

# LOAN AGREEMENT

NO. CRI- \_\_\_\_\_

## 1. GENERAL TERMS

**1.1. Date:** \_\_\_\_\_

**1.2. Lender:** \_\_\_\_\_

**1.3. Borrower:** SIA "Tritan", registered in Latvia, registration number 40003460359, address: Ūnijas iela 91, Rīga, Latvia. Representative members of the management board Viesturs Koziols.

**1.4. Loan Amount:** \_\_\_\_\_ €

**1.5. Interest:** 14.5 (fourteen comma five) % per annum

**1.6. Loan Period:** 18 (eighteen) months since disbursement of Loan Amount

**1.7. Project:** a real estate development project located at Annas Sakses iela 2, Rīga, Latvia, cadastral number 0100 084 0073. The goal of the Project is to carry out reconstruction of the existing building.

**1.8. Object:** a real estate, identified and described in Section 1.7. above

**1.9. Minimum amount lent through the Portal for developing and/or acquiring the Object:** EUR 100,000 (one hundred thousand euros)

**1.10. Last date of loan offers:** July 19, 2019

**1.11. Collateral:** The loan is secured by a guarantee of the borrower company, company owner and first-hand pledge on real estate (Kleistu „Heinrihsonos”, Rīga, Cadaster No. 0100 104 2080).

**1.12. Collateral Agent:** Crowdestor Security Agent OÜ, registration number: 14386262, address Roosikrantsi tn 2 Tallinn Harjumaa 10119, e-mail: janis.timma@crowdestor.com, representative Janis Timma

## 2. LOAN DISBURSEMENT

- 2.1. Under this agreement (further referred to as the “Agreement”), the Lender shall grant the Borrower a loan amount described in Section 1.4.
- 2.2. The actual loan payment (transfer) shall be implemented through Crowdestor OÜ (registration number 14388462, address: Roosikrantsi 2, Tallinn, Estonia) (further referred to as the “CROWDFUNDING PLATFORM”), on behalf of the Lender, paying the Loan Amount to the Borrower (in line with provisions for effectuating payments as envisaged further in Section 4 below) by paying it into the escrow account opened in the Bank after all related loan agreements for lending the total minimum sum set out in Section 1.9 to the Borrower have been concluded with the Borrower through the Portal for the purposes indicated in Section 5.1.1 by the date set out in Section 1.10 (or by the end of the term extended according to the procedure set out in Section 7.1). The Loan Amount shall be considered as disbursed when it is paid into the escrow account.
- 2.3. The Loan Amount shall be released from the escrow account (in line with provisions in Section 5.1.1) after the documents indicated in the escrow account agreement have been submitted to the Bank and the Collateral has been properly established in favor of the Collateral Agent to effectively guarantee safeguard of the Lender’s and Collateral Agent’s interests against the Borrower arising from the Agreement (hereinafter referred to as the “Collateral”).

### **3. LOAN AND INTEREST REPAYMENT**

- 3.1. The Borrower shall repay the Loan Amount to the Lender at the end of the Loan Period. The payment shall be made according to the procedure established in Section 4.
- 3.2. The Borrower shall pay to the Lender an interest at the rate established in Section 1.5, which shall be calculated from the outstanding balance of the Loan Amount principal for each day from the disbursement date of the Loan Amount (included) up until the last day of the Loan Period (excluded). Interest calculation shall be based on presumption of a 30-day month and 360-day year.
- 3.3. If the payment date falls on a day off or a national holiday in Estonia or Latvia, the Borrower shall make the respective payment on the next business day following the payment date.
- 3.4. The Borrower or the Collateral Agent shall withhold the amounts established by any mandatory legal acts (including income tax) from the payments made to the Lender.
- 3.5. The Borrower shall pay interest calculated according to Section 3.2 of the Agreement at the rate of 14.5%, and the interest shall be spread evenly over the quarters to which it relates.

3.6. The interest as a separate payment shall commence after the first 6 months of the date of this Agreement. During the first 6 months, in its turn, these interest payments are capitalized and paid in a single payment together with the Loan principal repayment amount.

## 4. MAKING PAYMENTS

4.1. Lender's and Borrower's (further together referred to as the "Parties", while each separately – the "Party") payments noted in the Agreement and to be made under the Agreement shall be made through the Lender's and Borrower's virtual sub-accounts (further referred to as the "Sub-Account") created in the Portal [www.crowdestor.com](http://www.crowdestor.com) (hereinafter referred to as the "Portal") operated by CROWDFUNDING PLATFORM under the terms and conditions and according to the procedure established in the Portal's terms and conditions as long as both Parties remain the Portal's registered users. In order to make the contractual payments (including Loan Amount, repayments of the Loan Amount, interest, default interest, contractual penalty, compensation for early repayment of the loan) the Parties shall give CROWDFUNDING PLATFORM an irrevocable order to debit the agreed sum from the Sub-Account of the Party obliged to make the payment in the amount and at the time set forth in the Agreement and to credit the same amount to the Sub-Account of the Party entitled to receive the payment. A payment shall be considered as completed when credited to the Sub-Account of the Party entitled to receive the payment.

4.2. Unless stated differently in the Agreement, the Lender and the Borrower shall be obliged to ensure that a sufficient non-booked sum reflected as a positive balance would be available at their Sub-Account for making contractual payments at the time and in the amount set forth in the Agreement. If the aforementioned obligation is violated by the Borrower, default interest in the amount of 0.1% of the outstanding amount per delayed day shall be calculated from the day following the payment date until the Sub-Account of the obliged Party is debited in the amount corresponding to the payment. Default interest is not applied to the Party obliged to make the payment if their Sub-Account had a sufficient non-booked sum reflected as a positive balance on the payment date.

4.3. If the Borrower's Sub-Account lacks sufficient funds for making payments necessary for performing obligations that have become collectible (including payments to be made to the Borrower's other creditors and Collateral Agent), the payments shall be made in the order that they have become collectible, starting from the obligation that has become collectible the earliest. If the Borrower's Sub-Account lacks sufficient funds for making payments necessary for fulfilling several obligations that have become simultaneously collectible (including payments payable to Borrower's other creditors and the Collateral Agent), the payments made for covering the obligations that have become simultaneously collectible shall be made proportionally to the obligation's amount.

4.4. If the Lender or Borrower cease to be a registered user of the Portal, the Parties shall make the contractual payments through their own bank accounts. If in such case the Borrower fails to make a payment in due time, it shall be obliged to pay the other Party default interest in the amount of 0.1% of the outstanding amount per delayed day, which shall be calculated from the day following the payment date until the payment is made in the respective amount.

## **5. BORROWER'S ADDITIONAL OBLIGATIONS AND CONFIRMATIONS**

5.1. The Borrower shall be obliged to:

- 5.1.1. use the Loan Amount only to carry out the Project regarding the Object set out in Sections 1.7 and 1.8. according to the information announced to the Lender through the Portal before the conclusion of the Agreement;
- 5.1.2. immediately perform any and all activities required by the Collateral Agent in order to establish the Collateral referred to in Section 2.3, and pay other expenses related to conclusion of the agreement for establishing the Collateral and establishing the Collateral (including notary fees and state fees) directly to the notary, Land Book or other persons entitled to receive the said fees within the foreseen period;
- 5.1.3. refrain from transactions and activities that may significantly decrease the value of the Object;
- 5.1.4. ensure and continuously maintain a full risk insurance for the Object (commonly utilized in the industry in Latvia), and present a copy of all relevant insurance policy to the Collateral Agent within 15 calendar days from the disbursement of the Loan Amount to the Borrower and within 5 calendar days from the issuance of each new insurance policy;
- 5.1.5. not to make profit distributions to the Borrower's SHAREHOLDERS during the validity of the Agreement until the contractual obligations have been fulfilled;

5.1.6. ensure that no decision is made to decrease the Borrower's share capital, nor to terminate the Borrower;

5.1.7. publish regularly (at least twice a year) general information regarding the Borrower (including the basic information about the commercial activity of the Borrower and financial data) through the Lender's user account opened in the Portal or via e-mail;

5.1.8. inform the Lender at least within three business days of any events occur that influence the fulfilment of the Agreement's terms and conditions by the Borrower, and/or may result in violation of any of the obligations set forth in Section 5.1;

5.1.9. publish the Borrower's annual report in the Portal within six months after the end of the financial year.

5.2. The Borrower hereby confirms that:

5.2.1. the Collateral Agent shall verify, in the interests of all Lenders, the compliance by the Borrower of this obligation of acquisition of the Object;

5.2.2. the information disclosed to the Lender on the Borrower, the Object, and property referred to in Section 1.11 through the Portal before the conclusion of the Agreement is correct;

5.2.3. in its activities, the Borrower has duly fulfilled and followed the legal provisions and good business practices applicable to the Borrower, is continuing and will continue to do so in the future, including ensuring that the Borrower and its sub-contractors have any and all necessary permits and approvals required for their activities;

5.2.4. the Borrower has followed and will follow any and all legal provisions and restrictions pertaining to environmental protection that are directly or indirectly related to contamination, pollution, releasing or liquidating waste, toxic or hazardous waste in an area that is owned or otherwise used by the Borrower. According to the information known by the Borrower, there is no environmental protection related claims, that would jeopardise the proper fulfilment of contractual obligations;

5.2.5. the Borrower's obligations arising from this Agreement are *pari passu* equal to any and all other obligations of the Borrower due at the time of the conclusion of the Agreement and after that to any persons, unless another obligation's preferential treatment arises from legal acts;

5.2.6. the Borrower is aware that it has no rights to issue the Collateral Agent instructions in relation to the fulfilment of its duties or submit any claims against the Collateral Agent;

5.2.7. the Borrower has reviewed any and all terms and conditions of this Agreement before the conclusion of this Agreement, understood them and undertakes the obligation to fulfil them;

5.2.8. the Borrower has the right to conclude the Agreement and establish the Collateral; taking the loan, establishing the Collateral and fulfilling the Agreement are not in conflict with any legal act, administrative act or transaction, and taking of the loan does not damage the Borrower's creditors' interests;

5.2.9. the Borrower is not insolvent or declared bankrupt, no bankruptcy petition, warning, action or any other claim that could result in the Borrower's insolvency has been submitted against the Borrower, and there are no other circumstances that may result in the Borrower's insolvency or that could hinder the Borrower's capability to duly fulfil its contractual obligations.

## **6. LENDER'S CONFIRMATIONS AND ADDITIONAL OBLIGATIONS**

6.1. The Lender hereby confirms that:

6.1.1. the Lender has reviewed all terms and conditions of the Agreement before concluding the Agreement and has understood them and undertakes to comply with them;

6.1.2. the Lender is aware of the fact that the Collateral Agent may be a person related to CROWDFUNDING PLATFORM or its SHAREHOLDERS (including belonging to the same group) and the Borrower shall remunerate CROWDFUNDING PLATFORM and/or Collateral Agent for their services in relation to the Agreement, and the Lender shall irrevocably surrender submission of any claims against CROWDFUNDING PLATFORM or Collateral Agent in relation to the circumstance set out in this Section 6.1.2 (including claims arising from potential conflict of interests);

6.1.3. the Lender is aware of the fact that the Collateral Agent has only the obligations and liability explicitly set out in the Agreement and agreement for establishing the Collateral, the Collateral Agent operates in the interests of all lenders who have granted a loan to the Borrower through the Portal for the purposes set out in Section 5.1.1 (not solely in the interests of the Lender) and the Lender shall have no right to give the Collateral Agent instructions in relation to fulfilment of its obligations;

6.1.4. the Lender has the right to conclude the Agreement; granting the loan and fulfilment of Agreement is not in contradiction with any legal act, administrative act or transaction, and granting of the loan does not damage the Lender's creditors' interests;

6.1.5. the Lender is not insolvent or declared bankrupt, no bankruptcy petition, warning or any other claim

that could result in Lender's insolvency has been submitted against the Lender, and there are no other circumstances that may result in Lender's insolvency.

6.2. Upon the conclusion of the Agreement the Lender shall be obliged to notify the Borrower of:

6.2.1. any events that influence Lender's compliance with the terms and conditions of the Agreement;

6.2.2. any circumstance that deteriorates or may deteriorate Lender's economic situation.

## 7. WITHDRAWAL

7.1. The Borrower shall have the right to withdraw from the Agreement without advance notice within one month from the date set out in Section 1.10, when the Borrower has not received loans in the minimum amount indicated in Section 1.9 (including when the Borrower has used the right to withdraw from the loan agreements) through the Portal. The Borrower shall have the right to extend the term set out in Section 1.10 by two weeks, and if the Borrower has not received loans in the minimum amount indicated in Section 1.9 by the end of the additional term, the Borrower shall have the right to withdraw from the Agreement according to the procedure described in the previous sentence. The Borrower shall be considered as withdrawn from the Agreement also if the amount deducted from or booked on Lender's Sub-Account for fulfilling the Agreement is repaid to Lender's Sub-Account or released from booking (in such case the Borrower is not required to submit a separate withdrawal application to the Lender).

7.2. The Collateral Agent is entitled to withdraw from the Agreement without prior notice if the conditions set out in Section 2.3 have not occurred within four months from the initial date set out in Section 1.10 (i.e. not calculated from the term extended according to the procedure set out in Section 7.1). The Collateral Agent shall have the right to withdraw from the Agreement without prior notice if the Loan Amount will be paid back from the escrow account set in Section 2.2 of the Agreement due to whatever reasons.

7.3. If one of the Parties withdraws from the Agreement, the Agreement shall expire between all Parties. Each Party shall notify other Parties and CROWDFUNDING PLATFORM of the withdrawal from the Agreement. In the event of withdrawal from the Agreement, the Borrower shall repay the Loan Amount without interest to the Lender within 10 business days.

## 8. TERMINATION AND EARLY REPAYMENT

8.1. The Borrower shall have the right to prematurely terminate this Agreement at any time by notifying

the Lender at least two weeks in advance and by paying to the Lender within 10 business days after the expiry of the Agreement the outstanding Loan Amount.

8.2. The Agreement shall not terminate if the Borrower fails to completely fulfil the payment obligation set out in Section 8.1 of the Agreement in due time.

8.3. Upon termination of the Agreement by the Borrower or the Lender for any reasons other than those set out in Section 8.1, the Borrower shall pay to the Lender within 10 business days after the expiry of the Agreement the outstanding Loan Amount and outstanding interest as calculated according to the procedure set out in Section 3.2 up until the last day of validity of the Agreement (excluded).

8.4. The Lender shall have the right to terminate the Agreement only if at least one of the following circumstances occurs, by notifying the Borrower at least 10 (ten) business days in advance (other grounds for cancellation are excluded):

8.4.1. the Borrower violates a payment obligation arising from the Agreement and fails to fulfil the obligation duly even within 20 business days from receiving the Lender's or Collateral Agent's respective request;

8.4.2. the Borrower is liquidated on the basis of a court ruling, dissolution resolution or on any other grounds;

8.4.3. the court declares the Borrower's bankruptcy or insolvency and the court ruling has entered into force;

8.4.4. the Borrower violates any of the obligations set out in Section 5.1 of the Agreement and has not terminated or remedied the violation even within 20 business days from receiving the Lender's or Collateral Agent's respective request to terminate the violation;

8.4.5. any of the Borrower's confirmations set out in Section 5.2 proves to be substantially incorrect, i.e. if the Lender had the correct information before the conclusion of the Agreement, the Lender would not have concluded the Agreement;

8.5. The Borrower shall have the right to terminate the Agreement by notifying the Lender at least 10 (ten) business days in advance, if at least one of the following circumstances occur:

8.5.1. the Lender violates the obligation set out in Section 6.2 or any other obligation arising from the Agreement and has not terminated or remedied the violation even within 20 business days from receiving the Borrower's respective request to terminate the violation;



8.5.2. any of the Lender's confirmations set out in Section 6.1 proves to be wrong;

8.5.3. the Lender is liquidated on the basis of a court ruling, dissolution resolution or on any other grounds;

8.5.4. a court declares the Lender's bankruptcy or insolvency proceedings and the respective ruling has entered into force;

8.5.5. circumstances set out in the law for extraordinary cancellation of the Agreement occur.

## **9. ARRANGEMENTS CONCERNING THE COLLATERAL**

9.1. The Collateral Agent shall hold the Collateral on its own name on behalf of all lenders who have granted loan to the Borrower via the Portal for the purposes set out in Section 5.1.1; and shall perform activities and transactions related to the Collateral only within the scope set out in this Agreement.

## **10. LENDER'S AND BORROWER'S LEGAL LIABILITIES**

10.1. The Lender shall have the right to request from the Borrower payment of the contractual penalty in the amount of 2% of the outstanding Loan Amount at the time of the violation per each violation (without granting the Borrower an additional term for ceasing and rectifying the violation), if at least one of the following circumstances has occurred:

10.1.1. the Borrower violates any of the payment obligations arising from the Agreement and fails to duly fulfil the obligation within 20 business days from receiving a respective request from the Lender;

10.1.2. the Borrower violates any of the obligations set out in Section 5.1 and has failed to cease and rectify the violation within 20 business days from receiving a respective request to cease the violation from the Lender;

10.1.3. any of the confirmations given by the Borrower in Section 5.2 proves to be incorrect.

10.2. Any request to pay the contractual penalty set out in Section 10.1 shall be subject to fulfilment within 10 business days from receiving the respective request from the Lender (for that purpose the Lender shall inform the Borrower and CROWDFUNDING PLATFORM of the occurrence of the request for contractual penalty). Upon the request from CROWDFUNDING PLATFORM, the Lender shall submit any and all information underlying the request for contractual penalty, after which CROWDFUNDING

PLATFORM shall make the payment of the contractual penalty from the Borrower's Sub-Account to the Lender's Sub-Account according to this Agreement.

10.3. Payment of the contractual penalty shall not release the Borrower from the obligation to duly fulfilling the contractual obligations under the Agreement, shall not cease or limit the Lender's right to request compensation of damages caused by inappropriate fulfilment of obligations in the amount that exceeds the contractual penalty or exclude cancellation of the Agreement according to Section 8.4.

10.4. The Borrower and the Lender shall be obliged to compensate to each other only damages that are caused by failure to perform or inappropriate fulfilment of obligations due to gross negligence or intent. The liability of the Borrower and the Lender is limited to direct material damage.

## 11. MISCELLANEOUS

11.1. The Agreement and information concerning its contents and fulfilment, as well as information exchanged between the parties on the basis of the Agreement shall be considered confidential and not subject to disclosure to third parties, unless it is related to assigning of a claim according to the procedure established in Section 11.4. A party shall be obliged to keep the other party's business secrets. The confidentiality requirement shall not be applicable to disclosure of information to CROWDFUNDING PLATFORM, the parties' auditors, professional legal counsellors, credit and financing institutions as well as to disclosure of information to the Borrower's parent company or Shareholders.

11.2. The Lender hereby consents processing of the personal data disclosed to the Borrower and Collateral Agent before the conclusion of the Agreement and during the validity of the Agreement in relation to execution of this Agreement and agreements referred to therein. The Collateral Agent and the Borrower have the right to request separately that the Lender present immediately any data for identification or allowing fulfilment of the Collateral Agent's or Borrower's obligations. The Lender shall have the right to request at any time that the Borrower or Collateral Agent present to the Lender the personal data that they hold on the Lender.

11.3. The Lender hereby authorises CROWDFUNDING PLATFORM to notify to the Collateral Agent, upon a request by the latter, the data on the persons who have contractual claims against the Borrower (including the name and contact data of the respective person, basis for and amount of the claim).

11.4. Legislation of the Republic of Estonia shall apply to this Agreement. If any Agreement section contradicts with a legal act, it shall not influence the validity of other sections in the Agreement. The parties undertake a mutual agreement to replace an invalid section with a new legal section, which, when in conformity with the law, would be the most similar to the invalid section in its meaning, regulation and

influence, in order to ensure maximum fulfillment of the economic interests and main goals of the parties.

11.5. The parties shall settle the disagreements and disputes arising from the fulfilment of the Agreement first and foremost by negotiations. If settling disagreements by negotiations is impossible, a dispute shall be settled in general court of Republic of Estonia. If the plaintiff is a legal entity or a private person operating in their economic or professional activities, or whose place of business, residence or location is not known at the time of filing the action, the Harju County Court in Republic of Estonia shall be the competent authority to settle the disputes.

11.6. Amendments and supplementations to the Agreement shall enter into force from the moment they are confirmed by the parties in a format that can be reproduced in writing.

11.7. Notices related to the Agreement shall be made in English at least in a format that can be reproduced in writing and shall be sent:

11.7.1. through the Portal; or

11.7.2. by e-mail to the address indicated in the Agreement or to the e-mail address notified by a party to the other party later; or

11.7.3. delivered against signature or sent by registered mail to the other party's address.

A party shall inform the other parties of the change in their contact data no later than within 3 working days. If the parties are registered users in the Portal, changing of the respective data in the Portal shall be considered as sufficient informing of the change in the contact data, and the CROWDFUNDING PLATFORM shall have the right to disclose the contact data of a party to the other parties.

11.8. The Agreement shall enter into force between the Borrower and Lender at the moment of confirmation of the Agreement by all parties according to the procedure established by CROWDFUNDING PLATFORM. The Collateral Agent shall confirm the Agreement according to the procedure established by CROWDFUNDING PLATFORM after the Borrower and Lender have confirmed the Agreement, and the Agreement enters into force for the Collateral Agent from the moment it is confirmed by the Collateral Agent. The Agreement shall expire after the Borrower has performed any and all obligations undertaken with the Agreement to the Lender and the Collateral Agent, or upon premature cancellation of the Agreement.

11.9. This Agreement is concluded in English and signed by the parties according to the procedure established by CROWDFUNDING PLATFORM. During the validity of the Agreement, the Lender shall have the right to request the Borrower to send the Agreement to the Lender by regular mail at the Borrower's expense.