

FORFAITING AGREEMENT

(Being, For the Purposes of Latvian Law, A Cession Agreement)

BY AND BETWEEN

|r|X[2]|

ASSIGNOR&.ESCo.Name

FORFAITING ASSIGNEE&index .Contract.Fields "client_name"

.Contract.Agreement.front_page_free_text, .Contract.Agreement.front_page_date

PREAMBLE

The Assignor has entered into a contract for the execution of Renovation Works with guaranteed results as defined in the Energy Performance Contract (Annex No. 3 of this Agreement), concluded on index .Contract.Fields "date" by and between index .Contract.Fields "client_name" (as "**Customer**" or "**Assignor's Client**") and the Assignor (as "**Contractor**"), pursuant to which the Assignor shall assure the financing and undertake all due Renovation Works in consideration of regular payments and against the guaranteed energy savings and words and expressions defined in the Energy Performance Contract (unless the context otherwise requires) the same meaning when used in this Agreement;

The payment of the Assignor's remuneration under the Energy Performance Contract shall be made according to an agreed monthly payment schedule for a period of date_diff .Project.ConstructionFrom .Project.ConstructionTo years comprised of the following elements as depicted in detail in Annex No. 5 of the Energy Performance Contract and namely:

1. **Energy fee:** the amount due at the current Energy Tariff for the Guaranteed Energy Consumption and distributed in equal monthly payments, subject to a settlement once per annum to account for the actual weather conditions prevailing for the referenced Period;
2. **Renovation fee:** the amount due for the renovation costs of the building indexed to EURIBOR;
3. **Operation and Maintenance fee:** the amount due for the Operation and Maintenance Expenses and subject to annual indexation with the applicable .Contract.Fields.country_adj Consumer Price Index for the respective year as published by .Contract.Fields.country_issuer.
4. **Any taxes due** (such as VAT) in delivering the service.

5. **Domestic hot water:** the amount due at the current Energy Tariff calculated for the actual domestic hot water consumption. referred to hereinafter for short as the **"Receivables"**

The Assignor wishes to transfer its Receivables arising under the Energy Performance Contract in their full amount to the Forfaiting Assignee subject to the satisfactory performance of the executed work under the Energy Performance Contract and notification of the assignment in writing to the respective residents of the Building.

SPECIFIC TERMS AND CONDITIONS OF THIS AGREEMENT

PARTIES TO THE AGREEMENT

The **"Assignor"** (also referred to as the **"ESCO"**)

|X|X[2]| Name &.ESCo.Name

Registration number &.ESCo.VAT

Address &.ESCo.Address

Legal representative &.Contract.Fields.contractor_representative_name

The **"Forfaiting Assignee"** (also referred to as the **"Facility"**)

|X|X[2]| Name &index .Contract.Fields "client_name"

Registration number &index .Contract.Fields "client_id"

Address &index .Contract.Fields "client_address"

Legal representative &index .Contract.Fields "client_representative_name"

SCOPE OF THE AGREEMENT

1. Subject to the terms and conditions of this Agreement, the Assignor cedes and transfers to the Forfaiting Assignee and the Forfaiting Assignee buys and receives on the basis of this Agreement the total amount of all Receivables defined and payable under the Energy Performance Contract from the Assignor's Client, which exist between the Assignor's Client and the Assignor pursuant to the Energy Performance Contract and which satisfy the following criteria:
 - (a) the Receivables have resulted from implementation of the Energy Efficiency Improvement Measures carried out by Assignor for the Assignor's Client;
 - (b) the Receivables exist with a defined and calculable value, are subject to contractual indexation, are in a legally executable and in enforceable form, according to Latvian law, are subject to the jurisdiction

of the courts of Latvia, and are without caveat, recourse, right for appeal, counterclaim, offsetting, charging or other rights of third parties;

- (c) the Energy Performance Contract and all documents evidencing the Receivables and the performance thereof do not contravene any applicable mandatory legal provisions and, all such documents have been submitted to the Forfeiting Assignee; and
 - (d) the sale, assignment and/or charging of the Receivables shall not be prohibited (whether by the terms of the Energy Performance Contract, any other agreement or any applicable law); together with:
 - (e) an assignment of any liens, pledges, energy saving guarantee, other securities or sureties given to secure payment of the Receivables ceded and transferred hereby; and
 - (f) a pledge, to the greatest extent possible, of the equipment installed by the Assignor in the Building (as contemplated by the General Terms and Conditions of this Agreement) to secure the Forfeiting Assignee's rights hereunder.
2. This Agreement is concluded on the basis that the assignment, cession and transfer is a conditional one, being enforceable only if the following specific conditions are satisfied:
- (a) the Project is developed pursuant to the Forfeiting Assignee's Energy Performance Contract template and fully satisfy index .Contract.Fields "client_name" Financial and Technical Rules and Guideline for Energy Efficiency Measures;
 - (b) availability of at least one calendar year of continuous utility bill payment history for the respective Project evidencing the achievement of the Guaranteed Energy Consumption being warrantied under the Energy Performance Contract;
 - (c) all costs for the implementation of the Energy Efficiency Improvement Measures have been fully paid to the respective subcontractors (if any);
 - (d) there has been duly sent notice of assignment of Receivables in the format provided for in Annex 1 to this Agreement, whereby the Assignor's Client confirms to the Forfeiting Assignee receipt of such notification;
 - (e) there is in place a validly concluded and effective insurance policy for the full value of the Building after its renovation with a minimum insurance coverage against fire, earthquake, flood, water damage, any other natural disasters having an impact on the Building, structural damage caused by subsidence and fallen trees, evidenced through the provision of a certified copy of the relevant policy or other conclusive

documents confirming payment of the insurance premium. The insurance policy should be valid for not less than 3 years following the date of its execution and be concluded under terms and conditions incorporating relevant industry standard provisions and concluded with an insurer rated minimum A+ according to relevant reputable ratings applicable to Latvia;

- (f) satisfactory results from the due diligence process that the Forfeiting Assignee shall deploy to verify the quality of the renovation works and implemented Energy Efficiency Improvement Measures in the Building not sooner than the expiry of the first heating season. The Parties acknowledge that this due diligence condition is inserted for the sole benefit of the Forfeiting Assignee and to allow the Forfeiting Assignee to review of the quality of the work executed by the Assignor and the actual amount of energy consumption achieved under the Energy Performance Contract); and
 - (g) there is in place a validly concluded and effective Management Contract and Tripartite Agreement as defined in the General Terms and Conditions of this agreement.
3. Upon signature of a “Energy Service Verification” Protocol, the assignment of the Receivables shall be completed. This Agreement is legally binding from the moment of its signing, but the obligations arising under it, unless expressly specified otherwise, shall be considered suspended until the Protocol referred to above is issued in evidence of the successful satisfaction of the conditions under (2.2.1) to (2.2.7) above.

RECEIVABLES TRANSFERRED HEREBY

1. The Receivables being transferred under this Agreement to the Forfeiting Assignee amount to the full amount of all receivables to which the Assignor is entitled to receive from the Assignor’s Client on the basis of a validly concluded Energy Performance Contract (such as defined in the Preamble) and is without prejudice to the Forfeiting Assignee’s right to novate of the any of the Assignor’s obligations due under the Energy Performance Contract. The Receivables subject to their cession to the Facility arise from the payment obligations of the following:

XX[2] Assignor’s Client: & .BuildingOwner.Name
Legal Address: & .BuildingOwner.Address

2. The transfer of Receivables under this Agreement represents a cession (within the meaning of Art. 1793, Chapter 9, Sub-Chapter 1 of the Civil Law of Latvia and related provisions) of rights to all claims to which the Assignor is entitled against the Assignor’s Client. For the avoidance of doubt, the assignment of all claims which the Assignor has against the Assignor’s Client entitles the Forfeiting Assignee to undertake alone or

through the use of third parties all due factual and legal activities for the enforcement of all such claims against each of the Apartment Owners separately or collectively as the Assignor's Client. Without prejudice to the above, the Assignor hereby consents and unconditionally agrees to novate any of its obligations due under the Energy Performance Contract to the Forfeiting Assignee or any of its designees not later than within 5 Business days from the date of receipt of the relevant request from the Forfeiting Assignee.

PURCHASE PRICE FOR THE RECEIVABLES

1. The purchase price for the Receivables is in the amount of EUR `.Contract.Agreement.receivable_price` (`.Contract.Agreement.receivable_price_words`) (the "**Price**") corresponding to `.Contract.Agreement.receivable_price_percent` (`.Contract.Agreement.receivable_price_percent_words`) of the full values of the Receivables linked to the fix component of the Renovation Fee of the Energy Performance Contract.
2. The payment of the purchase price shall be made in accordance with Art. 6.1 after the later of
 - (a) receipt by the Assignor's Client of the notice for the transfer of the total amount of all Receivables from the Assignor to the Forfeiting Assignee and
 - (b) receipt of the "Energy Service Verification" Protocol contemplated by Art. 2.3 above.

PERFORMANCE FEE AND OTHER FEES DUE

1. The Assignor will be entitled to a payment from the Forfeiting Assignee corresponding to:
 - (a) `.Contract.Agreement.forfeiting_assignee_payment` (`.Contract.Agreement.forfeiting_assignee_payment_words`) of the fix component of the Renovation Fee of the Energy Performance Contract
 - (b) One hundred per cent (100%) of the Operation and Maintenance Fee of the Energy Performance Contract
2. The Assignor will additionally be entitled to a performance fee in respect of each year in which the achieved energy saving under the Energy Performance Contract exceeds the amount of the guaranteed energy savings for that year pursuant to the Energy Performance Contract (after measurement and verification according to `.Contract.Fields.client_name` Financial and Technical Rules and Guidelines for Energy Efficiency Measures). Such performance fee shall be calculated on an annual basis pursuant to the following formula:

$$Performance\ fee = .Contract.Agreement.performance\ fee\ \%P_G$$

Where:

P_G : extra performance of the guarantee during the settlement period, EUR (excluding VAT) calculated according to Annex 5 of the Energy Performance Contract (Annex 3 of this Agreement)

3. The performance fee calculated in the aforementioned manner shall become due and payable to the Forfaiting Assignee with the Payment for the first quarter Period after the expiry of the year in which the extra energy savings was achieved
4. The Assignor is separately and unconditionally obliged to pay to the Forfaiting Assignee the compensation for the non- fulfillment of the Guaranteed Energy Savings during the settlement period as indicated in Annex 5 of the Energy Performance Contract.
5. The compensation for the non- fulfillment of the Guaranteed Energy Savings shall become due and payable to the Forfaiting Assignee within 30 days from the date of completing the calculation establishing the breach of Guaranteed Energy Consumption. The Assignor shall settle its debt via a transfer to a bank account designated by the Forfaiting Assignee within the aforementioned term. Failure to ensure timely payment of the above entitles the Forfaiting Assignee to a late payment fee in the amount of `.Contract.Agreement.late_payment_fee` % (`.Contract.Agreement.late_payment_fee_words`) of the amount outstanding for each day of delay, but not exceeding in total `.Contract.Agreement.outstanding_amount` % (`.Contract.Agreement.outstanding_amount_words`) of the outstanding amount.
6. Without prejudice to the above, the Forfaiting Assignee is entitled to set-off its claim for the compensation for the non- fulfillment of the Guaranteed Energy Savings to the above amounts against any of the performance fee payments due under Art. 5.1 above and/or to decrease or withhold payments (like payment for building maintenance from Forfaiting Assignee to the Assignor) as a defense, retention, objection, counterclaim or in pursuance to any of its other rights stemming under this Agreement.

PAYMENT DEADLINES

1. The Assignor shall issue an invoice for each installment corresponding to the Price (pursuant Art. 4.1) within 10 days following the date of the “Energy Service Verification” Protocol contemplated by Art. 2.3. signed between the Parties pursuant to the provisions hereinabove. Payments will be made in the following instalment[s]:

index .Contract.Agreement "payment_first_amount" EUR – due and payable not later than index .Contract.Agreement "payment_first_date";
index .Contract.Agreement "payment_second_amount" EUR – due and payable not later than index .Contract.Agreement "payment_second_date"; and

index .Contract.Agreement "payment_third_amount" EUR – due and payable not later than index .Contract.Agreement "payment_third_date".

2. The Assignor shall issue an invoice on quarterly basis for the payments corresponding to the accrued Fees pursuant Art. 5.1.
3. The Assignor shall issue an invoice on annual basis after measurement and verification as indicated in the Energy Performance Contract pursuant Art. 5.2.
4. The payments in respect of the Price or the Performance Fee and Other Fees shall be made to the following bank account of the Assignor (unless the Assignor changes its payment instructions prior to the Forfaiting Assignee initiating the relevant payment by giving a written notice, in which case payments shall be made to the bank account indicated in such notice):

XX[2] Beneficiary Name: & .FABankAcc.BeneficiaryName
Bank name and address: & .FABankAcc.BankNameAddress
IBAN: & .FABankAcc.IBAN
SWIFT: & .FABankAcc.SWIFT

5. The Assignor shall pay any due invoice within 30 working days.
6. The Forfaiting Assignee shall issue an invoice on annual basis after Measurement and Verification as indicated in the Energy Performance Contract pursuant Art. 5.5.
7. The payments in respect of the breach of Guaranteed Energy Consumption shall be made to the following bank account of the Forfaiting Assignee (unless the Forfaiting Assignee changes its payment instructions prior to the Assignor initiating the relevant payment by giving a written notice, in which case payments shall be made to the bank account indicated in such notice):

XX[2] Beneficiary Name: & .FABankAcc.BeneficiaryName
Bank name and address: & .FABankAcc.BankNameAddress
IBAN: & .FABankAcc.IBAN
SWIFT: & .FABankAcc.SWIFT

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GENERAL TERMS AND CONDITIONS OF THIS AGREEMENT

2

REQUIRED DOCUMENTS AND OTHER WARRANTIES AND CONDITIONS

1. Before signing of this Agreement, the Assignor shall hand-overed the Energy Performance Contract and all documents evidencing the transferred Receivables, and, not later than 5 days after the receipt of the request of the Forfaiting Assignee , all information necessary for the collection of the assigned Receivables against the Assignor's Client and/or against each of the Apartment Owners and shall provide all information necessary for enforcing all claims stemming from the Energy Performance Contract. The Assignor shall confirm that the documents and information supplied to the Forfaiting Assignee in respect of the transferred Receivables represent all documents and information in connection with the transferred Receivables or, if that is not the case, supply all additional documents and information as shall correct any omission. The Assignor is obliged to immediately inform the Forfaiting Assignee in writing about any circumstances that would indicate a worsening of the credit rating or credit worthiness of the Assignor's Client.
2. The Assignor shall separately provide to the Forfaiting Assignee at any time information about the Assignor's financial position providing documentation like profit and loss account statement, closed balance sheet, operative balance sheet.
3. The Assignor is obliged to immediately inform the Forfaiting Assignee in writing about any dispute, appeal, warranty claim, cancellation, enforcement of warranty rights by the Assignor's Client or its default, as well as to immediately comply with any rightful claim of the Assignor's Client to the Assignor to replace, improve or add any missing equipment or service or to rectify any non-performance. Without prejudice to the generality of the foregoing, the above shall include without limitation all warranty claims or claims of any other nature arising under the Energy Performance Contract, not limited to any claims arising from any defects or deficiencies in the Energy Efficiency Improvement Measures installed by the Assignor in the Building.
4. The Assignor is separately obliged to provide upon request satisfactory evidence as to the authenticity of any documents evidencing the transferred Receivables and demonstrating that such documents create legal, valid, binding and enforceable obligations and without any recourse towards the Forfaiting Assignee. The Forfaiting Assignee shall examine documents delivered by the Assignor within 10 Business Days of their receipt and may

disregard and return to the Assignor any document delivered that fails to meet the criteria for evidencing a valid, binding and enforceable obligation and request that documents fulfilling such requirements are duly and promptly submitted.

5. The Assignor warrants to the Forfeiting Assignee that:

- (a) it is duly organised, validly existing and in good standing under the laws of its jurisdiction of organisation or incorporation, and has full power and authority to execute, deliver and perform its obligations under this Agreement;
- (b) its execution, delivery, and performance of this Agreement does not result in a breach or violation of any provision of (i) its organisational documents, (ii) any statute, law or regulation of any governmental authority applicable to it, (iii) any judgment or injunction applicable to it;
- (c) the execution, delivery and performance of this Agreement on its behalf has been duly and validly authorised, and this Agreement upon its signing will constitute its legal, valid and binding obligations, enforceable against it in accordance with its respective terms; except as provided for in this Agreement, no other notice to, other than the one to the Assignor's Client communicating the transfer of Receivables under this Agreement, registration with, consent or approval of, or any other action by, any relevant governmental authority or any other person is or will be required for the execution, delivery and performance of its obligations set out herein;
- (d) it is duly entitled to assign the transferred Receivables;
- (e) the transferred Receivables, in whole or in part, are legal, valid and binding obligations of the Assignor's Client, and are enforceable against the latter in accordance with their respective terms;
- (f) the transferred Receivables have not been otherwise assigned, sold, mortgaged, pledged or burdened in any other way or encumbered with any right of any third person whatsoever and that none of the transferred Receivables have been or are liable to, set-off against any payables that the Assignor may be due to pay to the Assignor's Client; and
- (g) no proceedings are (i) pending against the Assignor or (ii) to the best of Assignor's knowledge, threatened against Assignor before any relevant governmental authority, court or arbitral tribunal that, whether individually or in the aggregate, would be likely to materially and adversely affect (i) any action taken or to be taken by the Assignor under this Agreement or (ii) the transferred Receivables.

RIGHTS AND OBLIGATIONS OF THE ASSIGNOR

1. The Assignor is liable to the Forfeiting Assignee if it has not disclosed on or before the date of sending the notice for assignment of Receivables the existence of any payment claim or other obligation that may affect the amount or validity of the Receivables being transferred pursuant to this Agreement. The above is without prejudice to the fact that the Assignor is not liable, either severally or jointly with the Assignor's Client, for the due and timely payment or collection of any of the Receivables and the securities having been imposed in light thereof transferred under this Agreement to the Forfeiting Assignee. Notwithstanding anything to the contrary, the Assignor shall still be liable for the authenticity and enforceability of the Receivables being transferred and the securities being established thereto.
2. The Assignor, together with the Forfeiting Assignee, shall jointly notify the Assignor's Client through a single notification of the assignment of the transfer of the Receivables on the basis of this Agreement which notification shall be in the format provided for in Annex No. 1.
3. The Assignor warrants the amount of the Guaranteed Energy Savings outlined in the Energy Performance Contract and undertakes to maintain its level for the entire duration of the Energy Performance Contract, committing to perform all dared additional works necessary to keep the Guarantee Energy Savings without the need to incur into additional expenses.
4. The Assignor shall ensure that all utility services from and to the separate apartments of the Building from where the Receivables stem are not disconnected or disrupted at any time without the Assignor Client's prior consent (including when such consent is expressed verbally, in writing or communicated via e-mail to the Manager) and are promptly reinstated in case of their temporary non-functionality for reasons of regular check-ups of any nature or repair or replacement in case of defect or deficiency. This warranty does not cover cases when such disruptions are beyond the Assignor's control and/or are due to acts or omissions by direct suppliers, the Forfeiting Assignee or any third parties.
5. The Assignor warrants as at the delivery of the notice for the transfer of the Receivables from the Assignor to the Forfeiting Assignee that the execution and implementation of all Renovation Works have been completed with due professional care and attain high quality and were implemented with all necessary tools, materials and equipment of suitable nature, quality and quantities and are without deficiencies and defects throughout the validity period of the Agreement (Except as for normal wear and tier). Notwithstanding the above, the Assignor is obliged to maintain and ensure the Renovation Works at all times for the entire duration of the Energy Performance Contract.

6. The Assignor warrants that all Renovation Works have been developed in line with index .Contract.Fields "client_name" Financial and Technical Rules and Guidelines for Energy Efficiency Measures. Additionally the Assignor warrants that all Renovation Works have been developed taking into account the European and national best practices complying with the Investor Confidence Project Europe (ICPEU - <http://europe.eepperformance.org/>) Protocols for developing, documenting, implementing and measuring projects. Separately, the Assignor has strictly abided by and is bound by the provisions of the European Code of Conduct for Energy Performance Contracting as uploaded on www.transparens.eu at the time of signing of the Energy Performance Contract and shall ensure its due implementation in the course of this Agreement.
7. The Assignor agrees to remain responsible for and undertakes to perform all of its obligations and liabilities under the Energy Performance Contract that are directly attributable to Assignor's actions or obligations in its capacity of Contractor under the Energy Performance Contract. The foregoing is without prejudice to the Assignor's obligation in case of any defect or deficiency in the implemented Renovation Works or works occurring during the term of this Agreement to undertake repair and/or replace at its own cost within a reasonable period of time as per applicable industry standards. Failure of the Assignor to comply with the above within a reasonable period of time, but no longer than within 20 working days, entitles the Forfeiting Assignee to execute the work at the expense of the Assignor and receive a reimbursement within 20 days as of the receipt of the respective invoice sent to the Assignor (which may be sent via e-mail).
8. The Assignor shall immediately upon becoming aware, report to the Forfeiting Assignee any damage or change made without the former's knowledge or permission, to any equipment installed by the Assignor, or any circumstances that have and/or might have a negative impact on the level of Energy Consumption (individually or collectively in any period) by five per cent (5 %) or more of the Energy Consumption expected by the Assignor in that period.
9. The Assignor hereby agrees that pursuant to this Agreement the Forfeiting Assignee is duly assigned and entitled to collect, process, store, use and transfer the personal data provided by the Assignor's Client's under the Energy Performance Contract and to transfer the latter to any third party to whom the Forfeiting Assignee's rights or obligations stemming from this Agreement may be assigned, including without limitation any person in charge of the development, implementation, operation and maintenance of an online Platform keeping track of the performance of the implemented Renovation Works. The use of the data by the Forfeiting Assignee for other purposes should be made only after obtaining the Assignor's Client's consent to this effect. For the avoidance of doubt and notwithstanding

the above, any of the personal data or the data related to the Building or the Facilities remain property of the Assignor's Client without prejudice to the right of the Forfeiting Assignee to collect, process, store, use and transfer it and shall be returned to the latter (or, at the option of the Assignor's Client's, permanently destroyed) in full upon termination of this Agreement.

10. The Forfeiting Assignee acknowledges and consents to the use, by the Assignor or any third party assigned by the latter with the rights and/or obligations under this Agreement, of any anonymous data and information relating to the energy consumption of the Building, whether provided by the Assignor's Client or obtained by the Assignor, for the purposes of benchmarking and compilation of a national, regional or EU wide data base or for the purposes of use by the Assignor as a reference or for any internal purpose agreed to by the Assignor's Client.

RIGHTS AND OBLIGATIONS OF THE FORFEITING ASSIGNEE

1. The Forfeiting Assignee must upon receipt of the due documents from the Assignor examine the latter to determine whether they constitute the required documents and promptly, but in any event within 10 (ten) working days, return to the Assignor any document that does not appear to be satisfactory in terms of its authenticity and/or does not appear to create a valid, legal, binding or enforceable obligation. If based on the above factors, the Forfeiting Assignee determines that the documents delivered are not satisfactory or that additional documents are required, the Forfeiting Assignee shall notify the Assignor thereof in writing by listing its concerns. Where the Assignor does not agree with the concerns raised by the Forfeiting Assignee, the dispute shall be adjudicated by a reputable professional with sufficient international expertise and substantial exposure in the field of finance, appointed jointly by the Parties and whose decision shall be final, binding and effective forthwith. Failure of the Parties to agree on a professional to resolve the dispute, shall entitle each Party to nominate one expert professional and both such professionals shall jointly choose a third professional to chair the panel. The decision of the panel shall be binding and the Parties shall split the costs for administering the above procedure.
2. Save as provided below and in art. 10 of the General Terms and Conditions, the Forfeiting Assignee shall have no recourse to the Assignor for the non-payment of the Receivables unless:
 - (a) there is a breach of the Assignor's obligations under the Energy Performance Contract; and/or
 - (b) the action or failure to act falls within the scope of obligations of the Assignor undertaken under the Energy Performance Contract per-

taining to the implementation of the Renovation Works and their maintenance. The above is without prejudice to the right of the Forfeiting Assignee to seek enforcement and collection of any of the Receivables transferred hereby by deploying per its discretion most suitable for the purposes in and out-of-court procedures against the Assignor's Client, including without limitation to each and every Apartment Owner. The Assignor shall provide all necessary co-operation with respect to such enforcement.

3. The Assignor shall indemnify and hold the Assignee harmless from and against any liability and/or claim that the Forfeiting Assignee incurs or suffers as a result of, or arising from the Assignor's material breach of any of the Assignor's representations, warranties or undertakings stemming from this Agreement or the Energy Performance Contract.
4. The Forfeiting Assignee shall indemnify and hold the Assignor harmless from any and against any liability and/or claim that the Assignor incurs or suffers as a result of, or arising from the Forfeiting Assignee's material breach of any of the Forfeiting Assignee's representations, warranties or undertakings stemming from this Agreement, provided, however, that the aggregate amount that the Forfeiting Assignee shall be obliged to pay to the Assignor shall be limited to the balance of the payments due pursuant to the Specific Terms and Conditions of this agreement
5. Pursuant to art. 3.3. and art. 3.4. from the above General Terms and Conditions, if any third party commences any action or makes any demand against the Assignor or the Forfeiting Assignee (each a "Party"), for which such Party (the "Indemnified Party") is entitled to indemnity under this Agreement, such Indemnified Party shall promptly notify the other Party (the "Indemnifying Party") in writing of such action or demand. The Party that has assumed the defence of such action shall provide the other Party with copies of all notices, pleadings and other papers filed or served in such action. Neither Party shall make any settlement or adjustment without the other Party's consent, which: (i) in the case of the Indemnifying Party, shall not be unreasonably withheld if the settlement or adjustment is limited to payment of monetary damages; (ii) in the case of the Indemnified Party, may be withheld for any reason if the settlement or adjustment imposes performance or admission of liability by the Indemnified Party.
6. Each indemnity in this Agreement is a continuing obligation, separate and independent from the other contractual obligations of the Parties and survives termination of this Agreement, and it is not necessary for a Party to incur expense or make payment before the enforcement of an indemnity right, stemming from this Agreement.
7. The Forfeiting Assignee is entitled to request and receive from the Assignor due and timely performance of all Assignor's obligations and liabilities under the Energy Performance Contract that are directly attributable

to the Assignor's actions or obligations in its capacity of a Contractor under the Energy Performance Contract and/or are directly linked to the maintenance of the Energy Efficiency Improvement Measures. The above is notwithstanding the right of the Forfeiting Assignee to request and receive novation of some of the Assignor's obligations under the Energy Performance Contract immediately but not later than within five Business days from receipt of the respective notification by the Assignor, receive in due time all project documents and/or additional explanations and clarifications regarding the Building as may be required.

8. The Forfeiting Assignee, as the person to whom the Receivables are ceded, has the right to initiate any judicial or non-judicial measures that are necessary for collecting, enforcing and receiving the Receivables. If the Forfeiting Assignee has to enforce its rights, it will inform the Assignor and the Assignor will co-operate as necessary. The Forfeiting Assignee will supply to the Assignor any written declaration of intent or written statements, which will support or are necessary for enforcement and the Assignor will execute the same as may be required to give effect to the proposed enforcement.

MANAGER AND MAINTENANCE OF THE BUILDING

1. The Assignor shall ensure that at all times there is in place, in form and substance satisfactory to the Forfeiting Assignee:
 - (a) a contract between the person who acts as manager (to collect money from the Assignor's Client, to liaise between the Assignor and the Assignor's Client and to keep the Forfeiting Assignee informed of all matters relevant to the Receivables) (the 'Manager'), the Assignor and the Assignor's Client (the 'Management Contract'); and
 - (b) a contract between the Assignor, the Forfeiting Assignee and the Manager (the "Tripartite Agreement").

TERM OF THE AGREEMENT

1. The cession of Receivables pursuant to this Agreement and all obligations of the Parties under this Agreement are conditional upon the satisfaction of all condition precedents as evidenced by the signing of the "Energy Service Verification" Protocol contemplated by the Specific Terms and Conditions of this Agreement.
2. All modifications, supplements and amendments to this Agreement shall be made in writing upon mutual agreement of all the Parties and shall be attached to this Agreement in the form of annexes, and shall take effect only after signature by the Parties
3. The Assignor shall unilaterally terminate this Agreement by notifying the

Forfeiting Assignee and the Manager thereof in writing at least 30 (thirty) days in advance, if the Assignor's Client has terminated the Energy Performance Contract irrespective of the reason thereof. In such case, the Forfeiting Assignee shall be entitled to receive as compensation from the Assignor an amount equal to the sum of:

- (a) all the remaining future payments from the date of termination of the Energy Performance Contract plus the statutory interest that would have accrued thereon from the date of payment to the Assignor; plus
- 4. all of the Forfeiting Assignee's investment costs and its cost of capital, including without limitation to any commitment charges, interest rates and other additional surcharges that the Forfeiting Assignee may have incurred and the planned amount of income which the Assignee would have received if the Energy Performance Contract had not been terminated, but without double counting.
- 5. The Agreement shall not be terminated before the termination of the Energy Performance Contract, unless the Assignor and the Forfeiting Assignee have agreed in writing on other terms or the Agreement provides otherwise.
- 6. Termination of this Agreement does not release the Parties from fulfilment of their respective obligations set forth in this Agreement which have become due before the time of termination of this Agreement, unless the Parties have agreed in writing on other provisions or this Agreement provides otherwise
- 7. Where the Energy Performance Contract is terminated early due to any circumstances and if the Forfeiting Assignee is not compensated in accordance with the provisions of this Agreement (in particular art. 5.3 of the General Terms and Conditions):
 - (a) the Forfeiting Assignee shall be entitled to receive any amount payable by the Assignor's Client under the terms of the Energy Performance Contract as a result of such termination (and such amounts shall form part of the Receivables);
 - (b) subject to the terms of the Energy Performance Contract, if the Building will not suffer any material damage from such dismantling or absence of any of the Facilities installed by the Assignor, the Forfeiting Assignee is entitled to dismantle the Facilities in the Building owned by the Assignor and remove them from the Building without payment to the Assignor's Client for them provided that: (i) such dismantling is technically feasible without materially damaging the Building; and (ii) the Assignor's Client has under the Energy Performance Contract paid an amount which is less than the sum of (x) the costs of providing the heat and maintenance services contemplated by the Energy Performance Contract and (y) 80 % of the amount of

the total cost of the investment by the Assignor in the making of the Renovation Works; and/or

- (c) where the reason for the early termination is the non-performance by the Assignor then the Assignor shall pay to the Forfeiting Assignee such amount as shall, together with any other amounts received under this art. 5.6, be equal to the amount that the Forfeiting Assignee would be entitled to receive under art. 5.3 if the Assignor had terminated this Agreement. The above is without prejudice to the Assignor's obligation to novate upon request of the Forfeiting Assignees to a third party designated by the latter any or all of its obligations under the Energy Performance Contract, excusable by the Assignor with a five Business day written notice.

- 8. In addition to provisions of this Agreement the Parties may terminate this Agreement at any time upon mutual agreement of the conditions of termination of this Agreement. The agreement of termination referred to in this article shall be executed in writing and shall come into effect after it has been signed by all Parties.

INSURANCE

- 1. During the validity of the Energy Performance Contract and at the expense of the Apartment Owners, the Assignor shall maintain continuously an insurance policy for the Building with a minimum insurance coverage against fire, earthquake, flood, water damage, any other natural disasters having an impact on the Building, structural damage caused by subsidence and fallen trees for the amount not less than the restoration value of the Building. The insurance agreement should be concluded under terms and conditions incorporating relevant industry standard provisions with an insurer rated minimum A+ according to relevant reputable ratings applicable to Latvia. The Assignor shall deliver to the Forfeiting Assignee the original of such insurance policy or submit a certified copy of the policy or other conclusive documents confirming currency and payment of the insurance premium. Any policy naming the Assignor as a beneficiary under the insurance coverage shall be duly transferred in the applicable and legally binding way to the Forfeiting Assignee thus rendering the latter as an ultimate beneficiary under the insurance policy.
- 2. Notwithstanding anything to the contrary, the Forfeiting Assignee is entitled at its own expense to additionally insure the Building, the Energy Efficiency Improvement Measures, the collection of the Receivables stemming from the Energy Performance Contract and their collection or any other such assets as deemed material for the business case of the Assignee without the need to either notify or receive the Assignor's or its Client's approval thereof.

ASSIGNMENT OF CLAIMS

1. The Forfeiting Assignee is free to assign, charge, encumber or transfer to third persons its rights and/or claims under this Agreement (whether having occurred at the time of the assignment or any future claims under) with respect to any of Receivables transferred by the Assignee (which assignment or transfer may be made by several assignments, each in respect of the Receivables in respect of one or more Apartment Owners) and any such transfer may take the form of the ceding to any third party of the Receivables being forfeited under this Agreement.
2. The Assignor may not assign the Receivables other than pursuant to this Agreement. The Assignor may not assign any of its rights to receive payments for the Services.

TITLE TO THE FACILITIES

1. This Agreement is without prejudice to any of the provisions of [Section 15] from the General Terms and Conditions of the Energy Performance Contract and the Assignor's property title in the Facilities installed in the Building for implementation of the Renovation Works that can be separated from the Building without causing material damage to the Building.
2. Subject to the above and as a security for the obligations of the Assignor stemming from this Agreement, the Forfeiting Assignee shall establish to its or to third parties sole benefit a special pledge over the Facilities installed in the Building not later than within 10 working days as of the signing of the respective Delivery and Acceptance of the Facilities (all as defined under the Energy Performance Contract). Within the aforementioned period, the Assignor undertakes to execute all due legal and factual actions necessary to effect the pledge, including by due registration in the Register of Commercial Pledges of Latvia following the signing of all due legal documents and auxiliary agreements in their required legal form.

LIABILITY

1. The Assignor shall not be held responsible for any claim related to the assignment of Receivables except in the following cases:
 - (a) the Assignor's breach of its obligations under the Energy Performance Contract which has led to the Forfeiting Assignee suffering loss and which breach is either acknowledged in writing by the Assignor or established in the course of the Dispute Resolution Procedures outlined under the Energy Performance Contract; and/or
 - (b) the Assignor's indemnities, in each case as expressly stated in this Agreement.

2. The Assignor shall indemnify and hold the Forfeiting Assignee harmless from and against any liability and/or claim that the Forfeiting Assignee incur or suffer as a result of, or arising out of the Assignor's material breach of any of Assignor's representations, warranties or undertakings in this Agreement or the Energy Performance Contract, provided, however, that the aggregate amount the Assignor shall be obligated to pay to Forfeiting Assignee shall be limited to the outstanding amount of the Receivables scheduled to be due which have not been collected by the Forfeiting Assignee. This until the end of the Energy Performance Contract.
3. The Forfeiting Assignee shall indemnify and hold Assignor harmless from and against any liability and/or claim that the Assignor incur or suffer as a result of, or arising out of the Forfeiting Assignee's material breach of any of Forfeiting Assignee's representations, warranties or undertakings in this Agreement, provided, however, that the aggregate amount the Assignee shall be obligated to pay to Assignor shall be limited to one hundred per cent (100 %) of the total value of the Receivables being subjected to their transfer under this Agreement.
4. The Forfeiting Assignee is entitled to withdraw from this Agreement and enforce step-in rights with immediate effect for any of the following important reasons:
 - (a) the Assignor is bankrupt or being wound up, are having their affairs administered by the courts, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
 - (b) the Assignor has been convicted of an offence concerning professional conduct by a judgment which has the force of res judicata
 - (c) the Assignor has not fulfilled obligations relating to the payment of social security contributions or the payment of taxes in accordance with the legal provisions of the country in which they are established or with those of the country of the contracting authority or those of the country where the contract is to be performed;
 - (d) the Assignor has been the subject of a judgment which has the force of res judicata for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Forfeiting Assignee's financial interests;
 - (e) the Assignor does not provide information and documents that are necessary for collecting transferred Receivables within 14 days of any written request;
 - (f) the Assignor violates any material contractual obligation of this Agreement and the relative Energy Performance Contract which causes loss to the Forfeiting Assignee;

- (g) the Assignor has withheld facts which were known and which prevent a successful collection of the transferred Receivables;
- 5. Save as provided by art. 5.3 and 5.6 of this General Term and Conditions, if the Forfaiting Assignee withdraws from this Agreement with respect to all or any part of the transferred Receivables, the Assignor has to repay any amount paid in respect of the relevant Receivables under art. IV. of the Special Terms and Conditions (less any amounts already received by the Forfaiting Assignee in respect of such Receivables) and shall cease to be entitled to any further payment from the Forfaiting Assignee under such articles in respect of the relevant Receivables. This amount is due within 14 days after the withdrawal. The Forfaiting Assignee shall, at the cost of the Assignor, re-transfer back to the Assignor the relevant Receivables and the amounts (if any) received in respect thereof net of costs and expenses. Upon termination of this Agreement, the Forfaiting Assignee is entitled to claim from the Assignor any legal expenses that are necessary for collecting pending accounts receivable or to retain any pending payments until this conflict has been settled

FORCE MAJEURE EVENTS

1. Any emergency situation or event unforeseeable in advance characterized by all below features shall be defined as force majeure:
 - (a) the Parties are not able to predict and influence it;
 - (b) it interferes with the performance by the Parties of their obligations;
 - (c) it cannot be qualified as an error or negligence made by any of the Parties;
 - (d) it can be proven or recognized as insurmountable although the Party/ies has/have made reasonable efforts to prevent it.
2. Force majeure events shall include but not be limited to warfare, natural disaster and legal acts of state administration
3. Are NOT Force Majeure Events: Defects of the Facilities, Services lacking the agreed quality or quantity, equipment or materials used, provided by or installed by the Assignor or delay in operation thereof (if not caused by force majeure events), Assignor's disputes, Forfaiting Assignee's Client disputes strikes, financial difficulties or such others specific to the party relying on a force majeure event.
4. The Parties shall not be liable for complete or partial non-performance of obligations under the Agreement if due to force majeure events. The Party referring to the force majeure event shall provide evidence of it to the other Party.

5. The Party (the “Affected Party”) prevented from carrying out its obligations hereunder shall give notice immediately and no later than within 3 (three) Business Day to the other Party of an Event of Force Majeure upon it being foreseen by, or becoming known to, the Affected Party describing the situation that will occur, or has occurred providing a description of the event, possible duration, expected consequences and prospective solution thereof.
6. The Parties shall perform any necessary activities jointly or severally to mitigate the impact of the force majeure event and take reasonable steps to alleviate any damage caused.
7. If the force majeure event continues for more than 6 (six) uninterrupted months and cessation thereof is not expected for another 3 (three) months each the Assignor, the Forfeiting Assignee has the right to unilaterally terminate the Agreement and receive the compensation provided for in art. 5.3. of the General Terms and Conditions above.

CONFIDENTIALITY AND PERSONAL DATA PROTECTION

1. The parties hereto agree not to disclose Confidential Information (where “Confidential Information” means, subject to Art. 11.5 and Art. 11.6, information falling within the categories set out in Art. 11.3 and Art. 11.4) of the others to third parties as well as not to disclose data of the others which might be used for the purpose of competition by competitors or unlawful activities both while the Agreement is valid as well as for three years after the Agreement terminates.
2. The Assignor shall not request or advise any customer, potential customer or business contact of the Forfeiting Assignee and/or any entities that the Assignor is aware that the Forfeiting Assignee is seeking to build a relationship to curtail, cancel, withdraw, limit, reduce or otherwise restrict their business with the Forfeiting Assignee.
3. Information obtained in the course of conclusion or during performance of this Agreement that is not generally available to third parties and the disclosure of which the receiving person is aware, or should have been aware, may damage lawful rights or interests of the disclosing person, shall be deemed to be confidential.
4. In addition to provisions of Art 11.3, the following shall be confidential information:
 - (a) any restricted access information about the parties to this Agreement, their customers or business partners, including but not limited to any information which has the status of a trade secret of any of the parties hereto;

- (b) any information about the organization of work, inventory, equipment and technologies used of any of the parties hereto.
- 5. The list of Confidential Information provided in Clause 11.4 of the Agreement is not exhaustive and any information of a confidential nature however disclosed shall be deemed to fall within the definition of Confidential Information.
- 6. Information which has come into the public domain via third parties without any of the parties hereto breaching provisions of the Agreement shall not be deemed Confidential Information.
- 7. The parties hereto may disclose the Confidential Information to their advisers provided that they shall bear liability if such third parties use the received Confidential Information unlawfully or fail to comply with confidentiality obligations established by this Agreement.
- 8. If a party to this agreement receiving Confidential Information is required to disclose such Confidential Information in accordance with laws and regulations or resolutions effective in Latvia (or any laws to which it is subject) then: (i) such party shall be permitted to make such disclosure; and (ii) a notice about the fact of disclosure shall be promptly given to the disclosing party, unless otherwise stipulated by the laws and regulations of applicable law
- 9. The Assignor and the Forfeiting Assignee for advertising purposes are entitled to disclose general information about mutual co-operation, including inter alia, divulge information already in the public domain about the Parties, nature of co-operation, achieved Energy Saving and timing of the process under the Agreement, insofar it does not infringe lawful rights and interests of other parties concerning protection of confidential information. If a party hereto has doubts about the nature of the specific information, disclosure shall be approved by the party(ies) whose lawful rights and interests might be infringed and if such party considers such information is within the obligation of confidentiality in the Agreement.
- 10. The above provision is without prejudice to the right of the Forfeiting Assignee to collect, process, store, transform and disseminate all of the collected data from the Assignor for the purposes of improving the quality of its services and for development, operation and maintenance of an online EPC Platform supporting all phases and participating parties in a typical EPC Project.
- 11. Without prejudice to art. 2.10, the Assignor hereby agrees that the Forfeiting Assignee is entitled to collect, process, store, use and transfer the personal data provided by the Assignor hereunder upon performance of its statutory obligations, for the purposes of rendering its services and to transfer the latter to any third party that may be assigned with rights or obligations stemming from this Agreement, including without limita-

tion to any party being in charge of the development, implementation, operation and maintenance of an online Platform keeping track of the performance of the implemented Renovation Works. The use of the data by the Forfeiting Assignee for other purposes should be performed after obtaining the Assignor's or where applicable the Assignor's Client's consent to this effect. Notwithstanding the above, any of the personal data or the data related to the Building or the Facilities remains property of the Assignor's Client.

12. The Assignor acknowledges and consents to the use by the Forfeiting Assignee or any person to whom the rights of the Forfeiting Assignee under this Agreement are assigned of any data and information relating to the energy consumption of the Building, whether provided by the Assignor or obtained by the Assignee, for the purposes of benchmarking and compilation of a national, regional or EU wide database or for the purposes of use by the Assignor's Client as a reference or for any internal purpose agreed to by the Customer.

REPRESENTATION OF THE PARTIES

1. In all issues associated with this Agreement each of the Parties shall be represented by their legitimate representatives (for legal entities) or persons duly and validly authorized to with representative power to bind the respective party to this Agreement.
2. Authorized representatives of the Parties are authorized to represent the respective party with respect to settling all legal affairs under this Agreement under the laws and regulations effective in Latvia or, in the case of a party incorporated outside of Latvia, in the jurisdiction in which such party is incorporated.
3. The Parties are entitled to revoke authorization of their authorized representatives at any time by notifying the other parties thereof in writing and concurrently authorizing another representative whose written authority to represent the relevant Party shall be delivered to the other parties. Upon substituting its representative a party shall procure that the other Party are informed about substitution of the representative no later than on the day of substitution of the representative. The said notification becomes part of this Agreement.
4. In addition to the foregoing the Assignor is entitled, subject to the terms of the Energy Performance Contract, to have any third party to be its subcontractor or business partner for performance of certain works or implementation of services for the purpose of carrying out the obligations prescribed by this Agreement or the Energy Performance Contract by giving a prior written notice to the Assignor's Client, communicated including via e-mail.

DISPUTE RESOLUTION PROCEDURE

1. The Parties shall resolve disagreements in respect of this Agreement by way of mutual negotiations making best efforts to resolve the respective disagreements. To this end the Parties shall make a timely written answer to any letter from another party concerning a disagreement, as well as devote reasonable time to the extent possible to resolve the respective disagreement in person.
2. If the Parties fail to reach mutual agreement and there is a dispute, disagreement or claim between the parties that arises out of this Agreement, concerns it or the suspension, termination or invalidity thereof, it shall be resolved in a mediation process according to the mediation rules of Association “Ēku saglabāšanas un energotaupības birojs” (Housing Conservation and Energy Saving Bureau), uniform registration number 40008198558 or its legal successors, effective during the validity period of this Agreement and as existing at the time of the first filing of the dispute for resolution. If there is a dispute between the parties regarding technical issues, any party may request the dispute on established facts to be resolved pursuant to the procedural rules of the fact-finding committee of Association “Ēku saglabāšanas un energotaupības birojs”, uniform registration number 40008198558.
3. If the Parties fail to reach mutual agreement after the mediation process and/or fact-finding process the dispute shall be resolved by a court of general jurisdiction of Latvia in accordance with applicable laws and regulations effective in Latvia. An application shall be lodged at the court according to jurisdiction of the defendant’s place of residence or registered address; however, if it is not in Latvia, then at the Riga City Centre District Court or the Riga Regional Court in line with rules of jurisdiction of the claim.

OTHER PROVISIONS

1. Any written notification concerning this Agreement shall be deemed received on the 7th (seventh) day after the posting date of the notification if sent by registered mail to the address most recently specified by the authorized representative of the party to whom it is addressed. The posting date of the notification is the day when the notification is submitted at the post office and it is confirmed by a stamp of the post office. Notifications sent via e-mail with electronic signatures to the e-mail addressed indicated or as provided by the parties shall be considered as a notification in writing with all consequences stemming therefrom and shall be considered received from the moment they enter the operating system of the recipient irrespective of whether read or not.
2. Titles of sections of provisions of this Agreement shall not be used for interpretation of this Agreement.

3. This Agreement contains all provisions, promises, conditions and representations of intentions between the parties, and the parties warrant that there are no oral provisions, promises, agreements, conditions and representations of intentions other the ones referred to in this Agreement.
4. If during the validity period of this Agreement, amendments to the laws and regulations of Latvia come into effect that render fulfilment of any obligations under this Agreement completely or partially impossible or change conditions for performance of the duties by any of the parties it shall not affect the validity of the remaining obligations under this Agreement, and the parties shall resolve on introducing necessary amendments to this Agreement which shall best effect the original intent and purpose and economic impact of this Agreement.
5. Reorganization of the parties, as well as change of shareholders (owners) of the or members of management bodies (directors) of the parties or the Assignor's Client (Apartment Owners of the Building transferring title in the Apartments and/or leasing them short-term or long-term) shall not serve as grounds for termination of this Agreement or non-performance of the obligations contained in this Agreement. If any of the parties undergoes any merger or acquisition, enters into liquidation or bankruptcy proceedings or the Apartment Owners of the Building change, this Agreement remains valid and its provisions are binding on legal successors of the respective party. Each party shall immediately and not later than within 5 (five) days after such change, notify the other parties about change of the party's address specified in this Agreement or other changes in its legal status and administration.
6. The Agreement is drawn up and signed in 2 (two) counterparts in the [English] and [Latvian] language. In case of discrepancies between the English and Latvian versions, the Latvian version shall prevail. All counterparts have equal legal effect. Each party shall keep 1 (one) counterpart of this Agreement. The Parties certify by their signatures that they understand the content, meaning and consequences of this Agreement; they acknowledge this Agreement to be correct, mutually beneficial and that they voluntarily wish to execute it.

ANNEXES

1. At the time this Agreement is executed the following annexes are attached to this Agreement: ANNEX 1 NOTICE FOR ASSIGNMENT OF RECEIVABLES ANNEX 2 ASSIGNOR'S CLIENT / CUSTOMER ANNEX 3 ENERGY PERFORMANCE CONTRACT ANNEX 4 AUTHORIZED REPRESENTATIVES ANNEX 5 DEFINITIONS
2. All annexes shall be deemed an integral part of this Agreement and are binding on the parties. In cases of discrepancy between the terms of this Agreement and any of the Annexes, the provisions of this Agreement take

precedence with the exception of those Annexes signed after the time of signing of this Agreement. Annexes signed after the time of signing of this Agreement shall take precedence over the provisions of this Agreement.

3. By signing this Agreement it is represented that the parties have previously discussed provisions of the Agreement and the Annexes thereto and they are clear and understandable to all parties.

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ANNEXES

Annex 1 – notice for assignment of receivables

|X|

TO: .Contract.Fields.client_name

index .Contract.Agreement "place-of-forfaiting-agreement", index .Contract.Agreement "date-of-forfaiting-agreement"

Transfer of accounts receivables

Dear Sirs/Madams

We make reference to the Energy Performance Contract signed between you and us, dated .Contract.Fields.date, and inform you that pursuant to a Forfaiting Agreement, dated .Contract.Agreement.front_page_date we have transferred all Receivables from the Energy Performance Contract, including the Fees calculated and due as defined in Annex No. 5 from the Energy Performance Contract to the Forfaiting Assignee, index .Contract.Fields "client_name", index .Contract.Fields "client_id" index .Contract.Fields "client_address" (the 'Forfaiting Assignee'). All payments of the Fee plus interest and penalties and other amounts as provided for in the Energy Performance Contract have to be paid hereinafter to the Forfaiting Assignee in order to discharge your obligations under the Energy Performance Contract. The Forfaiting Assignee has appointed Manager, index .Contract.Agreement "manager-name" (the 'Manager'), to collect all amounts due to it on its behalf.

We kindly ask you take note of the Forfaiting Agreement and related sale of accounts receivable and to inform the Forfaiting Assignee of your recognizance by means of attached template.

Yours faithfully,

.ESCo.Name, Assignor

[X]

TO: .ESCo.Name

index .Contract.Agreement "place-of-forfaiting-agreement", index .Contract.Agreement "date-of-forfaiting-agreement"

Transfer of accounts receivables

Dear Sirs/Madams

We, index .Contract.Agreement "assignors-client-name", refer to the notice above whereby we are informed and aware as client of index .Contract.Agreement "assignor-name" (the 'Assignor') that the Assignor has transferred to the index .Contract.Agreement "forfaiting-assignee" (the 'Forfaiting Assignee') its rightful claim to the receivables due from us with regards to the Energy Performance Contract between us and the Assignor dated index .Contract.Agreement "date-of-energy-contract" (the 'Energy Performance Contract') (such transfer being made pursuant to the Forfaiting Agreement dated index .Contract.Agreement "date-of-forfaiting-agreement" between the Assignor and the Forfaiting Assignee. By signing this notice, we confirm to the Assignor and the Forfaiting Assignee that we have been duly informed of the aforementioned transfer and cession of the Fee] and recognize the Forfaiting Assignee as a creditor of the Fee and all other receivables due by us under the provisions of the Energy Performance Contract. We will until otherwise advised by the Forfaiting Assignee pay all such amounts to [] (the 'Manager') or such other person as the Forfaiting Assignee shall have advised.

We also acknowledge that the Forfaiting Assignee may exercise the right of the Assignor under the Energy Performance Contract to substitute a new contractor for the Assignor.

Name:

Authorization:

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Annex 2 – ASSIGNOR’S CLIENT / CUSTOMER

.Contract.Agreement.annex2_tarea

Annex 3 – ENERGY PERFORMANCE CONTRACT

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Annex 4 – AUTHORISED REPRESENTATIVE

.Contract.Agreement.annex4_tarea

Annex 5 – Definitions

The Parties agree for the purposes of this Agreement that the definitions below shall have the following meaning:

|X|X[2]|

Agreement & This forfeiting agreement concluded by and between the Assignor and the Forfeiting Assignee.

Apartment & Every apartment property located in the Building for the purpose of the laws and regulations.

Apartment Owner & An individual or a legal entity in whose name the Apartment is recorded with the Land Register, or another person who pursuant to laws and regulations holds the property title over the respective Apartment or to whom the property title of the respective Apartment Owner is transferred to whether under the provisions of the law or pursuant to a contractual arrangement.

Assignor’s Client & index .Contract.Fields "client_name" also referred to herein after as the “Customer”, generally speaking the building where the Assignor has implemented the Renovation Works under the Energy Performance Contract the receivable of which are the scope of this forfeiting agreement.

Baseline & The Baseline represents the conditions of the building before the implementation of Renovation Works and includes the base year measured energy data and base year conditions of the building.

Base year energy data & The measured energy consumption during the years selected for the baseline and representative of the building energy performance before the implementation of Renovation Works.

Base year conditions & The set of conditions which gave rise to the energy use/demand of the base year, in particular indoor air temperature, outdoor air temperature, length of the heating seasons.

Building & Multi-apartment residential building at index .Contract.Fields "client_address".

Business day & An official working day that is not pronounced as an official holiday or an official work day off as determined under Latvian law.

Comfort Standards & The required minimum level of comfort as set out in Annex No 2 ("Comfort Standards") to the Agreement

Confidential Information & The term "Confidential Information", as used in this Agreement, includes any data or information, whether in tangible or intangible form, that is proprietary to a Party ("Disclosing Party") or has been acquired or disclosed by third parties (whether under a non-disclosure agreement or otherwise) whenever and however disclosed to the other Party (the "Receiving Party"), including, but not limited to:

1. any marketing strategies, plans, financial information, business plans and performance results relating to the past, present or future business activities of the Disclosing Party, its Clients, partnering organizations, its affiliates, subsidiaries or otherwise affiliated entities;
2. plans for products or services, and supplier lists;
3. any scientific or technical information, inventions, designs, process, procedure, formula, improvement, technology or method disclosed by the Disclosing Party, irrespective of whether proprietary or not to the Disclosing Party or its partnering organizations in the Project;
4. any concepts, reports, data, know-how, works-in-progress, designs, development tools, drawings, specifications, flow charts, databases, inventions, patents and trade secrets; and
5. any other information that should reasonably be recognized as confidential information of the Disclosing Party, its partnering organizations, companies associated for the purposes of this Agreement, subsidiaries, affiliates or otherwise related companies, including information of personal nature or information relating to the private life of any of the Apartment Owners. Confidential Information need not be novel, unique, patentable,

copyrightable or constitute a trade secret in order to be designated as Confidential Information.

Delivery and acceptance of the Facilities & Upon completion of the implementation of the agreed hereunder Renovation Works in the Building, the representative of the Client shall be invited for the delivery and acceptance of the Facilities. The Client's and the Contractor's representatives shall sign a bilateral protocol evidencing the executed work and depicting in details (including via photo material) the conditions in which the Facilities are being handed over to the possession of the Client. If the Client has not provided a representative with the corresponding power of attorney within the period of 5 (five) days from the receipt of the respective notice from the Contractor, it shall be held that the Facilities have been delivered and accepted by the Client in the manner prescribed in the protocol signed by the Contractor alone. Any claims or complains against the quality or execution manner for any part of the Contractor's work shall be considered as waived in case not filed via e-mail within 5 (five) Business days as of the signing of the bilateral protocol evidencing passing over of the possession of the Facilities to the Client.

Energy &Energy means all forms of energy products, combustible fuels, heat, renewable energy, electricity, or any other form of energy required for heating of the Building and heating of domestic hot water consumed with a view to achieving the Comfort Standards established in the Agreement.

Energy Efficiency &Means the ratio of output of performance, service, goods or energy, to input of energy.

Energy Savings &Means the amount of saved energy determined by measuring and/or estimating consumption before and after implementation of the Renovation Works, whilst ensuring normalisation for external conditions that affect energy consumption.

Energy Tariff &Charge for Energy unit measured in MWh and as set out by an Energy Supplier where the building is located, which is valid during the certain period of time and which is approved by the applicable Regulator/Agreement.

Guaranteed Energy Consumption&The guaranteed amount of index .Contract.Agreement "energy-saving-amount" MWh of energy to be consumed after implementation of the Renovation Works which represents a index .Contract.Agreement "energy-efficient-performance" % increase in the energy efficiency performance of the Building compared to its Baseline. For the

purposes of avoiding doubt, the Contractor guarantees that the adjusted energy consumption of the Building after the Renovation Works shall not be above its guaranteed energy consumption amounts and separately undertakes to exercise additional reasonable in terms of costs efforts to further decrease the energy consumption for the entire duration of this Agreement.

Guaranteed Energy Savings & Means the minimum amount of Energy Savings determined by Measurement and Verification, which is guaranteed in the Energy Performance Contract after the implementation of the Renovation Works.

Facilities & Material, equipment, systems, fittings and other measures installed by the Contractor or otherwise invested in the Building as part of the Renovation Works or for the Measurement and Verification, , maintenance and repair thereof, in accordance with the Agreement.

Fee & A recurring fee paid by the Client to the Contractor for rendering the services prescribed by the Agreement for the duration of the Service Period which includes the Energy Fee, the Renovation Fee and the Operation and Maintenance Fee, along with any taxes due (such as VAT) in delivering the service and the amount due for domestic hot water consumption.

Heat Supply & Supply of thermal energy to the Building or the Apartment for the needs of space heating or domestic hot water preparation.

Heating Season & Period in the year when the Contractor shall ensure operation of the heating system (heat supply) in the Apartments of the Building and guarantees the Comfort Standards set out in the Agreement.

LABEEF & means the Latvian Baltic Energy Efficiency Facility Jsc., operating as a joint stock company duly registered in the Commercial register of Latvia under corporate No.

Manager & An individual or a legal entity, who in line with the applicable provisions of the Latvian Law on Management of Residential Housing and based on a management agreement, carries out managerial activities assigned by the Client in respect of the Building as well as the duties established by the Agreement. The management agreement pursuant to which the Manager renders its services shall be attached to the current Agreement for reference purposes.

Parties & The Assignor and the Assignee each individually.

Party & The Assignor and the Assignee collectively.

Payment Period & A 12-month period between 1st July of each year and 30th June of the following year. The first payment period is set from the day of commencing provision of the Services until 30th of June of the respective year.

Regulator & The Public Utilities Commission or another applicable authority established in the laws and regulations effective in Latvia which approves tariffs for trading thermal energy in the respective local government where the Building is situated.

Renovation Works & Activities referred in the Agreement resulting in achievement of verifiable and measurable or estimable energy savings. Activities involve engineering, procurement, supply, installation, start-up and commissioning for the renovation of the building. All activities are implemented by the Contractor based on the provisions of the Agreement.

Service Period & The period during which the Assignor is obliged to provide Services to the Client under the Energy Performance Contract.

Services & The Renovation Works, Energy Supply and operation and maintenance of the Facilities performed by the Assignor under the present Agreement.

VAT & The value added tax payable in accordance with laws and regulations effective in Latvia and provisions of the Agreement.

Unless the context otherwise requires, as used in this Agreement, the singular number includes the plural and the plural number may include the singular. The use of any gender shall be applicable to all genders. Unless otherwise specified, references to Articles, Sections or subsections are to the Articles, Sections and subsections in this Agreement. Unless the context otherwise requires, the term “including” shall mean “including, without limitation”.

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