

**GENERAL TERMS AND CONDITIONS of CENTRAL COOPERATIVE BANK AD
For Real Estate Lending to Individuals**

These General Terms and Conditions (GTC) shall govern the terms and conditions and the procedure under which Central Cooperative Bank AD, with seat and registered office at: 87 Tsarigradsko Shose Blvd., 1086 Sofia, registered with the Commercial Register under UIC 831447150 ("the Bank"), provides real estate loans to borrowers - individuals, the terms and conditions of utilization, use, collateralization and repayment of these loans, as well as the terms and conditions and the procedure under which credit loans are concluded and operated.

DEFINITIONS

Real estate loan – a loan secured by a mortgage or other comparable collateral on real estate, and a loan aimed at acquiring or retaining a real right on real estate.

The term "mortgage loan" shall also be used as a synonym for this term in these GTC.

Loan- the amount provided by the Bank to the Borrower by virtue of a concluded loan agreement ("Agreement") and, accordingly, the debt formed by and in connection with the amounts of the principle utilized, including any interest, fees, commissions due and other expenses in accordance with the terms and conditions of the Agreement, these GTC and the Bank's Tariff of Interest Rates, Fees and Commissions (the "Tariff"). **Foreign currency loan** - a loan denominated in or granted in a currency other than the currency in which the Borrower receives income or holds assets to be used for the repayment of the loan, or in a currency other than the currency of the Member State where the Borrower resided at the time of the conclusion of the loan agreement or which is the Borrower's usual country of residence.

Borrower a legally capable individual - party to a Mortgage Loan Agreement, to whom the Bank has provided a Loan and who utilizes, uses as intended and repays the Loan within the terms and under the conditions stipulated in the Agreement and in these GTC.

Liable third party is a legally capable individual or a legal entity - party to another agreement concluded in connection with the Agreement or to the Agreement in question, who has undertaken, as a mortgagor, pledger, guarantor, joint debtor, etc., to be jointly liable, accordingly, with certain property of theirs or in person to the Bank for the implementation of the obligations of the Borrower under the Agreement.

Total amount of the loan - the maximum size (limit) or the total amount provided to the Borrower under the Loan Agreement;

Total expense on the loan - all expenses, including interest, commissions, fees, and all other types of expenses directly related to the real estate loan agreement, which the Borrower must pay, including the expenses on additional services related to the loan agreement, such as insurance premiums and expenses on the valuation of the collateralized property;

Total amount payable by the Borrower - the sum of the total amount of the loan provided and the total expenses on the loan agreed under the Agreement.

Annual percentage rate of charge (APR) - a percentage rate that constitutes the total expenses on the loan incurred by the Borrower, existing or future, expressed as an annual percentage rate, calculated on an annual basis from the total amount of the loan provided. The APR is calculated using the formula set out as Appendix 1 to the Consumer Real Estate Loans Act (CRELA) and is used to compare different proposals for the conclusion of loan agreements.

Package sale - the offering or entering into a loan agreement in a package with other separate financial products or services, whereby the loan agreement is also offered to the Borrower separately, but not necessarily under the same terms and conditions as when jointly offered with the additional services.

CRELA - Consumer Real Estate Loans Act, which regulates the legal framework of the Bank's activity for granting real estate loans to individuals.

For the Bank:
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(full name according to the identity document)
Borrower:
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(full name according to the identity document)

Borrower:
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(full name according to the identity document)
Guarantor:
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(full name according to the identity document)

I. PURPOSE OF MORTGAGE LOANS

1. The Bank provides loans for the following purpose:

- 1.1. For the purchase of real estate;
 - 1.2. For finishing works, repair, reconstruction and furnishing;
 - 1.3. For refinancing mortgage loans and other credit products to individuals provided by other banks;
 - 1.4. For current needs;
2. Combinations of the above are possible, with a corresponding indication of the amount for each of them in the total amount of the loan.

II. MAXIMUM TERM AND CURRENCY OF THE LOAN

The Bank provides loans in BGN and EUR, with a repayment period of up to 30 years.

III. ADDITIONAL SERVICES THAT THE BORROWER IS REQUIRED TO USE IN CONNECTION WITH THE LOAN:

The Bank may require the Borrower to use any of the following additional services:

1. Current account agreement.
2. Real estate insurance agreement, except where the insurance costs shall be borne by the Bank.
3. Payment of at least two periodic monthly utility bills using the Periodic Bills Subscription service.
4. Credit card issuance agreement.
5. Use of CCB Club service.
6. Use of overdraft.
7. Use of Internet Banking.

The Loan Agreement shall explicitly record the service(s) mandatory with respect to the specific loan.

IV. TERMS AND CONDITIONS FOR GRANTING MORTGAGE LOANS

1. The Borrower should submit to the Bank a written Loan Application (according to a sample form), together with documents and information in Bulgarian, which are required by the Bank in order to analyse and assess the Borrower's creditworthiness. In case the documents have been prepared in a foreign language, the Bank requires that the documents be presented along with a legalized translation into Bulgarian language, performed in accordance with the procedure established by law.

2. In connection with the provision of the loan, the Bank may require the Borrower to:

- 2.1. Provide their own funds needed to finance a certain portion of the value of the planned transaction.
- 2.2. Transfer of a certain percentage of their wages, a certain percentage of income or a specific amount.

3. On the basis of the preliminary information received about the needs and preferences, as well as the financial status of the Borrower, the Bank provides them with a copy of these General Terms and Conditions, in hard copy, in Bulgarian language, as well as personalized information about the loan offered to them, in the form of European Standardised Information Sheet (ESIS) with content consistent with Appendix No. 2 to CRELA. Any additional information on the loan application shall be presented in a separate document attached to the ESIS. Based on the pre-contractual information so provided, the Borrower shall be entitled to request clarification on both the terms and conditions of the loan agreement and the terms and conditions of any additional service related thereto. The clarification given to the customer under the preceding sentence shall not constitute a recommendation for the selection of a loan.

4. The Bank shall analyse and assess the creditworthiness of the Borrower, taking into account all factors, including assumptions about future events during the period of the loan agreement, related to the ability of the person to implement their obligations under the loan agreement. The creditworthiness assessment shall be performed on the basis of information about the Borrower's income and expenses and other financial or economic information required to perform the assessment. To perform the assessment, the Bank shall use information provided by the Borrower, which can be verified using a method at the discretion of the Bank, including through

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documents from independent sources or checks in databases subject to the requirements of Art. 19 of the Personal Data Protection Act. For the purpose of assessing the creditworthiness of the Borrower, the Bank shall be entitled to request clarification of the information and documents received.

5. The Borrower should provide the Bank with as accurate and complete information as possible so that the Bank will be able to properly assess the Borrower's creditworthiness. In the event that the Bank is unable to assess the creditworthiness due to the failure to provide information or if the necessary verification of the information cannot be performed, the loan may not be granted.

6. Based on an analysis and assessment of the creditworthiness of the Borrower, the Bank shall notify the Borrower of its decision on the loan application, within 10 business days of receiving the application, accompanied by all the documents originally requested by the Bank. In the event that additional documents and/or information have been requested from the Borrower, the period shall run from their receipt at the Bank. Based on the assessment of the creditworthiness of the Borrower, the Bank may refuse to grant the loan, for which it shall notify the Borrower within the time limit referred to in the preceding sentence. The Bank shall also notify the Borrower in the event that the refusal is based on automated data processing. The Bank is not required to give reasons for refusing to provide a loan. Where the refusal is based on a check carried out in the BNB Central Credit Register or in another database used in the Republic of Bulgaria to assess creditworthiness, the Bank shall immediately notify the Borrower of the result of the check and of the database in which the check was carried out, except if the provision of such information is prohibited or is contrary to the applicable law, the European Union law or the public order and security.

7. After assessing the creditworthiness of the Borrower, the Bank shall make a binding offer to conclude an agreement by providing a draft loan agreement containing all terms and conditions individually agreed by and between the parties to it and the ESIS. Upon receiving the draft loan agreement, the Borrower may decide within 14 days to conclude the loan agreement.

8. The validity of the Bank's decision to grant the loan shall cease upon the expiry of the 14-day period under the previous para. 7 of these GTC.

9. On the basis of the decision to provide the loan in accordance with the provided pre-contractual information and the binding offer, the Bank shall conclude with the Borrower an Agreement under terms and conditions acceptable to both parties and in compliance with the principle of confidentiality of relations.

V. CONDITIONS FOR MORTGAGE LOAN UTILIZATION

1. The Borrower shall be entitled to utilize amounts of the Loan after the Agreement has been signed by all the parties involved and provided that the following prerequisites have been met:

1.1. Establishment of the agreed collateral in accordance with the procedure stipulated by law and its registration with the respective registers.

1.2. Submission of certificates in the appropriate form for each collateral, certifying the rights of the Bank as the first-ranked secured creditor, as well as the absence of any encumbrances, rights or claims by or in favour of third parties in relation to the subject of the collateral.

1.3. Payment of the fees and commissions due in the amount specified under the Agreement and/or applicable according to the Tariff as of the due date and their accrual.

1.4. The Borrower has concluded the agreed insurances and agreements for package sales, where applicable.

2. The Bank shall not authorize or suspend the utilization of the loan in case the collateral provided in its favour does not correspond to the one specified in the agreement or in these GTC, in which case the Bank shall not be responsible and shall not have to reimburse the expenses incurred in connection with the establishment of the collateral, the conclusion or the implementation of certain conditions under the Agreement.

3. The loan shall be utilized in the manner agreed between the parties and shall be recorded and reported in the Bank's books of account by recording all amounts utilized and repaid.

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VI. INTEREST RATE ON REGULAR DEBT

1. The specific amount of the interest due on the loan shall be determined and paid in accordance with the Agreement and these GTC. The utilized portion of the loan shall be accrued with an annual interest rate, which can be: **(a)** fixed interest rate for the entire duration of the agreement; **(b)** variable / floating interest rate - formed as the sum of the Base Bank Reference Interest Rate (BRIR_{ML}) determined by the Management Board of the Bank, applicable to the respective interest rate period and a fixed margin specified in the Agreement; or **(c)** a combination of the two types for different periods of the loan.

2. The interest for the repayment period shall be calculated daily on an annual basis of 360/360 days. The interest shall be paid monthly or according to the agreed period of maturity, according to the repayment plan to the Agreement.

3. BRIR_{ML} shall be calculated according to the following:

METHODOLOGY FOR DETERMINING THE BASE REFERENCE INTEREST RATE ON MORTGAGE LOANS OF CENTRAL COOPERATIVE BANK AD

I. CALCULATION OF THE BASE REFERENCE INTEREST RATE

1. The Base Reference Interest Rate on Mortgage Loans (BRIR_{ML}) of CCB AD shall be calculated as the sum of the following components with different weightings in its determination according to the following formula:

$$\text{BRIR}_{\text{ML}} = (t_1 * \text{DepRate}^{\text{HH}} + t_2 * \text{DepRate}^{\text{NFI}}) / (1 - \text{MRR}) + t_3 * \text{InterestIndex} + t_4 * \text{HICP}$$

where:

- t₁** - weighting of New Business Deposits in the Households Sector with an agreed maturity of up to 1 year;
- t₂** - weighting of New Business Deposits in the Non-Financial Undertakings Sector with an agreed maturity of up to 1 year;
- DepRate^{HH}** - interest rate in the respective currency for New Business Deposits with an agreed maturity of up to 1 year in Households Sector of the Bulgarian Banking System;
- DepRate^{NFI}** - interest rate in the respective currency for New Business Deposits with an agreed maturity of up to 1 year in Non-Financial Undertakings Sector of the Bulgarian Banking System;
- MRR** - value of the minimum required reserves for household deposits in Bulgaria;
- t₃** - weighting of the interest rate index in the relevant currency;
- InterestIndex** - interest rate on New Business Deposits with an agreed maturity from 3 to 6 months in Household Sector in the Bulgarian Banking System for loans in BGN and value of the 3-month interest rate index EURIBOR for EUR.
- t₄** - weighting of the Harmonized Index of Consumer Prices;
- HICP** - Harmonized Index of Consumer Prices;

* - multiplication sign

2. DETAILED DESCRIPTION OF THE COMPONENTS OF BRIR_{ML}

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2.1. t_i is the weighting of the respective interest rate on deposits / indices with which it participates in the formula of the determination of $BRIR_{ML}$

$t_1 + t_2 + t_3 + t_4 = 1$, where the values of the relevant weightings are as follows:

$t_1 = 40\%$; $t_2 = 25\%$; $t_3 = 20\%$; $t_4 = 15\%$

2.2. DepRate interest rate in the respective currency for New Business Deposits with an agreed maturity of up to 1 year in Households and Non-financial Undertakings Sectors of the Bulgarian Banking System. These data is published on a monthly basis by BNB:

<http://www.bnb.bg/Statistics/StMonetaryInterestRate/StInterestRate/StIRInterestRate/index.htm>

2.3. MRR is the value of the minimum required reserves on deposits in Bulgaria, set by the BNB Ordinance No. 21, maintained by banks with BNB, expressed as a percentage of the deposit base.

2.4. InterestIndex is the interest rate in BGN on New Business Deposits with an agreed maturity of 3 to 6 months in Households Sector, for loans in BGN, which is published by BNB at the address indicated in para. 2.2 of this Methodology, respectively the value of the 3-month interest rate EURIBOR on loans in EUR.

2.5. HICP is the value of the Harmonized Index of Consumer Prices in Bulgaria. For the purposes of the calculations, the Harmonized Index of Consumer Prices is used, showing a change from the corresponding period of the previous year, expressed in %. It is published by NSI:

<http://www.nsi.bg/bg/content/2528/%D1%85%D0%B8%D0%BF%D1%86-%D1%81%D1%8A%D0%BE%D1%82%D0%B2%D0%B5%D1%82%D0%BD%D0%B8%D1%8F%D1%82-%D0%BC%D0%B5%D1%81%D0%B5%D1%86-%D0%BE%D1%82-%D0%BF%D1%80%D0%B5%D0%B4%D1%85%D0%BE%D0%B4%D0%BD%D0%B0%D1%82%D0%B0-%D0%B3%D0%BE%D0%B4%D0%B8%D0%BD%D0%B0-100>

II. PROCEDURE FOR CALCULATING THE BRIR ON MORTGAGE LOANS, CCB AD BODIES RESPONSIBLE FOR THE DETERMINATION, FREQUENCY OF CHANGE AND THRESHOLD OF MATERIALITY

3. As at the date of entry into force of this Methodology, the Bank's $BRIR_{ML}$ shall be determined based on the components listed in **Section I** for the last month for which data has been published by BNB, NSI and ECB. In the exclusion of an index included in the formula for objective reasons, it shall be replaced by another, if possible, analogous representative index. For the purposes of this methodology, an index used by at least two financial institutions shall be considered representative.

4. The value of $BRIR_{ML}$ shall be calculated monthly /by the 15th of the relevant calendar month or at the latest on the first business day following the 15th of the respective month if the latter is a non-business day/ according to the formula described in Section I, based on the values of the component for the last month for which data has been published by BNB, NSI and ECB. The calculation shall be carried out by the Risk Analysis and Management Directorate whereby the value of $BRIR_{ML}$ is rounded to the second decimal place, so that it could be divided by 0.1 without a remainder.

5. $BRIR_{ML}$ shall change if, in the current calculation, the resulting value differs by more than 30 bps from the current/actually applied value of $BRIR_{ML}$ in the relations with the customers for the respective currency. $BRIR_{ML}$, as well as the components of which it is formed, may not be negative and should always be a positive figure or

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participate in the calculations with a value of 0.

6. Information on the amount of the value of BRIR_{ML} to be applied in the relations with the customers shall be published on the official website of the Bank on the 15th day of the respective calendar month or at the latest on the first business day following the 15th day of the respective month, if the latter is a non-business day and will take effect the next business day.

III. SUPPLEMENTARY PROVISIONS

7. Subject to the Methodology, the Bank shall, on the grounds of a Decision of its Management Board, within the time limit under para. 4 of the Methodology, unilaterally change (increase and decrease) the size of the applicable BRIR_{ML} without the need to sign a specific annex to the agreement reflecting the explicit consent of the Borrower and the liable third parties. In the event of an increase in the value of BRIR_{ML} in its current designation (i.e. to the detriment of the customer), the Management Board of CCB AD shall be entitled to postpone all or part of its entry into force until a new reason for change occurs, pursuant to Art. 5 of this Section of the Methodology, and at any time to revoke its decision to postpone its entry into force, in accordance with the provisions set out in the Methodology. In the cases regulated in this clause, information on the amount of the value of BRIR_{ML} to be applied in the relations with the customers shall be published on the official website of the Bank on the 15th day of the respective calendar month or at the latest on the first business day following the 15th day of the respective month, if the latter is a non-business day and will take effect the next business day.

8. In compliance with the legal requirements, the Bank shall announce on its website and in the Bank's reception offices the Methodology for determining BRIR_{ML}, its present value applicable in the relations with the customers, as well as an archive of its previous values. The Bank shall promptly inform the borrowers under the procedure set out in para.6 of the Methodology of the modified size of BRIR_{ML} and the date on which it enters into force through their publication on the Bank's official website. At any time from the effective date of the Loan Agreement, the Borrowers may be informed of the specific size of the applicable BRIR_{ML} on the loans in the Bank's reception offices and on the Bank's website.

9. Upon the amendment of the BRIR_{ML} effective for the respective interest period, the parties to the loan agreement shall consider the interest rates on the loan to be amended ex-officio, preserving the agreed margins, and the new interest rates shall be binding on them as from the date on which the change becomes effective.

END OF METHODOLOGY

VII. TOTAL AMOUNT OF THE LOAN, TOTAL EXPENSES ON THE LOAN, TOTAL AMOUNT PAYABLE BY THE BORROWER AND APR:

1. The Borrower shall also pay the following other expenses included in the total expenses on the loan:

1.1. Fees and commissions of the Bank, determined and specified in the loan agreement. In cases where the customer has a current account with the Bank before submitting a loan application, the fee for opening a current account shall not be included in the APR.

1.2. Expenses on the evaluation of the proposed collateral.

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- 1.3. Expenses on the insurance of the accepted collateral, except where they are to be borne by the Bank.
2. A representative example of the total amount of the loan, the total expenses on the loan for the Borrower, the total amount due by the Borrower and the APR on the loan:

The annual percentage rate of charge is 2.83% for a loan of BGN 100,000, repayment period of 15 years at an interest rate of 2.7% (BRIR_{ML} + margin), including a legal service fee of BGN 96, property valuation fee of BGN 150, fee for the preparation of an application-consent for deleting one mortgage of BGN 60, monthly card current account service fee of BGN 2.20. Total amount due of BGN 122,426.09, monthly instalment of BGN 676.25.

VIII. POSSIBLE ADDITIONAL EXPENSES PAYABLE BY THE BORROWER AND NOT INCLUDED IN THE TOTAL EXPENSES ON THE LOAN

1. Notarial and state fees due in connection with the loan collateral registration, renewal and deletion are not included in the APR.

IX. LOAN PAYMENT, CONVERSION IN FOREIGN CURRENCY, EARLY REPAYMENT

1. The Borrower shall repay the loan within the agreed term for its use, in instalments according to the Repayment Plan, which is an integral part of the Loan Agreement. The Repayment Plan shall be prepared in a tabular form and shall contain information on the maturity and amount of each loan repayment instalment, presented as a sum of the interest payable, the principal due and, where applicable, the expenses payable and a list of expenses. The Repayment Plan shall also include the balance of the principal after the payment of each instalment, where applicable.

2. A representative example - for a loan amount of BGN 100,000:

- 2.1 Period of interest payment - monthly;
- 2.2 Number of monthly instalments - 180 monthly instalments;
- 2.3 Amount of the repayment instalment - BGN 676.25.

3. Where the maturity date of the instalment is a non-business day and it is not repaid by the first following business day at the latest, the amount shall be considered past due.

4. The loan shall be repaid in the currency in which it has been extended.

5. In the case of a loan in foreign currency, the Borrower shall be entitled to convert the loan as follows: in the currency in which the Borrower mainly receives income or holds assets to be used for the repayment of the loan, as established in the last assessment of the creditworthiness under the Loan Agreement; or in the currency of the Member State in which it usually resides as at the time of the conclusion of the Loan Agreement, or at its usual place of residence. In the above cases, the Borrower(s) may exercise their right to convert it in the currency in which the Bank offers loans and subject to the terms and conditions of the respective type of loans. When exercising the right of conversion by the Borrower, the Bank shall carry out the conversion at the exchange rate of CCB AD on the day of the currency change within 5 business days from the submission of the request.

6. The Borrower shall have the right at any time to repay in full or in part his or her obligations under the Loan by making an explicit written request to the Bank in advance for his / her intention. The Bank shall provide in writing timely information on the amount of the remainder of the total loan amount, the total expenses on the remaining portion of the loan agreement before the early repayment and the amount of the early repayment fee, as well as the assumptions used in this respect.

7. The Bank shall not be entitled to a penalty / compensation for early repayment where the early repayment of the loan is made on the basis of payment under an insurance contract, the purpose of which is to guarantee the repayment of the loan or where the repayment is made after the payment of 12 monthly repayment instalments since its utilization. Except as provided in the preceding sentence, the Bank shall be entitled to a penalty / compensation amounting to: 1% of the early repaid loan amount. The Bank may, in exceptional cases, seek greater compensation, provided that it proves to have suffered from the loan acceleration a loss exceed the amount

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referred to above.

X. POSSIBLE CONSEQUENCES FOR THE BORROWER IN CASE OF DEAFULT ON ITS OBLIGATIONS UNDER THE AGREEMENT

1. In case of violation of these General Terms and Conditions, the Loan Agreement and/or the agreements for the establishment of the collateral by the Borrower and/or by any of the liable third parties, or deterioration of their financial condition, and in the event that, upon a written invitation from Bank, the liable persons fail to take the necessary corrective measures, the Bank may:

- 1.1. Suspend or not allow the further utilization of amounts under the Loan;
- 1.2. Declare acceleration of the principal due and the interest payable up to the time of the acceleration, under the terms and conditions of the Agreement;
- 1.3. Take other actions to protect its interests as a creditor;
- 1.4. Set off any amount payable to it by the Borrower, including before its maturity, from the Bank's payable receivable from the Borrower under any of its agreements with it. Upon repayment with funds in a currency other than the currency of the Loan, the Bank shall convert the funds at its "buying" exchange rate on the day of the transaction;

2. The delay in the repayment of the instalments of the loan by the Borrower shall result in the accumulation of bad credit history in the BNB Central Credit Register, which may negatively affect any future loan applications.

3. The Bank shall collect its receivables by exercising its rights to ex officio collection under these GTC and the agreement and/or by exercising its right to set off its receivables against the Borrower and the liable third parties against their liabilities for the balances on their accounts with the Bank, for which the Borrower and the liable third parties have agreed by accepting these GTC and the loan agreement.

4. The Bank shall proceed to enforced collection of its payable receivables according to the statutory procedure, without judicial intervention, according to the type of security, or proceed to request judicial intervention to satisfy its claims by requesting the issuance of an order for immediate enforcement under Art. 418 of the Civil Procedure Code based on an extract from its books of accounts against the Borrower and/or the liable third parties and shall initiate enforcement proceedings.

9. The Bank shall be entitled to be reimbursed all expenses on the enforcement imposed to it.

XI. COLLATERAL

1. When granting mortgage loans, the Bank accepts real (mortgage of liquid real estate located in the Republic of Bulgaria, the discounted cost of which, according to its rules, is not less than a certain percentage of the loan amount) and personal collateral (suretyship, guarantee, etc.). The collateral shall be established in favour of the Bank in accordance with the procedure established by law.

2. The Bank shall accept the following collateral, but not limited to:

- 2.1. Mortgage on real estate owned by the Borrower or a third party.
- 2.2. In order to secure the repayment of the Loan, the Bank may also require:
 - 2.2.1. A pledge under the Obligations and Contracts Act (OCA) for a receivable on a bank account opened with the Bank or other receivable under a contract, including a contract of employment or an order (in an employment relationship).
 - 2.2.2. Participation as a party to the agreement with the joint debtor - a person who, pursuant to Art. 101 and under the terms of Art.121-127 OCA, shall be liable jointly with the Borrower to implement the Borrower's obligations to repay the Loan, as from the time of occurrence of these obligations until their full settlement under the Agreement and these GTC.
 - 2.2.3. Participation in the guarantee by concluding an agreement by and between the Bank and the Guarantor - a person who, pursuant to Art.138-148 OCA, shall be liable jointly with the Borrower to implement the Borrower's obligations to repay the Loan, as from the time of occurrence of these obligations until their full settlement under

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the Agreement and these GTC. In the event of default on the Agreement by the Borrower, the Guarantor shall be bound, upon first invitation sent by the Bank, voluntarily to repay the outstanding payments of the Loan. The full repayment of the Loan shall result in termination of the responsibility of the Guarantor. In case of partial repayment, the liability of the Guarantor shall be reduced accordingly.

2.2.4. Issuance of a promissory note or bill of exchange. Where the liabilities under the loan agreement are secured by the issuance of a promissory note or a bill of exchange, after each payment the Bank shall immediately adjust the balance of the liability accordingly and, upon full repayment, shall immediately return the issued promissory note or bill of exchange to the Borrower.

2.2.5. Other collateral, allowed by the law.

3. In case of collateral in the form of a mortgage on real estate, the real estate shall be evaluated as assigned by the Bank and the expenses thereof shall be borne by the Borrower. The valuation shall be performed by a person registered with the register of independent appraisers under Art. 15 of the Independent Appraisers Act and holding a certificate of competence as an independent appraiser. The Bank shall ensure that the activity of the appraiser assigned to perform the valuation is separate from the lending process so that to ensure that the valuation is impartial and objective.

3. In cases where the purpose of the loan granted by the Bank is to refinance a loan with another bank secured by the property used as a collateral for the loan granted by the Bank, the Borrower shall, within one month from the utilization, submit to the Bank the application-consent of the refinanced bank for the deletion of the mortgage registered in its favour, registered with the Registry Agency.

4. In cases where the loan is secured by a mortgages on more than one real estate and/or other types of collateral, at the discretion of the Bank, the collateral may be released at the request of the Borrower after revaluation of the remaining collateral in favour of the Bank.

5. The Bank sets up an insurance at Armeec Insurance Company, for its own account and for its own benefit, of the real estate that is the subject of the collate for insured risks under a framework agreement entered into with the insurer. The insurance is a group insurance and the term of the insurance coverage for each individual object shall be equal to the term of the loan agreement. In case of early repayment of the loan, this period shall end on the date of the early repayment of the debt.

XII. OUT-OF-COURT DISPUTE SETTLEMENT

1. Any objections and complaints regarding the conclusion and execution of the loan agreement shall be submitted to the director of the bank branch through which the loan has been granted.

2. The Borrower shall be entitled to approach the sectoral conciliation panel handling the disputes in the field of financial services, set up pursuant to Chapter Nine, Section III of the Consumer Protection Act, where its rights and legitimate interests have been affected. Where the Bank does not provide its statement within 30 days of the receipt of the objection, or where the decision of the Bank does not satisfy the Borrower, the dispute may be referred to the respective body for alternative dispute resolution under sentence one. The filing of an objection or a complaint to the Bank in connection with the loan agreement is not a mandatory prerequisite for initiating conciliation proceedings.

3. The Borrower shall be entitled to file complaints regarding the Consumer Loan Agreement or the Consumer Loan Mediation Agreement with the Consumer Protection Commission at 4A Slaveykov Square, fl. 3, 4, 6, Sofia.

X. GENERAL PROVISIONS

1. In case of contradiction between the provisions of these General Terms and Conditions and the statutory provisions, the applicable law shall prevail.

2. In case of contradiction between the provisions of these General Terms and Conditions and the loan agreement and/or the collateral agreement, the provisions of the respective agreement shall prevail. A contradiction is considered to exist only where one and the same issue is settled in the Agreement and these General Terms and

For the Bank:
.....
(full name according to the identity document)
Borrower:
.....
(full name according to the identity document)

Borrower:
.....
(full name according to the identity document)
Guarantor:
.....
(full name according to the identity document)

Conditions in a mutually exclusive manner. In all other cases, the contents of these General Terms and Conditions shall be deemed to be complementary to those of the Agreement.

3. The terms used in the Agreement shall have the meaning set out in these General Terms and Conditions.

4. These Terms and Conditions shall constitute an integral part of the contents of any mortgage agreement to which the Bank is a party.

These General Terms and Conditions have been prepared pursuant to the CRELA, and have been approved by a decision of the Management Board of Central Cooperative Bank AD under Minutes No. , in force as from

Date:

For the Bank:
.....
(full name according to the identity document)

Borrower:
.....
(full name according to the identity document)

Borrower:
.....
(full name according to the identity document)

Guarantor:
.....
(full name according to the identity document)

I hereby declare my consent to the General Terms and Conditions of Central Cooperative Bank AD for Real Estate Lending to Individuals, applicable to Agreement No /, with Central Cooperative Bank AD as the creditor, and that upon the conclusion of the agreement I have received a copy of the aforementioned General Terms and Conditions signed by an authorized representative of the Bank.

Date:

Borrower:
.....
(full name according to the identity document)

Borrower:
.....
(full name according to the identity document)

Guarantor:
.....
(full name according to the identity document)

For the Bank:
.....
(full name according to the identity document)
Borrower:
.....
(full name according to the identity document)

Borrower:
.....
(full name according to the identity document)
Guarantor:
.....
(full name according to the identity document)