



## GENERAL CREDIT CONDITIONS FOR MULTI-APARTMENT BUILDINGS

Valid from 15 December 2020

### PREAMBLE

A) The credit is granted for the implementation of a multi-apartment house renovation (modernization) project, which is supported by the *European Union* and secured by a *European Investment Bank* guarantee (this guarantee is not understood as a guarantee within the meaning of Article 6.90 of the *Civil Code of the Republic of Lithuania*) financed by the *European Union* Structural and Investment Funds JESSICA II Holding Fund;

B) The Bank, providing credits for financing the implementation of apartment house renovation (modernization) projects, acts in accordance with the *Law on State Support for Renovation (Modernization) of Multi-apartment Buildings, Rules for Provision of State Support for Renovation (Modernization) of Multi-apartment Buildings and Supervision of Implementation of Apartment Building Renovation (Modernization) of the Republic of Lithuania and other legal acts in force in the Republic of Lithuania.*

### 1. DEFINITIONS

The terms used in these *General Credit Conditions for Multi-apartment Buildings* shall be understood as defined in this Chapter. Other terms used and capitalized shall be understood as regulated in the *General Rules* or the *Payment Rules*.

1.1. **Administrator:** the manager of the objects of common use of multi-apartment building or the administrator of the implementation of the municipal program, who is a party to this Agreement, but acting exclusively for the benefit and interests of the Beneficiaries. The administrator himself administers the multi-apartment house renovation project or uses the Project manager.

1.2. **Personal Data Protection Rules:** the *personal data protection rules of Šiaulių bankas* approved by the Bank, which are available on the Bank's website [www.sb.lt/duomenuapsauga](http://www.sb.lt/duomenuapsauga) or in the Bank's Client service units, and at the request of the Administrator or Beneficiaries, the Bank will issue a paper copy of these rules free of charge.

1.3. **Bank:** Šiaulių bankas AB, the details and contacts of which are specified in the *Special Conditions* and the *General Rules*. The address of the Bank's website is [www.sb.lt](http://www.sb.lt).

1.4. **General Credit Conditions for Multi-apartment Buildings:** these General Credit Conditions for Multi-apartment Buildings approved by the Bank, which are submitted to the Administrator upon his request at the time of concluding the Agreement or available on the Bank's website or in the Bank's Client service units.

1.5. **General Rules:** the *general rules for the provision of Šiaulių bankas services* approved by the Bank, which are available on the Bank's website or in the Bank's Client service units, and at the request of the Administrator or Beneficiaries, the Bank will issue a paper copy of these rules free of charge.

1.6. **BETA:** Public Institution Housing Energy Saving Agency, legal entity code 303004035.

1.7. **Apartment:** each apartment or other room located in a multi-apartment building and owned by the Beneficiary, which has a separate unique identification number provided by the Real Estate Register.

1.8. **Multi-apartment building:** a residential house of three or more apartments specified in the Special Conditions.

1.9. **Renovation (modernization) of multi-apartment building:** construction works of the multi-apartment building, which, in accordance with the renovation (modernization) project of the multi-apartment building and applicable legislation, restore or improve the physical and energy properties of the multi-apartment building and/or its engineering systems and/or ensure the use of energy from renewable sources.

1.10. **De minimis:** insignificant State aid to Beneficiaries carrying out economic activities in the own apartment in the renovated (modernized) multi-apartment building, as defined in 18 December 2013 Commission Regulation (EU) No 1407/2013 on the application of Articles 107 and 108 of the Treaty on the Functioning of the European Union to de minimis aid.

1.11. **EIB:** European Investment Bank.

1.12. **EURIBOR (Euro Interbank Offered Rate)** is the interest rate of the average European interbank market.

1.13. **Schedule:** the document with dates and Credit repayment amounts, according to which the Credit is repaid to the Bank by the linear method.

1.14. **JESSICA II (Joint European Support for Sustainable Investment in City Areas II)** is a continuation of the JESSICA holding fund managed by the EIB for investments in energy efficiency increase in the housing sector.

1.15. **Investment plan** is an integral part of the multi-apartment house renovation (modernization) project (as understood in accordance with the *Rules for provision of state support for multi-apartment house renovation (modernization) and supervision of the implementation of multi-apartment building renovation (modernization) projects*), which according to the energy performance certificate and research and evaluation data and requirements substantiate the house renovation measures, determining their energy and economic efficiency, the amount of investments and their distribution to the Beneficiaries, as well as the main terms of reference for the preparation of other parts of the renovation project.

1.16. **Accumulative funds account:** the special account opened with the Bank for the benefit of the Beneficiaries on the basis of this Agreement, to which the Beneficiaries make credit repayment, interest and late payment fee payments and receive state support. The accumulation fund account is administered by the administrator and is intended exclusively for the performance of the Beneficiaries' obligations under the Agreement (for credit repayment, interest, etc.), to which according to the *Law on State Support for Renovation (Modernization) of the Multi-apartment Buildings of the Republic of Lithuania* it is prohibited to direct the recovery according to the obligations of the Beneficiary or the Administrator and the Administrator has no right to freely dispose of the available funds in such account. The Parties agree that the accumulation fund account opened on the basis of the Agreement is visible to the Administrator in the Internet bank.

1.17. **Variable interest component** is the EURIBOR, or other variable interest component that is closest in meaning to the interest specified in the Agreement, i.e. another reasonable alternative that would be selected and applied by the Bank to the Client taking into account the recommendations of the supervisory authorities and/or general market practice in case EURIBOR is not published or established, is no longer provided or will not be provided, or the methodology for determining it has changed substantially or it can no longer be applied due to other events beyond the

Bank's control. The Bank shall inform the Client about the determination of the other variable interest part in the Internet Bank in accordance with the procedure established in the *General Rules*.

1.18. **Credit:** the funds provided (lent) by the Bank for the purpose of the Credit specified in the Agreement and under the established conditions.

1.19. **Credit disbursement documents:** confirmation from BETA or other relevant institution that the Contractor/Subcontractor has actually performed the work properly, distinguishing between the Contractor's/Subcontractor's name and the amount used for the renovation of the multi-apartment building, invoices, contracts, payment orders issued by the Contractor/Subcontractor and/or other (if requested) documents specified by the Bank, which must be approved by BETA or other institution performing the relevant functions.

1.20. **Credit utilization term:** the date specified in the Special Conditions by which the Credit may be disbursed.

1.21. **Credit account:** internal Bank account opened by the Bank on the basis of the Agreement and intended for disbursement of the Credit. The credit account number is indicated to the Administrator in the Internet Bank.

1.22. **Margin:** fixed amount of the Bank's credit risk and profit margin as a percentage over one year, which is an integral part of interest.

1.23. **Payment Date:** the calendar day of the month specified in the Special Conditions on which the Credit is repaid to the Bank and interest is paid.

1.24. **Payment Rules:** the *general rules for the provision of payment services of Šiaulių bankas approved by the Bank*, which are available on the Bank's website or at the Bank's Client service units. At the request of the Administrator or the Beneficiaries, the Bank will issue a paper copy of these rules free of charge.

1.25. **Beneficiary:** the natural person or legal entity who owns the apartment, or several natural persons or legal entities, if they own the multi-apartment jointly or partially, or their successors. In case the Beneficiary does not have full legal capacity or it is restricted (i.e. the Beneficiary is a minor, is or becomes partially incapacitated or incapacitated), all rights and obligations of the Beneficiary under the Agreement shall be exercised by his representative, unless otherwise provided by the legislation of the Republic of Lithuania.

1.26. **Beneficiary's economic activity:** the economic activity carried out by the Beneficiary, as defined in the *Law on Competition of the Republic of Lithuania in force at that time*. At the time of concluding the agreement, it was established that it is a production, commercial, financial or professional activity related to the purchase or sale of goods, except in cases when natural persons acquire the goods for personal and household needs. A commodity within the meaning of the *Law on Competition of the Republic of Lithuania* is defined as any object of purchase or sale, including all types of services, works, rights or securities. A purchase or sale is a transfer or acquisition of goods under a contract of sale, supply, contract or other transaction. Items (assets) transferred under lease or loan agreements are treated as goods.

1.27. **Interest rate:** the price of the disbursed Credit specified in the Special Conditions, expressed as a percentage of the annual interest rate. The interest rate can be (i) variable, (ii) fixed. The variable part interest rates are publicly available on the websites, the links to which can be found on the Bank's website

1.28. **Project manager:** the person acting under the assignment agreement by the decision of the multi-apartment owners, providing administration services for the implementation of the renovation project.

1.29. **Contractor:** the person specified in the Special Conditions who has all the permits required by the relevant state or local government institutions for the renovation (modernization) of the multi-apartment building and has signed a contract with the Administrator or Project Manager for the renovation (modernization) of the multi-apartment building.

1.30. **Infringement of the Regulation:** infringement (s) as defined in Article 2 of Council Regulation No 1083/2006.

1.31. **Socially disadvantaged beneficiary:** the Beneficiary who, in accordance with the procedure established by the legal acts of the Republic of Lithuania, has been issued a certificate on the right of a family or a resident to compensation for heating costs by paying the credit and/or interest in the period between the Payment Date on which the certificate was issued, until the Payment Date, immediately after the date on which the said certificate expired.

1.32. **Special Conditions:** the part of the Agreement in which the Parties agree on the essential financing conditions and other conditions and obligations. In the event of a discrepancy between the Special Conditions and the *General Credit Conditions for Multi-apartment Buildings*, the Parties shall follow the Special Conditions. The Special Conditions shall be drawn up and signed in duplicate (one for each Party), unless both Parties sign them with qualified electronic signatures.

1.33. **Subcontractor:** the company that performs construction works under a contract concluded with the Contractor.

1.34. **Agreement:** the *multi-apartment house credit agreement* concluded by the Parties (with all current and future amendments and additions). The Agreement consists of the Special Conditions and the Schedule signed by the Administrator and the Bank; these *General Credit Conditions for Multi-apartment Buildings, the General Rules, the Payment Rules and the Personal Data Protection Rules* are not signed by the Parties.

1.35. **Parties:** the Bank and the Administrator.

1.36. **State support:** the amount of funds allocated by the state to compensate a part of the multi-apartment house renovation (modernization) project investments in accordance with the *Law on State Support for multi-apartment House Renovation (Modernization) of the Republic of Lithuania and Rules for Provision of State Support for Renovation (Modernization) of Multi-apartment Buildings and Supervision of Implementation of the Project for Renovation (Modernization) of Multi-apartment Buildings*.

1.37. **State support agreement:** the Agreement on state support for the renovation (modernization) of multi-apartment buildings, signed between BETA and the Administrator or the Project Manager.

1.38. **Debt collection executor:** the debt collection/administration company selected by the Administrator acceptable to the Bank (the Bank provides a written list of acceptable debt collection/administration companies to the Administrator) with which the Administrator signs a cooperation agreement on pre-judicial debt collection according to the form provided by the Bank.

## 2. SUBJECT OF THE CONTRACT

2.1. Under the conditions specified in the Agreement, the Bank grants Credit to the Administrator acting for the benefit of the Beneficiaries for the implementation of the multi-apartment house renovation (modernization) project, and the Administrator uses the received Credit to finance the multi-apartment house renovation (modernization) works. Under the conditions specified in the Agreement, the Administrator shall repay the Credit, pay interest and default interest (if any) to the extent that it collects the Credit instalments, interest and/or default interest (if any) from the Beneficiaries.

### 3. CREDIT DISBURSEMENT

3.1. The Bank shall disburse the Credit after all the following conditions have been met:

3.1.1. The Investment Plan prepared in accordance with the procedure established by the Government of the Republic of Lithuania, approved by the decision of the Beneficiaries and co-ordinated with BETA has been submitted to the Bank;

3.1.2. The minutes of the meeting of the apartment owners of the multi-apartment house with the content and form acceptable to the Bank is submitted to the Bank, by which by which a decision would be taken by a majority of the owners acceptable to the Bank on taking the Credit from the Bank to finance the renovation (modernization) of the multi-apartment building works;

3.1.3. A transfer agreement has been submitted to the Bank if the renovation (modernization) of the multi-apartment building is implemented by the Project Manager authorized by the decision of the Beneficiaries;

3.1.4. The Bank has been provided with a decision adopted by the municipality, which instructs to implement the multi-apartment house renovation (modernization) program approved by the municipality (in case the Administrator is the administrator of the municipal program implementation);

3.1.5. The state support agreement signed between BETA and the Administrator or the Project Manager has been submitted to the Bank;

3.1.6. The Bank has been provided with an extract from the Real Estate Register on the apartment owners of the multi-apartment house;

3.1.7. The list of Beneficiaries prepared and signed by the Administrator according to the form provided by the Bank was submitted to the Bank;

3.1.8. The Bank has been provided with a free-form certificate prepared and signed by the Administrator on the apartments in the multi-apartment building, which belong to legal entities, and information on the apartments belonging to natural persons, where economic activities are carried out, if there are such apartments in the multi-apartment Building;

3.1.9. BETA certificate of granted and registered *De minimis*, in case the multi-apartment is used for economic activity of the Beneficiary;

3.1.10. A construction permit has been submitted to the Bank;

3.1.11. The Bank has been provided with an energy performance certificate for the multi-apartment building;

3.1.12. The Bank has been provided with approval of BETA or another institution acceptable to the Bank and performing the respective functions regarding the acceptability of the Contractor;

3.1.13. The Bank has been provided with construction contract (s);

3.1.14. A document issued by BETA confirming the eligibility of the contract (in cases where the contract is not procured through the Central Contracting Authority);

3.1.15. Certificates not older than 90 days have been submitted to the Bank from utility service providers (companies providing heat, electricity, water, gas and municipal waste transportation services) and from the manager of the multi-apartment building common use facilities about the community/Beneficiaries' overdue payments, their amounts and terms, indicating the starting date and amount of late payments by each indebted Beneficiary;

3.1.16. The Bank has been provided with credit disbursement documents;

3.1.17. The Bank has been provided with the documents proving that entries have been made in the Real Estate Register of the Republic of Lithuania that an Agreement has been concluded to finance the renovation (modernization) of

the multi-apartment building (if required by the legal acts of the Republic of Lithuania in force at that time);

3.1.18. The Bank has been provided with the court permit for obtaining a Credit if the Beneficiary must obtain such a court permit in accordance with the legal acts of the Republic of Lithuania;

3.1.19. There are no grounds for termination of the Agreement, there is no breach of the Regulation;

3.1.20. The Administrator will have entered into an agreement with the Bank on the use of the Internet banking system.

3.2. The Credit shall be disbursed during the term of use of the Credit. The term of use of the credit may be extended by the Parties upon signing the amendment to the Agreement only with the approval of BETA, but in all cases it may be extended until 31 December 2023 at the latest.

3.3. The Credit shall be disbursed in one or more instalments by transferring the Credit directly to the Contractor's or Subcontractor's (in case a tripartite agreement between the Administrator or Project Manager, the Contractor and the Subcontractor is submitted to the Bank, describing the direct settlement procedure with the Subcontractor subject to the requirements set out in the procurement documents and the tripartite agreement) account.

3.4. The credit is disbursed in the currency in which it was granted. If the Credit disbursement documents indicate a currency other than the one in which the Credit is granted, the respective Credit amount shall be converted using the Basic Exchange Rate as provided in the *Payment Rules* and applying the rates valid at the Bank at that time.

3.5. If it turns out that the conditions specified in Clause 3.1 of *General Credit Conditions for Multi-apartment Buildings*, or there are other circumstances due to which the Credit cannot reasonably be disbursed, the Bank has the right not to disburse the Credit or to terminate its disbursement. The Bank also has the right not to pay the Credit or to terminate its disbursement in case of bankruptcy of the Beneficiary or in any circumstances justified by the Bank due to insolvency of the Beneficiary or other obvious inability to fulfil its obligations to the Administrator and/or the Bank.

### 4. PROCEDURE FOR REPAYMENT OF CREDIT AND PERFORMANCE OF OTHER FINANCIAL OBLIGATIONS UNDER THE AGREEMENT

4.1. Repayment of the credit starts after the end of the term of the project and after receiving the state support. If the state support is received earlier than the expiration date of the project, the Credit will also be repaid earlier. The Bank has the right to request that the Credit repayment be initiated if the state support is not received for any reason after the end of the term of use of the Project.

4.2. After BETA transfers the state support to the accumulation fund account, the Bank shall cover the deferred interest (if the interest deferral term is provided for in the Special Conditions), recalculate the Credit within 10 (ten) business days by placing the remaining outstanding credit amount in equal instalments for the remaining credit repayment term and submits a unilaterally updated Schedule to the Administrator in the Internet Bank. Repayment of the credit starts from the Payment Date of the next calendar month.

4.3. Upon submission of the new Schedule by the Bank in the Internet Bank, the Administrator shall reduce the financial obligations of the Beneficiaries by determining the new instalments of the Credit payable (repayable) by the Beneficiaries and shall inform the Beneficiaries and the Bank thereof. The Administrator undertakes to provide the Bank with an updated list of Beneficiaries in a form acceptable to the Bank with information on the share of the Credit for each

apartment within 10 (ten) business days, but not later than 2 (two) business days prior to the Payment Date.

Payment procedure

4.4. The Administrator shall ensure that upon the due date of repayment of the Credit or its part or payment of interest, the Beneficiaries have made the necessary payments (for repayment of the Credit, interest) to the accumulation fund account in accordance with the Agreement. Otherwise, the Credit or part thereof, interest payment terms will be considered missed. In all cases, the principle of limitation of the Administrator's liability specified in Clause 2.1 of the *General Credit Conditions for Multi-apartment Buildings* shall be observed.

4.5. The Parties agree that upon the due date of repayment of the Credit or its part and/or payment of interest and/or default interest (if any) provided for in the Agreement, the Bank shall write off the amount of Credit, interest and/or default interest (if any) without separate notice and consent of the Party from the accumulation fund account.

4.6. If there are insufficient funds in the accumulation fund account after the due date provided for in the Agreement, the Bank shall try to debit the required amount from the accumulation funds account on a daily basis until the current debt (credit instalment, interest, default interest, if any) is fully repaid.

4.7. In cases when on the payment date the accumulation fund account contains less than the amount required to make payments under the Agreement, the amounts payable to the Bank under the Agreement shall be distributed as follows:

4.7.1. *in the first place*, interest is covered according to the order of their payment terms;

4.7.2. *in the second place*, the Credit shall be repaid according to the order of the repayment term of the respective Credit amounts starting from the earliest due;

4.7.3. *in the third place*, default interest is covered.

4.8. In cases where the Beneficiary fails to perform its obligations under the Agreement in good faith and/or the Beneficiary's payments under the Agreement are enforced and the Beneficiary's obligations under the Agreement are less than the amount required to make payments under the Agreement, the amounts recovered shall be distributed in the following order: 1) recovery costs (related to the statement of claim and other legal costs), 2) accrued and unpaid default interest, 3) interest, 4) credit amount, 5) procedural interest.

4.9. The Credit to be repaid by the Beneficiary or a part thereof, the interest paid will be considered paid from the moment of their write-off from the accumulation fund account.

Credit early repayment

4.10. The Beneficiary has the right to repay the Credit or part thereof to the Bank earlier. The credit or a part thereof shall be repaid earlier on the Payment Date specified in the Special Conditions. If the Beneficiary wishes to repay the Credit earlier, the Administrator must inform the Bank in writing 5 (five) business days before the payment date about the intention to repay the part of Credit earlier. In the notice of early repayment of the Credit Part, the Administrator shall indicate the details of the Agreement specified in the Special Conditions (date and number of the Agreement), the Beneficiary, the amount of the Credit to be repaid before maturity and the payment date. If the respective Beneficiary repays all or a smaller part of the Credit before the due date, the Beneficiary must also pay the interest and/or interest on arrears accrued before the actual date of repayment of the credit (payment date) (if any). Upon early repayment of a portion of the Credit by the Beneficiary on its own initiative, the Beneficiary will be deemed to have paid the earliest Credit instalments, unless otherwise specified by the Administrator in the notice of early repayment of the Credit.

4.11. If the Beneficiary has early repaid the credit in accordance with Clause 4.10, the Bank shall recalculate the

credit by spreading the remaining outstanding credit amount in equal parts for the remaining credit repayment term and submit the unilaterally updated Schedule to the Administrator in the Internet Bank.

Interest

4.12. Interest in the amount specified in the Special Conditions shall be calculated and paid to the Bank from the amount of the Credit (or its part) disbursed and not repaid to the Bank. Interest is calculated from the date of transfer of the Credit (or its part) from the credit account until the actual date of credit repayment (including early repayment of the Credit) to the credit account. For the purpose of calculating interest, a year is considered to consist of 360 (three hundred and sixty) days and a month consists of a calendar number of days.

4.13. Interest accrued for the previous calendar month shall be paid to the Bank on the payment date of the current calendar month, and in case the credit repayment deadline does not coincide with the payment date specified in the Agreement, all accrued interest shall be paid on the last credit repayment term specified in the Special Conditions.

4.14. In the event that the Special Conditions specify that a deferred interest payment period applies, the Parties agree that at the end of the interest deferral period, if the deferred interest has not been covered by the State Support, the Bank shall provide the Administrator with a separate Deferred Interest Payment Schedule, according to which the Beneficiaries will have to repay to the Bank the interest accrued during the interest deferral period. Upon receipt of the deferred interest payment schedule, the Administrator undertakes to determine the amounts of interest payable by the Beneficiaries in accordance with the procedure established in the Agreement and to inform the Beneficiaries thereof directly.

4.15. If the Agreement specifies that variable interest is applied to the Client, its annual rate shall be calculated by adding the value of the variable interest part specified in the Special Conditions and the amount of the Margin specified in the Special Conditions. The variable interest is changed at the frequency specified in the variable interest period specified in the Special Conditions. In the event that the value of the variable interest part is negative on the interest change date, the value of the variable interest part will be deemed to be zero.

4.16. In the event that the day of reviewing/changing the value of the variable interest part is a non-business day, the value of the variable interest part valid on the previous business day shall be taken into account when reviewing/changing the variable interest part.

Default interest

4.17. If the terms of repayment of the Credit or its part and/or payment of interest provided for in the Agreement are missed, 0.04% shall be paid to the Bank for each calendar day of delay as interest on arrears.

4.18. The payment of default interest does not release the Beneficiaries from their obligations and does not entitle them to defer the performance of their obligations under the Agreement.

**5. ADMINISTRATION OF BENEFICIARIES' DEBTS**

5.1. The Administrator undertakes:

5.1.1. To perform the administration and supervision of the debts of the Beneficiaries (if any) in accordance with the legal acts of the Republic of Lithuania in force at that time and the procedure established in this Agreement;

5.1.2. No later than by the 10<sup>th</sup> day of each current month, to submit a report for the previous month in the Internet Bank or in another manner determined by the Bank according to the

form provided by the Bank on overdue payments/debts of each Beneficiary and overdue payment administration/debt recovery actions.

5.2. The Administrator has the right to enter into a cooperation agreement with the debt collection executor during the entire term of the Agreement, which would instruct the debt collection executor to perform the actions of administration of the Beneficiary's overdue payments. The debt collection agent selected by the Administrator must be acceptable to the Bank according to the list of acceptable debt collection agents provided by the Bank, and the signed cooperation agreement with the debt collection agent must be concluded according to the form provided by the Bank, whose text cannot be changed.

5.3. The Administrator must ensure that:

5.3.1. If the Beneficiary fails to make payments for more than 1 (one) calendar day, within 10 (ten) calendar days (if no payments have been made during that period) he would be informed in writing about the indebtedness by sending a *notice on payment of the indebtedness* (according to the form provided by the Bank);

5.3.2. If the Beneficiary is more than 30 (thirty) calendar days late in fulfilling his obligations, he will be notified in writing within 10 (ten) calendar days (if no payments have been made during that period) by sending a *reminder to pay the debt* (according to the form provided by the Bank). The reminder shall inform the Beneficiary of the possibility to pay the debt within a maximum of 20 calendar days and of the possible consequences of non-payment of the debt within the set deadline;

5.3.3. If the Beneficiary is more than 60 (sixty) calendar days late in fulfilling his obligations, he will be notified in writing within 10 (ten) calendar days (if no payments have been made within that period) by sending a *demand to pay the debt* (according to the form provided by the Bank) within 14 calendar days. The demand must state that if the Beneficiary fails to pay the debt within the set term or fails to settle its payment in instalments and without concluding an agreement on the payment of the debt in instalments - the Settlement Agreement - judicial debt recovery proceedings will be initiated. Upon concluding the Settlement Agreement, the Beneficiary's indebtedness must be set out in equal instalments for a maximum period of 12 months, at the same time the Beneficiary must make current payments. The Administrator shall transfer the received amounts to the accumulation fund account in accordance with the Settlement Agreement;

5.3.4. When the Beneficiary is more than 90 (ninety) calendar days late in fulfilling his obligations, the Administrator, within 10 (ten) calendar days (if no payments have been made within that period), must apply to the Bank for the issuance of consent to initiate judicial recovery of the delayed or full (unless it contradicts mandatory legal provisions) credit part recovery of the Beneficiary or judicial debt postponement. The Bank, after evaluating the information provided by the Administrator and seeing a sufficient basis for the Administrator's statements regarding the expediency/inexpediency of judicial recovery, decides on further recovery actions, which the Administrator undertakes to perform.

5.4. After the Bank has given its consent to initiate judicial recovery of the debt from the respective Beneficiary, the Administrator initiates the judicial debt recovery procedure itself or may enter into legal services/representation agreements with third parties entitled to represent the Administrator in legal proceedings. If the Administrator wishes to reimburse the expenses incurred to third parties for the judicial recovery of a debt, the Bank shall enter into a separate agreement with the Administrator specifying the amount and type of expenses reimbursed by the Bank to third parties. The costs of judicial debt recovery reimbursed to the

Administrator shall be paid into the Administrator's bank account.

5.5. Funds transferred by the bailiff, the bankruptcy administrator, the liquidator, as well as funds paid by the Beneficiary in accordance with court-approved settlement agreements, debt repayment schedules are transferred to the account for recovery, which is submitted to the Administrator with the consent for the start of judicial debt recovery.

5.6. The Administrator undertakes to submit all documents substantiating the recovery of the debt from the Beneficiary at the request of the Bank.

5.7. In the event of default by the Beneficiary, the Bank and the Administrator have the right to inform other credit institutions operating in the Republic of Lithuania and third parties whose activities are related to debt collection about such person.

5.8. When concluding the Agreement, the Administrator undertakes to follow the standard *notification, reminder and demand* forms provided by the Bank in the administration of late payments by the Beneficiaries. The Administrator undertakes to ensure the sending of notifications to the Beneficiaries and to receive and keep documents confirming the delivery of notifications to the Beneficiary (postal receipts, postal invoices, covering letters with sending numbers) during the entire term of the Agreement. Delivery of notices shall be deemed appropriate if the Administrator has sent them in accordance with the provisions of Clause 5.3 to the Beneficiary at the address of the apartment, unless a specific Beneficiary has indicated another address for correspondence. Upon the written request of the Bank, the Administrator undertakes to provide copies of the notices sent to the Beneficiaries and the documents on their delivery to the Beneficiaries.

5.9. If the institution performing the functions of the municipal administration fails to make a payment to the accumulation funds account for the socially disadvantaged beneficiary by the 10<sup>th</sup> (tenth) working day of the first month following the quarter for which the payments for the socially disadvantaged beneficiary have not been made, the Administrator undertakes to submit to the relevant institution and to the socially disadvantaged beneficiary the demand stating that in the event that the obligatory payments under the Agreement are not made within 90 (ninety) calendar days after the quarter for which the payments for the socially disadvantaged beneficiary have not been made, enforcement measures will be taken and legal action will be taken on the award of debt.

5.10. Upon receipt of information about the bankruptcy proceedings initiated against the Beneficiary or the commencement of liquidation proceedings, within 10 (ten) calendar days after learning about this (if no payments have been made within that period), the Administrator must submit (send) a request to the Beneficiary to pay the amount of overdue payments and within the statutory time limits submit creditor claims to the Beneficiary's bankruptcy administrator or liquidator. The Administrator undertakes to immediately inform the Bank in writing about the bankruptcy proceedings initiated against the Beneficiary, the liquidation procedure and the submitted creditors' claims.

5.11. The Administrator, after receipt of the information on the death of the Beneficiary, no later than two months after the date of death of the Beneficiary or immediately but no later than one month after becoming aware of the death of the Beneficiary (when two months from the date of death of the Beneficiary (s) has already passed), checks that the Beneficiary (ies) has an heir. If there is no heir, the Administrator must apply to the court of the deceased's place of residence with a statement confirming the claim for the deceased's heirs. In case of inheritance, overdue payments incurred before the moment of inheritance of the apartment shall be paid and the enforceable obligations under the renovation project shall be taken over by the heir.

## 6. OBLIGATIONS OF THE ADMINISTRATOR

6.1. The administrator undertakes:

6.1.1. To ensure that the renovation (modernization) of an multi-apartment building is carried out in compliance with the requirements of all legal acts, including the legal acts of the Republic of Lithuania and the European Union and environmental protection regulating legal acts;

6.1.2. to use the received Credit in accordance with the purpose of the Credit specified in the Special Part, in accordance with the applicable legal acts of the Republic of Lithuania and the European Union, to keep all documents related to the performance of the Agreement confirming the use of the Credit in accordance with the intended purpose and legal acts of the Republic of Lithuania and the European Union;

6.1.3. if the legal acts of the European Union, the Republic of Lithuania and this Agreement to a certain extent do not regulate the use of the Credit, to use the received Credit taking into account the principles of economy, efficiency, transparency, equality, non-discrimination on the basis of nationality;

6.1.4. to create conditions for the Bank's representatives to monitor/inspect the implementation of the financed project without obstacles, to check the use of the Credit in accordance with the purpose of the Credit, to get acquainted with economic and other documentation related to the use of the Credit;

6.1.5. to ensure the supervision of the renovation works of the multi-apartment building;

6.1.6. to ensure that the maintenance of the renovation (modernization) of an multi-apartment building will be performed by a technical supervisor of construction works having appropriate permits, consents or licenses;

6.1.7. to immediately inform the Beneficiaries of the conclusion of the Agreement,

6.1.8. to determine the share of the Credit due to the Beneficiaries in accordance with the procedure provided for by legal acts and to provide them with a schedule according to which the Beneficiaries repay the Credit to the Bank in the instalments and terms specified in the Schedule;

6.1.9. to collect the Credit instalments from the Beneficiaries, administer and supervise their payments and debts in accordance with the procedure established by legal acts and to account for the payments of the Beneficiaries in accordance with the procedure provided for in the Agreement and legal acts;

6.1.10. to take all actions depending on the Administrator for the Beneficiaries to repay the Credit, to pay interest and to demand that the Beneficiaries pay default interest (if any) under the conditions provided for in the Agreement.

6.1.11. to ensure that each Beneficiary is duly informed of the amount payable by the Administrator in accordance with the terms of this Agreement no later than within 10 (ten) calendar days after the payment date.

6.1.12. to credit the Credit repayments, interest and default interest (if any) made by each Beneficiary under the Agreement on the payment dates of these amounts to cover the indebtedness of each Beneficiary to the Bank arising from the Agreement;

6.1.13. To process and transfer the personal data of the Beneficiaries to the Bank in accordance with the provisions of the valid Law on Legal Protection of Personal Data of the Republic of Lithuania and other legal acts regulating the protection of personal data and their processing;

6.1.14. if before the credit disbursement date it becomes clear that the Beneficiary carries out economic activity in the apartment, no later than within 5 (five) business days to apply to BETA for permission to grant the Credit to the Beneficiary

of the said apartment, and to notify BETA after disbursement of the Credit;

6.1.15. within 3 (three) business days from the date of receipt of the certificate on the socially disadvantaged beneficiaries to provide the Bank with accurate information and supporting documents on the socially disadvantaged beneficiaries;

6.1.16. not to perform actions that would significantly worsen the Administrator's financial condition and/or the performance of which would be essential for the fulfilment of the Administrator's obligations under the Agreement, and to provide data on the Administrator's solvency, assumed financial liabilities (debts) and assets/encumbrances;

6.1.17. to inform the Beneficiaries that the ownership rights to the apartment (or a part thereof) may be transferred only after transferring to the accumulation fund account the full amount of money (credit, interest, default interest and other amounts payable under the Agreement) payable to the Bank before the transfer of ownership of the apartment, after having received a certificate from the Administrator on the Beneficiary's settlements (delays) under the Agreement, and only after duly informing the successor in title of the apartment about the obligation to continue to pay the Credit instalments and interest. The Administrator is responsible for properly informing the Beneficiaries about the condition specified in this clause of the *General Credit Conditions for Multi-apartment Buildings* and undertakes to ensure proper implementation of this clause by including this condition in the certificates issued to the Beneficiaries (including certificates issued to persons approving the transfer transaction). Upon receipt of the Beneficiary's request, the Administrator undertakes and must issue a relevant certificate to the Beneficiary (free of charge) no later than within 5 (five) working days, ensuring that the information on the Beneficiary's payment obligations for the apartment arising from the Agreement is up-to-date, accurate and right.

6.1.18. The Administrator, in cooperation with the Contractor and these in cooperation with the Subcontractors, undertakes to provide information and publicity about the modernization funding from the European Union Structural and Investment Funds during the renovation (modernization) of the multi-apartment building and to ensure that such information and publicity is used by the Contractor and Subcontractors as provided for in Regulation (EU) of the *European Parliament and of the Council* No 1303/2013. All measures of informing about the modernization project implemented by the Administrator and the Contractor/Subcontractors must use the European Union structural assistance label for 2014–2020, an example of which is published at [www.esinvesticijos.lt](http://www.esinvesticijos.lt)

6.1.19. upon expiration of the administrator's rights or powers related to the implementation of the multi-apartment house renovation (modernization) project, to transfer to the newly appointed/elected administrator the unused funds accumulated by the Beneficiaries, available multi-apartment building construction and technical inventory documents and other documents related to the implementation of the multi-apartment building renovation (modernization) project. For the sake of clarity, the Parties confirm that the rights and obligations of the Administrator under the Agreement pass to the new Administrator from the date of the appointment/election of this entity, unless the Parties agree otherwise.

6.1.20. to perform other obligations provided for in the Agreement and legal acts regulating the renewal (modernization) of multi-apartment buildings.

6.2. The Administrator undertakes to inform the Bank no later than within 5 (five) business days from the day of occurrence or learning of the following event:

6.2.1. about the change of the apartment owner and change the list of the apartment owners accordingly (according to the form provided by the Bank);

6.2.2. about the economic activity of the Beneficiary carried out in the apartment;

6.2.3. about the change of the Articles of Association, name, registered office address, telephone numbers, authorized persons, manager of the Administrator or Project Administrator;

6.2.4. about the decisions made regarding the reduction, reorganization, liquidation, restructuring and/or initiation of bankruptcy proceedings of the Administrator or the Project Administrator;

6.2.5. about existing and foreseeable financial difficulties, foreseeable settlement delays or other significant events (for example, public administration institutions apply sanctions to the Administrator, which deprive or restrict his rights in economic and financial activities, etc.), which may hinder the proper performance of the Agreement;

6.2.6. about existing or planned decisions on debt collection from the apartment owners;

6.2.7. about existing or planned changes in the final beneficiaries of the apartment owner legal entity;

6.2.8. other significant events that may interfere with the proper performance of the Agreement.

6.3. The Administrator undertakes to register the fact of renewal (modernization) of the multi-apartment building in the Real Estate Register within 10 calendar days by submitting a copy of the Agreement (if such obligation is established for the Administrator in the legal acts of the Republic of Lithuania).

6.4. The administrator shall recognize the right of EIB, representatives of the EIB, the European Court of Auditors (the ECA), the European Commission and/or the representatives of European Commission, including the European Anti-Fraud Office (the representatives), other European Community institutions or bodies, authorized to carry out inspections of the use of European Union structural assistance funds and the relevant state or local self-government institution, including duly authorized representatives of State institutions to audit and control the Agreement or its performance and to request information related to the Agreement and its performance. The Beneficiary and the Administrator will allow and request the Contractor/Subcontractor to allow EIB and EIB representatives, persons authorized by the ECA, the European Commission or National Authorities to carry out monitoring visits and inspections of the activities performed by Beneficiary, the Administrator and the Contractor/Subcontractor. As the Beneficiary, the Administrator and the Contractor/Subcontractor may be inspected on-site, the Beneficiary and the Administrator will grant and request the Contractor/Subcontractor to grant access for the EIB, EIB representatives, ECA, European Commission or National Authorities to the premises of the Beneficiary, Administrator and the Contractor/Subcontractor during normal business hours. The Beneficiary and the Administrator will allow and request the Contractor/Subcontractor to allow persons appointed by the Bank, the EIB and/or BETA to inspect the multi-apartment building, the multi-apartment building renovation (modernization) equipment and multi-apartment building renovation (modernization) works and to carry out such inspections, which persons appointed by the Bank, the EIB and/or BETA deem necessary. The Beneficiary and the Administrator will provide and request the Contractor/Subcontractor to provide the Bank, the EIB and/or BETA designated persons with all necessary assistance to inspect and check the multi-apartment building, the multi-apartment building renovation (modernization) equipment and renovation (modernization) works of the multi-apartment building. The Administrator must include the requirements specified in this clause in the contracts concluded with the

Contractors, and these in the contracts concluded with the Subcontractors.

6.5. If a member of the administrator's management body has been accused of illegal activities in the course of his or her professional duties, the Administrator undertakes to take action against such member of the management body within a reasonable time to ensure that such member of the management body is not involved in any activities, related to the funds provided under this Agreement. The Administrator also undertakes to immediately inform the Bank of all measures taken to implement this clause of the Agreement.

6.6. The Administrator undertakes to inform the Bank immediately of any current or expected changes in its final beneficiaries as a legal entity.

6.7. The Administrator undertakes to submit at any time during the term of the Agreement, at the request of the Bank, an updated list of Beneficiaries in a form acceptable to the Bank with information on the share of the Credit for each apartment.

6.8. The Administrator undertakes to immediately inform the Bank of any information received about illegal activities related to the Credit and its use, such as tax evasion, tax fraud, fraud, corruption, money laundering, terrorist financing or other illegal activities.

6.9. The Administrator undertakes to notify the Bank about the agency agreement signed/amended/terminated with the Project Manager after the signing of the Agreement, and to submit the related documents to the Bank.

## **7. ADMINISTRATOR'S APPROVALS AND WARRANTIES**

7.1. The administrator confirms and guarantees that:

7.1.1. it is a legal entity duly registered in the Register of Legal Entities and operating in accordance with the legal acts of the Republic of Lithuania;

7.1.2. it has the right to enter into the Agreement and the conclusion of the Agreement does not contradict the legal acts of the Republic of Lithuania, the Articles of Association of the Administrator, other founding documents or the obligations assumed by the Administrator under agreements concluded with third parties;

7.1.3. it has all permits and/or authorizations, if required by the legal acts of the European Union and the Republic of Lithuania, establishing environmental and competition requirements;

7.1.4. prior to concluding the Agreement, it duly acquainted the Beneficiaries with the essential terms of the Agreement (credit amount, terms, amounts of instalments, their repayment, payment procedure), or submitted a draft Credit Agreement. The Beneficiaries were also duly informed that their personal data would be transferred to the Bank, which will process personal data in accordance with the Personal Data Protection Rules, and to other credit institutions and third parties operating in the Republic of Lithuania in relation with the debt collection purposes. The Administrator also duly informed the Beneficiaries prior to the conclusion of the Agreement that if the Bank transfers the Beneficiaries' personal data to the EIB, such personal data transfer would be carried out in accordance with the Personal Data Regulation No 2018/1725 and in accordance with the EIB Privacy Notice published at [www.eib.org](http://www.eib.org);

7.1.5. the representative, having signed the Special Conditions, acts within the limits of the authorized powers and the conclusion of the Agreement does not contradict the laws, the Administrator's Articles of Association, other founding documents, regulations of management bodies, Administrator's obligations assumed under the agreements concluded with third parties, all the necessary permits, consents, powers of the Administrator's management bodies, state institutions or other persons to conclude the Agreement have also been obtained;

7.1.6. The data provided in the application submitted to the Bank and other documents related to the receipt of the Credit are correct, without omissions and reflect the actual situation;

7.1.7. On the day of signing the Special Conditions (conclusion of the Agreement) it has no other financial obligations under credit, leasing, financial leasing, suretyship, guarantee agreements (transactions) about which it would not have notified the Bank, no lawsuit has been filed in court or arbitration and the Administrator is not aware that it is prepared to file lawsuits against the Administrator in which the decision may adversely affect the Administrator's financial condition and ability to perform the Agreement and force the Bank to suspend Credit disbursements or terminate the Agreement altogether;

7.1.8. On the day of signing the Special Conditions (conclusion of the Agreement) there are no significant factors known to it that may force the Bank to suspend the disbursement of the Credit or terminate this Agreement altogether; it is not aware of any circumstance which would prevent the Credit from being disbursed;

7.1.9. On the day of signing the Special Conditions (conclusion of the Agreement), it submitted to the Bank in writing all information known to it in case the Beneficiary, in accordance with the legal acts of the Republic of Lithuania, must obtain court permission before concluding the Agreement.

7.1.10. is duly acquainted with all the terms of the Agreement and does not consider any of these terms to be unfair, contrary to the principles of justice, reasonableness and fairness, or to the rights and interests of the Beneficiaries, the powers conferred on them;

7.1.11. is duly prepared (including having all the necessary technical capabilities) to account for the Beneficiaries' payment obligations under the Agreement in accordance with legal acts and the Agreement, as well as to submit to the Bank reports on the fulfilment of the Administrator's and Beneficiaries' obligations under the Agreement.

7.1.12. Does not engage in any illegal activities and, to the Administrator's knowledge, the Beneficiaries do not engage in any illegal activities related to the Credit and/or its use, nor the funds invested in the multi-apartment building renovation project, if any, are not of illegal origin. Upon becoming aware of the illegal origin of such funds, the Administrator shall immediately inform the Bank, and shall also oblige the Beneficiaries to inform the Bank if it is aware of illegal activities related to the Credit or its use or investment of illegal funds in the multi-apartment building renovation project.

7.1.13. In case it has signed an agency agreement with the Project Manager, it does not object that the Project Manager will provide the Credit disbursement documents directly to the Bank, and the Bank will execute the Credit disbursement upon their receipt from the Project Manager.

7.2. The Administrator undertakes to immediately inform the Bank if during the validity of the Agreement, due to any circumstances, any confirmation and (or) guarantee of the Administrator becomes substantially inaccurate or incorrect.

## 8. TERMINATION OF THE AGREEMENT

8.1. The Bank has the right (but not the obligation), by notifying the Administrator in writing at least 15 (fifteen) calendar days in advance, unilaterally and without going to court, to terminate, via statutory procedure, the Agreement (or its part) before the term and/or to demand that the Beneficiaries repay to the Bank the entire outstanding Credit (or the specified part thereof) with interest accrued until the date of repayment and accrued default interest (if any), if the Bank finds at least one of the following material breaches of the Agreement:

8.1.1. The Bank has not been provided with documents confirming that the multi-apartment building renovation project has been implemented properly, i.e. within 6 (six) months, when the Credit disbursement period expires, the Bank is not provided with the Energy Efficiency Certificate of the multi-apartment Building, prepared and issued in accordance with the procedure established by legal acts after the Modernization of the multi-apartment Building, confirming that at least energy efficiency class C has been achieved and the calculated thermal energy consumption costs are reduced by at least 40 (forty) percent;

8.1.2. The Credit or a part thereof was not used for the purpose of the Credit;

8.1.3. criminal actions of the Beneficiaries and/or the Administrator, the Project Manager become apparent, due to which the legitimate interests of the Bank arising from the Agreement are violated;

8.1.4. it turns out that the statements/confirmations of the Administrator specified in the Agreement are completely or partially incorrect, endangering further performance of the Agreement and the Administrator does not correct them within the notice period set by the Bank, which may not be less than 30 (thirty) days;

8.1.5. within the term established by legal acts, which may not be shorter than 60 (sixty) days after the day of the Bank's written notice on the necessary change of the Administrator, the Administrator is not replaced by a new administrator capable and entitled to administer the multi-apartment building renovation (modernization) project;

8.1.6. The Administrator fails to comply with the obligations provided for in the *General Credit Conditions for Multi-apartment Buildings*, which would violate the legitimate interests and objectives of the Beneficiaries and the Bank, for the fulfilment of which the Agreement has been concluded;

8.1.7. a violation of the Regulation has been committed;

8.1.8. at least one circumstance becomes clear due to which the Credit could not be disbursed.

8.2. When the Bank exercises the right provided for in Clause 8.1 of the *General Credit Conditions for Multi-apartment Buildings*, the Administrator undertakes, no later than the date of termination of the Agreement and/or request to repay the Credit before the term (or part thereof), transfer/assign all its rights and obligations under the Agreement to the Bank (or another person specified by the Bank), as provided for in Clause 9 of the *General Credit Conditions for Multi-apartment Buildings*.

8.3. The Administrator must indemnify the Beneficiaries and the Bank for all losses (damage) they will suffer due to the fault or illegal actions of the Administrator, including cases where material breaches of the Agreement would result from the actions or omissions of the Administrator.

## 9. TRANSFER AND ASSIGNMENT OF RIGHTS AND OBLIGATIONS UNDER THE AGREEMENT

9.1. If criminal actions of the Administrator turn out, due to which the legitimate interests of the Beneficiaries and/or the Bank arising from the Agreement are violated, or in the Bank's opinion, the Administrator fails to perform the Agreement or executes it improperly, and there is a real threat to the interests of the Bank and/or Beneficiaries, and The Administrator does not correct the violations specified by the Bank within the term set by the Bank, which may not be shorter than 30 (thirty) days, the Bank has the right to apply to the institutions or persons specified in legal acts with a request to immediately change the Administrator, obliging it, i.e. the newly appointed/elected administrator, who will continue to administer the multi-apartment building renovation (modernization) project, to take over all the rights and obligations of the Administrator arising from the Agreement.



9.2. The Parties agree that in the event of a change of Administrator (Clause 9.1 of the *General Credit Conditions for Multi-apartment Buildings*), the Agreement and the rights and obligations of the Beneficiaries provided therein shall continue to apply to the Beneficiaries and the rights and obligations of the Administrator under the Agreement shall pass to the new administrator at full extent. This condition must be included in the contract with the new administrator and, in the absence of a contract with the new administrator, a written commitment shall be received from the new administrator to fulfil all the obligations of the Administrator assumed under the Agreement, but, in spite of the absence of such a consent, the absence of the mentioned condition or the obligation, does not release the new Administrator from performing all the obligations assumed by the Administrator under the Agreement.

9.3. With the exception of Clauses 9.1 and 9.2 of the *General Credit Conditions for Multi-apartment Buildings*, the Administrator shall not be entitled to transfer its rights and/or obligations under the Agreement to any third parties without the prior written consent of the Bank.

9.4. In the event that the Beneficiary transfers ownership of the apartment to another person (s) or the ownership of the apartment passes to another person (s) on any other grounds, all unfulfilled obligations of the Beneficiary under this Agreement shall pass to the new apartment owner (s) from the date of registration of the ownership rights to the apartment in the Real Estate Register and the new apartment owner shall become the new Beneficiary from the date of transfer of ownership rights to the apartment.

9.5. The Bank has the right to transfer all rights and obligations under the Agreement to another bank, financial institution or third party, which according to the applicable legislation has the right to provide, take over, invest in loans of the type such as Credit, without any consent, notification and information of the Administrator, provided that all rights and obligations of the Bank under this Agreement shall be transferred immediately and no additional payment obligation shall arise for the Administrator and the Beneficiaries as a result of such transfer and the amount payable under this Agreement shall not increase.

9.6. In the event of reorganization of the Administrator and/or the Beneficiary (if it is a legal entity), the obligations under this Agreement shall be taken over by its successor, to whom the terms of the Agreement are binding.

9.7. If the Administrator, acting on behalf of the Beneficiaries, delays the fulfilment of financial obligations to the Bank under the Agreement by more than 120 (one hundred and twenty) days, when the late payment amount of obligations is no less than 40% (forty percent) of disbursed but outstanding Credit balance (credit and interest), the Bank has the right (but not the obligation) to take over from the Administrator, and the Administrator must in all cases, at the request of the Bank, transfer to the Bank all rights of the Administrator under the Agreement, including the claim rights towards the amounts receivable from the Beneficiaries under the Agreement. The Parties agree unconditionally and irrevocably that the transfer of rights (in the context of this clause of the *General Credit Conditions for Multi-apartment Buildings*) to the Bank shall be done by unilateral written notice of the Bank to the Administrator and the Administrator's rights (as understood in the context of this clause of *General Credit Conditions for Multi-apartment Buildings*) shall be deemed transferred on the date of receipt of the notification of the transfer of rights or from the date specified in the written notice of the Bank as the date of transfer of rights. No separate agreement or amendment of the Agreement shall be concluded between the Parties. Also, no separate decision/consent of the Beneficiaries is required for the transfer of rights. The Administrator undertakes and must, no later than within 3 (three) business days after the date of transfer of rights,

transfer to the Bank all documents, information, access rights to information and all other data, related with the transferred rights, necessary for the proper performance of the Agreement.

## 10. RESPONSIBILITY

10.1. The Administrator shall be liable to the Bank for the performance of the obligations provided for in the Agreement in accordance with the procedure established in the Agreement and legal acts.

10.2. The Administrator is personally responsible for the proper performance of all obligations of the Administrator set forth in this Agreement and for the provision of correct information to the Bank. The rights granted to the Bank under this Agreement shall not in any way reduce the duties of the Administrator or limit its liability for improper performance of these duties.

10.3. In the event that the Administrator has entrusted the Project Manager with the administration of the renewal project, the Administrator, as a Contracting Party, is fully responsible for ensuring that when the Project Manager administers the project implementation all obligations under the Agreement and legal acts related to the project implementation are complied with. Assignment to the Project Administrator to administer the project does not in any way reduce the Administrator's duties or limit his liability for improper performance of these duties.

10.4. If the Administrator violates any non-financial obligation provided for in the Agreement, the Administrator undertakes to pay a fine of EUR 85 to the Bank. The fine shall be paid to the Bank if the Administrator does not start to perform the Agreement properly within the term specified in the notice of default sent by the Bank, which may not be less than 10 calendar days and longer than 30 calendar days. If the Administrator fails to pay the fine, the Bank has the right to debit the fine from the Administrator's bank account (not the accumulated funds account). The fine may also be applied in case of repeated violations of the Agreement. Payment of the penalty does not release the Administrator from the obligation to properly perform the obligations under the Agreement.

10.5. The Administrator, acting honestly and in good faith, is responsible to the Bank only for the proper collection of funds (credit payments, accrued interest and default interest, if applicable) from the Beneficiaries and their transfer to the Bank. The Administrator shall not be liable to the Bank for the repayment of the Credit and shall not be obliged to repay it if the non-repayment of the Credit is not caused by intentional actions, dishonesty or gross negligence of the Administrator.

10.6. The Beneficiaries shall be liable to the Bank for non-performance of obligations to repay the entire Credit granted to the Bank, to pay interest, default interest (if any) and to pay other amounts payable under the Agreement (if any) by all their property within the limits provided by the legal acts of the Republic of Lithuania. The Beneficiaries must cover all losses incurred by the Bank due to the Beneficiary's non-performance or improper performance of the obligations provided for in the Agreement, except for those losses that have arisen due to force majeure.

10.7. A party is released from liability for non-performance of the Agreement if the Agreement is not performed due to force majeure, i.e. circumstances which that party could not control and reasonably foresee at the time of concluding the Agreement and could not prevent the occurrence of these circumstances or their consequences. Force majeure does not include the fact that a party does not have the necessary financial resources or the party's contractors are in breach of their obligations. The contracting parties shall immediately notify each other of the occurrence of force majeure circumstances by fax and thereafter in writing. A party who has not notified the other party of the circumstances of force

majeure may not rely on them as a basis for discharge from liability for non-performance of the Agreement. In case of force majeure, the parties are released from the performance of their contractual obligations (except for the obligation to pay interest) for the entire period of existence of the said circumstances, but not longer than 6 (six) months.

10.8. The Administrator undertakes to be liable to the Bank in the event that the Agreement and its subsequent amendments are challenged due to the fact that they were concluded in violation of the competence of the Administrator's management bodies or exceeding the granted authorizations.

## 11. FINAL PROVISIONS

11.1. The Agreement shall enter into force upon signature of the Special Conditions by the Parties and shall be deemed concluded from the date of conclusion of the Special Conditions specified in the Special Conditions. The Agreement is valid until all obligations to the Bank under the Agreement are fulfilled.

11.2. The Parties agree that if there are other conditions not specified in these *General Credit Conditions for Multi-apartment Buildings* or Parties are subject to conditions other than those specified in the *General Credit Conditions for Multi-apartment Buildings*, or if specific provisions of the *General Credit Conditions for Multi-apartment Buildings* should not apply, all such conditions shall be specified in the Special Conditions.

11.3. All supplementary agreements, amendments and annexes to the Agreement concluded by the Parties shall form an integral part of the Agreement and shall be binding on the Parties.

11.4. Should any part, provision or annex of the Agreement be declared invalid, the remaining parts, provisions and annexes of the Agreement shall remain in full force and effect.

11.5. The law of the Republic of Lithuania applies to the contract. Disputes between the Parties, which cannot be resolved by mutual agreement, shall be resolved in court in accordance with the procedure established by the laws of the Republic of Lithuania.

11.6. The Bank has the right to unilaterally, without any prior notification and/or consent of the Administrator, change the *General Credit Conditions for Multi-apartment Buildings* and the changed terms are valid from the moment of their publication on the Bank's website.

**These *General Credit Conditions for Multi-apartment Buildings* shall enter into force on 15 December 2020 and shall apply to the Agreements when the Multi-apartment Building Renovation (Modernization) Projects have been prepared and agreed with BETA from 1 November 2017.**

Šiaulių bankas AB