the specialist within 2 (two) **Banking Days** after ending the auction, otherwise it loses the funds submitted in a manner of the bank guarantee and its status, as the winner in auction will be canceled; d) if the offer is not made at the first auction the specialist appoints the second auction within 10 (ten) calendar days. The second auction shall be appointed in the same forms as the first auction was appointed. The initial purchase price of the real estate on the second auction is the half of the purchase price offered on the first auction or less amount on the basis of the creditor's application; e) if the offer is not made at the second auction the specialist appoints the third auction. The rules of selling the **Mortgage Object** on the third auction shall be determined by the specialist independently so that the real estate shall be sold mandatorily. The abovementioned reservation regarding the specialist is the alternative right of the

**Bank**, choosing of which constitutes the **Bank's** right.

4.5. In order to fulfill the **Debtor's** obligation(s) to the **Bank**, the **Bank** is authorized to request enforcement on any property of the **Debtor**, regardless of whether the **Debtor's** obligations are secured by means of collateral. The **Bank** may in its own discretion, first to start enforcement on the property of the **Debtor** other than **Collateral** objects.

4.6. If by the time of taking into the **Collateral** into ownership, the value of the **Collateral** and/or the proceeds/amounts received from the realisation (sell) of the **Collateral** is not sufficient to fully satisfy the **Secured Claim**, the **Bank** is authorized to request the fulfillment of the **Debtor's** obligation with any of **Debtor's** property.

4.7. If by the time of taking into the **Collateral** into ownership, the value of the **Collateral** and/or the proceeds/amounts received from the realisation of the **Collateral** or other property is not sufficient to fully cover the obligations set forth in the **Agreement** (including without any limitation the **Credit Amount** and/or **Credit Related Charges**), (a) the **Debtor** shall be liable for the remaining indebtedness; (b) the **Bank** is authorized to make enforcement regarding to the any property of the **Debtor**. The same rule applies to insolvency proceedings, meaning as well, that if the purchase price of the **Collateral** at an auction will be less than the **Bank's** claim and after satisfying the **Bank's** claim with the amount received from the sale of the **Collateral** the **Bank's** claim will be still considered as secured and the **Bank** as a secured creditor.

4.8. If after the sale of the **Mortgage Object** the funds received from the sale are not sufficient to fully repay/cover the monetary liabilities of the **Debtor(s)** arising out of the **Principal Agreement**, the **Owner** shall undertake to claim back the monetary liabilities to the **Debtor(s)** arising from the sale of the **Mortgage Object** with the right of recourse only after the **Debtors'** monetary liabilities to the **Bank** under the **Principal Agreement** are fully satisfied.

4.9. Accrual of **Interest** and **Penalties** will continue / be maintained in accordance with the terms of the **Agreement** and the **Debtor** shall pay together with other amounts due under the **Agreement**. in case of payments under the **Agreement**, the **Debtor** shall pay all **Penalty** and **Interest** accrued after the termination of the **Agreement** as well.

4.10. To ensure the fulfillment of the obligations assumed by the **Owner** under the **Mortgage Agreement**, The **Owner** grants full authority to the **Bank**, at its (Bank's) own discretion to withhold amounts from the **Owner's** any **Account** for the fulfillment/partial fulfillment of financial obligation (including damage/loss amounts). If the funds available on the account and the payables are in different currencies, the **Bank** is authorized to convert funds at commercial exchange rate applicable at the **Bank** on the moment of payment and debit the **Owner's Account** in the amount of the relevant conversion fee without the **Owner's** further acceptance).

## 5. Duration and Termination of the Agreement

5.1. The **Mortgage Agreement** shall enter into force from the date of its signature by the **Parties**, while the **Mortgage Right** – upon its registration with the **Registry**, and shall be valid until the full and proper fulfillment of the obligations taken under the **Secured Claim**.

5.2. The **Mortgage Agreement** may be terminated, in full or in part only in the following events:

5.2.1. In case of full and duly performance of the **Secured Claim**;

5.2.2. in case of destruction (non-existence) of the **Mortgage Object**;

5.2.3. if the **Bank** waives the **Mortgage Right**;

5.2.4. if the ownership right over the **Mortgage Object** is transferred to the **Bank** and/or the **Mortgage Object** is sold (by the way of enforcement) if the **Mortgage Object** fully covers the **Secured Claim**;

5.2.5. under written agreement between the **Parties**;

5.2.6. in other cases envisaged by the **Mortgage Agreement** and/or **Law**.

5.3. If the consequences of full or partial termination of the agreement (including liabilities) are not covered by the agreement, the **Parties** shall be guided by the relevant **Law**.

5.4. **Registration of termination of mortgage.** In case of termination/cancellation of mortgage, the relevant record with the **Registry** shall be deleted (annulled).

5.5. The basis for removal of the **Mortgage Right** from the **Registry** provided under the **Mortgage Agreement** shall be:

5.5.1. written application of the **Bank**;

5.5.2. court decision;

5.5.3. other acts determined by the **Law**.

5.6. If the **Owner** fully and duly performs the **Secured Claim** to the **Bank**, at the **Owner's** request, the **Bank** shall immediately, without unreasonable delay, at its own discretion, submit an application for annulment the registration of **Mortgage Right** in the **Registry** or give appropriate written consent to the **Owner** (or the **Third Party** appointed by the **Owner**) to annul the **Mortgage Right** registered with the Registry.

## 6. Governing Law and Dispute Resolution

- 6.1. The **Mortgage Agreement** shall be regulated and interpreted in accordance with the **Law**. In the cases not covered by the **Mortgage Agreement**, the **Parties** shall be guided by the regulatory norms for relevant relations established by the **Law** and/or additionally agreed terms and conditions.
- 6.2. All disputes arising from the **Mortgage Agreement** shall be resolved with amicable negotiations between the **Parties**.
- 6.3. If the **Parties** fail to settle the dispute, they shall apply to the court according to the legal address of the **Bank**.

## 7. Communication

- 7.1. Any communication between the **Parties** made in writing and delivered to the other **Party** directly to the contact data indicated in the **Mortgage Agreement** and/or other agreement(s) with the **Bank**, personally, by courier service (including registered mail and/or court courier), e-mail, cellular communication (SMS), Internet Banking, Mobile Banking and/or by other means of communication determined by the **Bank** later, provided that:
- 7.1.1. the notice sent by the **Owner** to the **Bank** personally and/or by courier shall be deemed to be delivered on the day of registering the notice at the **Bank's** cancellery department; and the notice sent through e-mail - on the day of sending an electronic receipt confirmation by the **Bank** to the **Owner**;
- 7.1.2. the notice sent by the **Bank** to the **Owner** by courier (including registered mail and/or court courier) shall be deemed to be delivered on the day of delivery to the **Owner**; and in case of absence of such delivery confirmation, on the following calendar day after the notice delivering to any **Person** at the **Owner's** address;
- 7.1.3. if the notice sent to the **Owner** by courier (including registered mail and/or court courier) cannot be delivered to the addressee, such notice made by the **Bank** shall be considered delivered on the next calendar day after the **Bank** resends such notice;
- 7.1.4. the notice sent by the **Bank** to the **Owner** via e-mail shall be deemed delivered on the day of sending receipt confirmation (notice of registration in the electronic mail of the addressee) from the **Owner's** e-mail server, and in case of absence of such confirmation, on the following calendar day;
- 7.1.5. The notice sent by the **Bank** to the **Owner** via cellular communication system (SMS), Internet Banking, Mobile Banking and/or other means of communication determined by the **Bank** later shall be deemed to be delivered on the following calendar day after sending the notice.
- 7.2. If the **Owner** does not notify the **Bank** in prior regarding any changes in the contact data envisaged by the **Mortgage Agreement** (including any details determined by the **Agreement**), and the **Person** at a correspondence address refuses to deliver the notice sent on the basis of the **Agreement** and/or the notice is not delivered to the addressee after the second attempt, any such notice sent by the **Bank** shall be deemed delivered on the following calendar day after sending such notice.

## 8. Confidentiality and Personal Data

- 8.1. The **Party** shall not disclose and/or transfer any **Confidential Information** to the **Third Party** during the validity of the **Mortgage Agreement** and after termination of the contractual relations.
- 8.2. The following information shall not be deemed as **Confidential Information**: (a) the information which is/will become public based on the **Law**; (b) the information, to the disclosure of which there is consent of the owner of **Confidential Information** and/or there is an agreement between the **Parties**; (c) the information disclosed in cases envisaged by the **Law**, including to satisfy the legitimate claim of a **Third Party**.
- 8.3. The **Owner** gives its consent and grants to the **Bank** the irrevocable right, at its own discretion, to transfer to the **Third Person** for keeping and processing and/or to seek for, receive and process from the **Third Person** the **Confidential Information** regarding the **Owner** for the following purposes: (i) to monitor the **Owner**; (ii) to collect and record financial/information-analytical data related to the **Owner**; (iii) to render, offer the service to the **Owner**, direct marketing (advertising) and/or (iv) for the other purposes envisaged by the **Law**, including:
- 8.3.1. to receive personal data of the **Owner** from the electronic database of the LEPL - State Services Development Agency under the procedure established by the **Law** necessary for the **Bank** for the purpose of repeatedly rendering the banking services and to the extent necessary for fulfillment of such purpose;
- 8.3.2. in case of assigning the claims arising out of the **Mortgage Agreement** to the **Third Party**, including unequivocally by syndication of the **Secured Claim**, and/or at the stage of preparation of assignment of the claim/syndication, transfer the **Mortgage Agreement** and any information about the **Owner** received within the **Mortgage Agreement** to the **Third Party** concerned;
- 8.3.3. in order to protect its legitimate interests and/or confirm factual circumstances, transfer any information about the **Owner** (give a public notice, make a publication, etc.) including the personal data (if any) of the **Owner** to the **Third party** concerned (court, investigation bodies, etc.);
- 8.3.4. to process the information regarding the **Owner** maintained with the **Bank** and/or credit information **Bureaus** under the rules and conditions envisaged by the **Legislation** for the purposes of analyzing the solvency of the **Owner**.
- 8.4. The **Owner** is aware that in the scope of the authorities/rights envisaged by the **Law** and granted by the **Agreement** the **Bank** will collect/process all credit, non-credit and other relevant information regarding the **Owner** connected to transferring the information to the **Bureau** and receiving the information from the **Bureau** under the rules and conditions envisaged by the **Law**. The abovementioned information will be processed for the purpose of analyzing the solvency of the **Owner** and will be available for the consumers involved in the **Bureau** under the rules envisaged by the **Law** (the organizations issuing the loan and the persons receiving/transferring the information).
- 8.5. The **Owner** has acknowledged the authorities/rights envisaged by the **Law**, that in case of **Owner's** (including subject of data) request, the data processor is obliged to rectify, renew, add, block, delete or destroy the data, if they are non-complete, non-correct, are not renewed or collecting and processing of them was made/implemented contradictory to the **Law**.
- 8.6. The information to be transferred to the **Bureau** and to be received from the **Bureau** is determined by the **Law** and shall include without limitation: identification data of the **Owner**, the terms and conditions/data of the **Mortgage Agreement** and the **Secured Claim**, the information regarding the amount and terms of the current obligations of the **Owner** fulfilled/to be fulfilled, the information regarding the security means/collateral, other information envisaged by the **Law** and/or the agreement concluded between the **Bank** and the **Bureau**.
- 8.7. By signing the **Mortgage Agreement** the **Owner** grants to the **Bank** the authority to process the personal data of the owners of the security means, the representatives, the members of the management and the supervisory bodies, the shareholders/partners and the beneficial owners of the **Owner**, for the

purpose of checking their solvency and confirms, that before granting to the **Bank** the abovementioned authority it has obtained all necessary consents/permits from the persons mentioned in this paragraph under the rules envisaged by the **Law**.

8.8. In the cases envisaged by article 8 of the **General Terms of the Mortgage Agreement**, the **Bank** is entitled to process the information repeatedly for the terms and under the conditions as may be necessary to achieve the goals determined by the **Mortgage Agreement**, unless it is contradictory to the **Law**.

## 9. Multiplicity of Owners

9.1. If there are several **Owners** signing the **Mortgage Agreement** the terms and conditions of the **Mortgage Agreement** shall fully apply to each of them except for the cases when the specific conditions due to the legal status of the relevant **Owner** (individual, legal entity or other organizational formation) and/or restrictions envisaged by the **Law** shall not apply to such **Owner(s)**.

9.2. The **Owners** are joint debtors for the obligations to be fulfilled to the **Bank**. Accordingly, the **Bank** shall be authorized to:

9.2.1. request, at its own discretion, full or partial fulfillment of the obligations arising out of the **Mortgage Agreement** from one or all of the **Owners**, and in the cases envisaged by the **Law**, from their legal successors;

9.2.2. use the facts related to one of the **Owners** in connection with the other **Owners** as well;

9.3. Each **Owner's** joint liability shall extend to the obligations undertaken by the present **Mortgage Agreement** and in connection with the **Mortgage Agreement**, whether or not the **Owner** is a party to such other agreement(s).

9.4. If one of the **Owners** breaches/violates the **Mortgage Agreement**, whether or not the breach/violation is caused by death, legal incapacity and/or restricted capability of the **Owner**, the **Bank** shall be authorized to raise relevant claims/demands to any of the **Owners** and exercise any rights envisaged by the **Mortgage Agreement** and/or established by the **Law**.

## 10. Other Conditions

10.1. In case of discrepancy between the terms and conditions of the **Annex** to the **Mortgage Agreement** (if any) and the terms and conditions of the **Mortgage Agreement**, the terms and conditions of the **Annex** shall prevail.

10.2. Each **Party** (a) shall be authorized to use the right(s) granted by the **Mortgage Agreement** and (b) shall be obliged to perform the obligations assumed by the **Mortgage Agreement**.

10.3. Unless otherwise determined by the **Mortgage Agreement**, the **Owner** shall satisfy the **Bank's** claim within the timeframe determined by the request of the **Bank**, and in the absence thereof, within 10 (ten) calendar days from the **Bank's** request.

10.4. In the case of invalidation/voidness of any of the article(s), paragraph(s) and/or subparagraph(s) of the **Mortgage Agreement** under **Law**, the remaining article(s), paragraph(s), subparagraph(s) shall retain the legal force.

10.5. It is not allowed to make any correction/amendment by hand (including by a pen and/or other means of writing) in the **Mortgage Agreement**. Any such correction/amendment shall be deemed void and shall not affect the interpretation of the terms and conditions of the **Mortgage Agreement**.

10.6. Changes/amendments and/or additions may be made to the **Mortgage Agreement** in writing under written signed agreement between the **Parties**. Changes/amendments and/or additions to the **Mortgage Agreement** will become an integral part thereof by registering this agreement with the **Registry** and shall be in force along with it.

10.7. The **Owner** shall not be authorized to assign the rights granted and/or obligations assumed by the **Mortgage Agreement** to the **Third Party**, fully or partially, without prior written consent of the **Bank**. In addition, irrespective of this provision, the **Bank** shall be authorized to receive, at its own discretion, the **Third Parties'** fulfillment of the obligations under the **Mortgage Agreement**.

10.8. The terms and conditions of the **Mortgage Agreement** shall fully apply to the **Parties**, their employees, representatives, legal successors and assignees.

10.9. If the **Bank** does not use /exercise any of the rights under the **Mortgage Agreement** (including the right(s) arising due to the breach/violation by the **Owner** the obligations arising out of the **Mortgage Agreement** and/or **Law**), this shall not be deemed as the basis for the waiver by the **Bank** on such rights. In addition, any and all rights that will be granted to one **Party** as a result of full or partial violation of the **Mortgage Agreement** and/or **Law** by the other **Party** shall be cumulative and added to all other rights granted under the **Mortgage Agreement** and/or **Law**.

10.10. The **Parties** agree that the obligation of payment/reimbursement of expenses arising from and/or in connection with the **Mortgage Agreement** shall be borne by the **Owner** (including but not limited to the expenses of registration of the **Mortgage Object** with the **Registry**, notarial service fees, and expenses of submitting the documents related to the **Mortgage Object** to the **Bank**).

10.11. All article(s)/paragraph(s)/subparagraph(s) in the **Mortgage Agreement** are numbered and titled, and the words in bold are provided for the purpose of better understanding of the contents of the **Mortgage Agreement** and does not affect the interpretation of the terms and conditions thereof.

10.12. Information placed on the **Bank's** website and/or on other information sources/channels of the **Bank** and stored in the **Bank** databases (computer programs), electronic copies and prints of such information made by the **Bank** certified by the signature of the director or authorized person of the **Bank** has evidentiary power for the purposes of proving the existence or non-existence of facts regarding to the contractual relations under the **Principal Agreement** and **Mortgage Agreement** agreement as well.

10.13. If the **Parties** confirm the conclusion of the Mortgage Agreement by signing, the **Owner** shall sign the **Mortgage Agreement** on each page of all copies. At the same time, the **Owner's** failure to fulfill this obligation shall not be the basis for making the **Mortgage Agreement** or any part thereof suspicious or disputed.

10.14. The **Mortgage Agreement** is drawn up in the Georgian language. If the **Parties** so agree, the **Mortgage Agreement** may be concluded in another language as well. In this case, the copy of the **Mortgage Agreement** drawn up in the Georgian language shall prevail to the copies of the **Mortgage Agreement** drawn up in the other language.



