

## GENERAL TERMS OF CREDITING FOR APARTMENT BUILDINGS

Valid from 2017-06-27

The terms used in these *General Terms of Crediting for Apartment Buildings* are understood in the way they are defined in this paragraph; the other terms used and capitalized are understood in the manner prescribed by the *General Rules or the Payment Rules*.

### 1. TERMS AND DEFINITIONS

**1.1. Administrator or Project Administrator** is the Manager of the communal objects and/or municipality program implementation administrator who is organizing and/or financing the implementation of the apartment building renovation/modernization project, being party to this Contract and acting exclusively for the benefit and interests of the Beneficiaries.

**1.2. Administrator's bank account:** Administrator's already maintained or newly opened account at the Bank specified in the Special Conditions, from which the Bank, upon failure by the Administrator to perform non-financial obligations to the Bank under the Contract, has the right to unilaterally write off the fine specified in the Special Conditions in the manner prescribed by the Contract.

**1.3. Bank** is the public limited liability company Šiaulių bankas, the details and contacts of which are specified in the *General Rules*.

**1.4. General Terms of Crediting for Apartment Buildings** are these General Terms of Crediting for Apartment Buildings approved by the Bank which are submitted to the Administrator at the request of the Administrator at the time of conclusion of the Contract or which are available for the Administrator in advance at the Bank's website [www.sb.lt](http://www.sb.lt) or in the Bank's customer service departments. *General Terms of Crediting for Apartment Buildings* are public and are not signed by the parties.

**1.5. General Rules:** *General rules for provision of services by Šiaulių bankas* approved by the Bank, which, together with all amendments, are an integral part of the Contract, that are not issued to the Administrator, but are available on the Bank's website at [www.sb.lt](http://www.sb.lt) or in the Bank's customer service departments.

**1.6. BETA:** public institution Housing Energy Saving Agency, code 303004035, registered at Švitrigailos g. 11B, Vilnius, data is collected and processed in the Register of Legal Entities of the Republic of Lithuania.

**1.7. Apartment:** each apartment located in an apartment building and belonging to the Beneficiary, or another premises, which have a unique identification number assigned by the Real Estate Register.

**1.8. Apartment building** is a dwelling house of three or more apartments (or other premises) specified in the Special Conditions.

**1.9. Apartment building renovation (modernization):** construction works on an apartment building, which, in accordance with the project of renovation (modernization) of an apartment building and the applicable legislation, restore or improve the physical and energetic qualities of

an apartment building and/or its engineering systems and/or ensure the use of energy from renewable sources.

**1.10. Fine payment account:** Bank's internal account for the calculation of fine for late payment under the Contract.

**1.11. De minimis:** insignificant State support to owners of apartments and other premises conducting business in the apartment or other premises owned in the a renewed (modernized) 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.

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

**1.13. Return schedule:** the timetable with dates and Credit repayment amounts, according to which the Credit has to be repaid to the Bank. The repayment schedule is an integral and inseparable part of the Contract.

**1.14. JESSICA (Joint European Support for Sustainable Investment in City Areas,** the name means general support for sustainable investments in urban territories): an initiative of the European Commission, developed in cooperation with the European Investment Bank (EIB) and the council of European Bank for Development (CEB), under which financial engineering instruments are used to support sustainable urban development and renewal projects. The loan is provided to the owners of the apartment building in accordance with the JESSICA program by controlling fund's means.

**1.15. Investment plan** is an integral part of the renovation (modernization) project of an apartment building (as it is understood in accordance with the Regulations for granting state support for renovation/modernization for apartment buildings and apartment building renovation/modernization project implementation monitoring) which provides, along with any other information specified in the legal acts, the preliminary cost of the renovation/modernization of the apartment building and the project financing plan.

**1.16. Accumulated funds account:** on the basis of this Contract, a special account with the Bank is opened for Beneficiary, administered by the Administrator, intended exclusively for the fulfilment of the obligations of the Beneficiaries under the Contract (credit, interest, etc.), to which, according to the law on the state aid for the purchase or rental of housing in the Republic of Lithuania also for apartment building renovation/modernization, it is prohibited to direct recovery in accordance with the obligations of the Beneficiary or the Administrator. As agreed by the Parties, the right of the Administrator to freely dispose of the funds available in the accumulated funds account during the Contract period will be limited by technical possibilities.

**1.17. Credit:** monetary funds that, under the conditions stipulated by the Contract, the Bank undertakes to provide in favour of the Beneficiaries for the purpose specified in the Special Conditions, and the Administrator undertakes to return the maximum monthly payments (including interest and fine for late payments) collected from the

Beneficiaries to the Bank. The maximum amount of the Credit is specified in the Special Conditions.

**1.18. The term of use of the Credit** is the period during which the Administrator can submit applications for the payment of the Credit and during which the Credit shall be used in accordance with the credit purpose specified in the Special Conditions. The credit use deadline cannot be later than 31 December 2019.

**1.19. Credit account:** the Bank's internal account specified in the Special Conditions for the purpose of accounting for the Credit.

**1.20. The maximum monthly instalment** is the maximum monthly Credit repayment and/or interest payment instalment for one square meter of apartment which does not include interest for late payment (if any), approved by 16 December 2009 Government Resolution No 1725 "On the approval of the rules for granting state support for the renewal/modernization of apartment buildings and the establishment of the maximum monthly instalment for the cumulative contribution and/or other instalments for the renovation/modernization of apartment building" (with its subsequent amendments).

**1.21. Payment day:** the calendar day of the month specified in the Special Conditions, on which the Credit, interest and fine for late payment are paid back to the Bank (if any).

**1.22. Payment Rules:** the Bank-approved *General rules for the provision of payment services of Šiaulių bankas*, which are available on the Bank's website at [www.sb.lt](http://www.sb.lt) or in the Bank's customer service departments.

**1.23. Beneficiary:** natural person or legal entity who owns the apartment, or several natural persons or legal entities, if the apartment is owned by them on joint or partial ownership right or their successors. In the event that the Beneficiary is not full-fledged or is limited (i.e., the Beneficiary is a minor, is or becomes limited in function or incapable), unless the legal acts of the Republic of Lithuania provide otherwise, all rights and obligations of the Beneficiary under the Contract are exercised by his/her/its representative.

**1.24. Beneficiary's economic activity:** the economic activity carried out by the Beneficiary, as defined in the current Law on Competition of the Republic of Lithuania. At the time of conclusion of the Contract, it has been determined that this is all production, commercial, financial or professional activity related to the purchase or sale of goods, except for cases when natural persons acquire goods for personal and household needs. The goods 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. Purchase or sale is the sale or purchase of a product in accordance with sale and purchase, supply, contract or other transactions. Items (property) comparable to goods are transferred according to rental or lease contracts.

**1.25. Interest:** remuneration for the use of the Credit, paid by the Beneficiary to the Bank, the amount of which is specified in the Special Conditions.

**1.26. Interest payment account:** the Bank's internal account(s) for accounting interest on the Credit.

**1.27. Additional state support:** the compensated part of the investment provided for in the laws if, after implementation

of the project of an apartment building renewal/modernization project, the energy efficiency class of the building is at least C, and the calculated thermal energy consumption is reduced by at least 40 per cent compared to the calculated thermal energy consumption before the renovation/modernization project implementation or fulfilment of other support granting conditions stipulated in the legislation.

**1.28. Contractor:** the person specified in the Special Conditions who has all the permits, permissions or licenses required by the relevant state or local government institutions for the modernization of the apartment building.

**1.29. Infringement of regulation:** violation(s) as referred to in Article 2 of Council Regulation No 1083/2006.

**1.30. Disadvantaged Beneficiary:** the beneficiary to whom a certificate has been issued in accordance with the procedure established by legal acts of the Republic of Lithuania on the right to compensation for the heating expenses of a family or a single person, by payment of the Credit and/or interest during the period between the payment date preceding the day on which the certificate was issued till the payment date, immediately after which the said certificate expired.

**1.31. Contract:** the apartment building crediting contract concluded by the parties (with all existing and future amendments, additions and annexes). The Contract consists of the Special Conditions to be signed by the Administrator and the Bank and these *General Terms of Crediting for Apartment Buildings, General Rules and Payment Rules*, not signed by the Parties.

**1.32. Special conditions:** Part of the Contract, which specifies the main terms of the Credit granting (amount, currency, interest, term, special conditions, etc.). In the event of non-compliance between the Special Conditions and the General Terms of Crediting for Apartment Buildings, the Parties shall adhere to the Special Conditions.

**1.33. Parties** are the Bank and the Administrator.

**1.34. Service Rates:** the Bank-approved fees charged by the Bank for the provision of services and transactions carried out by the Bank, which are available on the Bank's website at [www.sb.lt](http://www.sb.lt) or in the Bank's customer service departments. Service fees in individual Bank service agreements are also referred to as Pricelist, and if the Bank and the Administrator agree on the contractual amount of the fee in the Contract or by separate oral and/or written arrangement, such rates are also called contractual rates. The concept of Service Rates used in these *General Terms of Crediting for Apartment Buildings* includes both Service Rates, Pricelist and contractual fees.

**1.35. State support** is 15 per cent investment in the project of renovation/modernization of an apartment building, covering the measures specified in the investment plan for energy efficiency improvement, compensated by the decision of the Government of the Republic of Lithuania of 16 December 2009 No 1725 (Official Gazette, 2009, No 156-7024).

## 2. SUBJECT OF THE CONTRACT

**2.1.** The Bank undertakes to grant, on the conditions specified in the Contract an for the purpose specified in the Special Conditions, the Credit to Administrator for the benefit of the Beneficiaries of the amount specified in the Special Conditions, and the Administrator undertakes to use the Credit received in accordance with the Credit Purpose specified in the Special Conditions, to repay it, to pay interest and fulfil other obligations stipulated in the Contract. The Parties note that the Administrator's obligation to repay the Bank the Credit, to pay interest and/or fine (if any) is valid to the extent of how much Credit payments, interest and/or fine (if any) from the Beneficiaries are collected.

**2.2.** The credit is paid and repaid in euros.

**2.3.** If the Administrator repays the Credit or its part within the terms provided for in the Special Conditions or earlier, the repaid part of the Credit will not be paid repeatedly.

**2.4.** The Administrator also undertakes under the Contract to ensure the supervision of the renovation (modernization) works of the apartment building, the use of the Credit in accordance with the Credit purpose, through the procedure provided for in the legislation and in the Contract to carry out the collection of Credit contributions from the Beneficiaries, their payment and debt (if any) administration and supervision, in contractual order to account for payments made by the Beneficiaries and fulfil other obligations stipulated in the Contract and in the legislation regulating the renovation (modernization) of apartment buildings.

**2.5.** The Parties note that the Bank, concerning Credit payment and other contractual conditions implementation, has the right to verify the correctness and accuracy of the information provided by the Administrator and/or the Beneficiaries and the use of the Credit in accordance with the Credit purpose. The Administrator is personally responsible for the proper performance of all obligations of the Administrator specified in this Contract and the provision of correct information to the Bank. The rights granted to the Bank under this Contract shall not in any way diminish the Administrator's obligations and shall not limit his/her/its liability for improper performance of these duties.

**2.6.** The Credit is financed from the European Union Structural Funds under the JESSICA II program from controlling fund means.

**2.7.** The Beneficiary may transfer ownership right of the apartment (or a part thereof) only after transferring into the accumulated funds account the total amount of money (credit, interest, late payment fine and other amounts due under the Contract) due for the date of ownership transfer. The Administrator is responsible for proper informing the Beneficiaries of the condition specified in this paragraph of *General Terms of Crediting for Apartment Buildings* and undertakes to ensure the proper execution of this item by including this paragraph into the certificates issued to the Beneficiaries on the transfer of property (apartment) (including the certificates provided to transaction certifying persons).

## 3. CREDIT PAYMENT

**3.1.** The Bank will provide the Credit upon fulfilment of all of the following conditions:

**3.1.1.** The Bank is provided with an Investment Plan prepared in accordance with the procedure established by the Government of the Republic of Lithuania, approved by the Beneficiaries' decision and co-ordinated with BETA;

**3.1.2.** The Bank is provided with the apartment building owners' meeting minutes, that is acceptable to the Bank, with the means of which, the majority of the owners acceptable to the Bank take the decisions on taking the Credit for apartment building renovation (modernizing) works;

**3.1.3.** Bank is provided with the approval for Contractor's acceptability of BETA or other Bank-acceptable and respective functions carrying out institution;

**3.1.4.** Bank is provided with the confirmation of the BETA or other relevant functions performing institution that the Contractor has actually performed the works properly, separately identifying the Contractor's name and the amount of funds used to renew (modernize) the Apartment Building in such confirmation;

**3.1.5.** Bank is provided with the documents supporting the purpose of the Credit: Contractor's invoices for completed works, contracts, payment orders and/or other (if requested) documents specified by the Bank, which must be approved by BETA or other relevant functions performing institution;

**3.1.6.** The Bank is provided with evidence that records have been made in the Real Estate Register of the Republic of Lithuania that a Contract is made for financing the renovation (modernization) of an apartment building (if this is possible under the current legal acts of the Republic of Lithuania);

**3.1.7.** After paying the Credit, the maximum amount of credit indicated in the Special Conditions will not be exceeded;

**3.1.8.** In case if the Apartment is used for the economic activity of the Beneficiary, BETA's certificate on the use of the *de minimis* funds for the owner(s)/Beneficiary(s) of such an apartment will be received and submitted to the Bank;

**3.1.9.** After granting the Credit, the funds of the Credit and the funds already provided to the Beneficiary from the Joint European Support for Sustainable Investment in City Areas Holding Fund will not exceeded 75,000 (seventy five thousand) Euros;

**3.1.10.** The Beneficiary will have received and submitted to the Bank the court authorization regarding the receipt of the Credit, if the Beneficiary must obtain such a court authorization in accordance with the legal acts of the Republic of Lithuania;

**3.1.11.** There are no grounds for termination of the Contract, there is no violation of the Regulation;

**3.1.12.** The Administrator will have concluded an agreement with the Bank regarding the use of the Bank's online banking system.

**3.2.** The credit is paid by one or several payments by transferring the Credit from the Credit account directly to the Contractor's account in euros before the end of the use of the Credit. The Bank does not pay the Credit in cash. The

Bank does not pay the Credit directly to the Administrator and/or the Beneficiary.

**3.3.** If it turns out that the circumstances specified in par. 3.1 of *General Terms of Crediting for Apartment Buildings*, necessary for Credit payment have not occurred, or there are other circumstances, due to which the Credit cannot reasonably be paid, the Bank shall have the right not to pay the Credit or to terminate the Credit payment. The Bank also has the right not to pay the Credit or to terminate the Credit payment in the event of the Beneficiary's bankruptcy or in any justified circumstances, in the opinion of the Bank, evidencing insolvency of the Beneficiary or other apparent inability to fulfil his/her/its obligations to the Administrator and/or the Bank in accordance with the Contract.

#### 4. DETERMINING THE CREDIT GRANTED FOR ONE BENEFICIARY

**4.1.** The Administrator determines the Credit part to be granted to Beneficiary in accordance with the Investment Plan approved by the relevant authorities in accordance with the procedure established by legal acts (the obligatory annex to the apartment building renewal project) and on its basis concluded contract by the Administrator and the Contractor, calculating the amount allocated for each apartment in the apartment building renewal/modernization. In the case of granting the Credit, the said amount is determined based on the percentage expression of the total amount of the sum allocated by the Bank for renewal (modernization) of the apartment building, in accordance with the data provided in the List of Beneficiaries appended to these *General Terms of Crediting for Apartment Buildings*.

**4.2.** The part of the Credit payable (to be repaid) by the Beneficiary is determined by the Administrator each time the Credit repayment is made, in accordance with Paragraph 4.1 of the *General Terms of Crediting for Apartment Buildings*, setting the percentage for each apartment.

**4.3.** The Credit granted to the Beneficiary shall be reduced after BETA informs the Bank in writing of the decision to grant the state support and/or the additional state support to compensate for the corresponding percentage of investments in the energy efficiency improvement measures specified in the Investment Plan. The Bank shall, within ten (10) working days, taking into account the state support part to be granted, recalculate the Credit and inform the Administrator in writing. The credit is reduced from the next Payment day after the recalculation.

#### 5. PROCEDURE OF CREDIT REPAYMENT, INTEREST AND FINE PAYMENT

##### Credit

**5.1.** The Administrator must do its best that the Beneficiaries repay the Credit to the Bank in instalments and within the terms specified in the Return Schedule.

**5.2.** The Administrator, at the request of the Beneficiary, has the right to repay the Beneficiary's Credit or a part thereof to the Bank earlier than the term set. Such Credit or its part shall be repaid on the Payment Date specified in the Special Conditions. Upon preference to repay the Credit

earlier, the Administrator must inform the Bank 5 (five) business days prior to the payment date in writing about the intention to repay the Credit or a part thereof earlier than the due date. The Administrator shall indicate in the earlier Credit repayment notice the Contract details specified in the Special Conditions (Contract Date and Number), the Beneficiary, the amount of the Credit repaid before the deadline, and the payment date on which the Credit will be repaid. When respective Beneficiary repays the Credit or its part earlier, the Beneficiary is also obliged to pay the interest and/or fine (if any) calculated before the actual Credit or part of the Credit repayment date (payment date). If the Beneficiary repays part of the Credit on own initiative or the Credit is reduced as provided for in Paragraph 4.3 of *General Terms of Crediting for Apartment Buildings*, it will be deemed that the Beneficiary has paid the earliest Credit payments if the Administrator does not indicate otherwise in the notice of advance Credit repayment.

**5.3.** If the Beneficiary on his/her/its own initiative repays the Credit earlier, the Credit is reduced as provided for in Item 4.3 of the *General Terms of Crediting for Apartment Buildings*, the Bank shall unilaterally change the repayment schedule, setting the remaining outstanding Credit amount in equal parts for the remaining period of the Credit repayment. For the Administrator, the new repayment schedule will be submitted in the Bank's online banking system. Administrator, after submission by the Bank in the Bank's online banking system of the new repayment schedule, undertakes to establish new parts of the Credit payable (to be repaid) by the Beneficiaries as provided for in Paragraph 4.2 of the *General Terms of Crediting for Apartment Buildings* and to inform the Beneficiaries directly and in a timely manner. The new repayment schedule will not be set by the Bank if the Bank receives in advance a written request from the Administrator to treat the early repaid Credit part as a forward-paid Credit contribution without modifying the existing repayment schedule.

##### Interest

**5.4.** Interest on the amount specified in the Special Conditions is calculated and paid to the Bank from the amount of the Credit (or its part) and not repaid to the Bank. Interest is calculated from the day of transfer of the Credit (or a part thereof) from the Credit Account to the actual Credit repayment (including the early Credit repayment) into the Credit Account day. Interest is calculated by aggregating products of the actual Credit account balances of each day of the month (i.e. used and unpaid Credit part) and the contractual (stated in the special conditions) interest rates divided by 360 (three hundred and sixty). The Contract stipulates that the year consists of 360 (three hundred and sixty) days, and the month has the number of calendar days.

**5.5.** The Administrator undertakes to make maximum efforts to ensure that the interest accrued for the previous calendar month for the Beneficiaries was paid on the payment date of the current calendar month and, in the event that the final deadline for repayment does not match the payment date specified in the Contract, all interest accrued was paid on the last deadline for the repayment of

the final credit repayment date specified in the Special Conditions.

**5.6.** In the event that the Special Conditions specify that the interest payment suspension period is applicable, the Parties agree that upon the expiry of the interest payment suspension period, the Bank will submit to the Administrator a separate deferred interest payment schedule, according to which Beneficiaries will have to return the Bank the interest accrued during the interest suspension period. The Administrator, having received the deferred interest payment schedule, undertakes to fix the Beneficiaries the interest rates payable in the manner prescribed by the Contract and inform the Beneficiaries directly and in a timely manner thereof.

#### **Interest**

**5.7.** After having missed the Credit or its part repayment and/or interest repayment terms provided for in the Contract, the Bank shall be paid the interest set in the Special Conditions from the amount with missed payment term. The Administrator must demand that the Beneficiary, due to which the Administrator has failed to fulfil the payment obligations to the Bank in accordance with the Contract, paid the fine in the amount specified in the Contract in accordance with the procedure established by the Contract.

**5.8.** The accrued interest is deducted by the Bank from the accumulated funds account in accordance with the payment procedure specified in the *General Terms of Crediting for Apartment Buildings*.

**5.9.** The payment of interest does not relieve the Beneficiary of further compliance with the terms of the Contract.

#### **Payment procedure**

**5.10** The Administrator must strive that at maturity of Credit or its part repayment or interest payment term, the accumulation funds account had the amount of funds necessary for payments (for credit, interest and/or fine (if any) in accordance with the Contract observing the principle of limitation of liability of the Administrator in accordance with the *General Terms of Crediting for Apartment Buildings* paragraph 2.1. Otherwise, it will be deemed that the deadline for payment of interest or the Credit or its part is missed.

**5.11.** The Parties agree that upon maturity of the repayment of the Credit or part of the Credit and/or payment of interest and/or fine (if any), provided by the Contract, the Bank will debit the payable Credit, interest and/or fine (if any), without individual notice of and consent from the Party, from the accumulated funds account. Payments are debited to the Credit, interest payment, and fine payment accounts specified in the Special Conditions. In case of delays, the Bank debits the required amount from the accumulated funds account every day until the current debt (credit, interest, fine, if any) is fully covered.

**5.12.** From the accumulated funds account, funds are debited in the Credit currency. If the required funds in the indicated accumulated funds account in the necessary currency are not available or insufficient, funds are written off in a different currency, by conversion to the currency in which payments are to be made. Currency conversion fee is not applicable.

**5.13.** The Beneficiary's repayment of the Credit or a part thereof, interest paid will be deemed paid from the moment they are debited from the accumulated funds account moment.

**5.14.** In cases where, on the payment date, the amount in the accumulated funds account is less than that required for payments under the Contract, the amounts due to the Bank under the Contract shall be distributed in the following order:

**5.14.1.** *The first,* interest in accordance with their order of payment terms is covered;

**5.14.2.** *The second,* Credit is repaid in line with the repayment term of the respective Credit amounts beginning with the earliest payable;

**5.14.3.** *The third,* fine is covered.

**5.15.** In cases where the Beneficiary does not fulfil his/her/its obligations under the Contract in good faith and/or the Beneficiary's payments under the Contract are enforceable and for execution of Beneficiary's obligations under the Contract less amount than required for the performance of payments under the Contract is exacted, the amounts recovered shall be allocated in the following order: interest, the amount of credit, calculated and unpaid fine, recovery costs (related to statement of the claim to fulfil the obligation and other litigation costs), procedural interest.

## **6. ADMINISTRATION OF BENEFICIARIES' DEBTS**

**6.1.** The Administrator undertakes and must take all actions depending on the Administrator so that each Beneficiary properly and timely, i.e. on the payment date specified in the Special Conditions, performed payments of the Credit contributions and interest under the Contract into the accumulated funds account.

**6.2.** The Administrator undertakes to execute collection of Credit contributions and interest from the Beneficiaries, their payments and debts (if any) administration and supervision in accordance with the current legal acts of the Republic of Lithuania and the procedures specified in this Contract, and the Bank undertakes to consult the Administrator regarding the proper performance of the said actions.

**6.3.** The Administrator undertakes and must:

**6.3.1.** If the Beneficiary fails to perform obligatory payments required by the Contract for more than 3 (three) days, within 10 (ten) days (if payments have not been made during this period) inform the Beneficiary in writing by submitting (sending) to the Beneficiary a letter of *urgency* calling the Beneficiary to execute his/her/its obligations, indicating the amount (owed) outstanding and the penalties to be applied;

**6.3.2.** If the Beneficiary delays fulfilling his/her/its payment obligations to the Administrator for more than 30 (thirty) days, within 10 (ten) days (if payments have not been made during this period) inform the Beneficiary in writing by submitting (sending) to the Beneficiary a *reminder* letter reminding the Beneficiary about the obligation to pay the debt. The reminder letter indicates the possibility to pay the above amounts in advance within 20 (twenty) days voluntarily, in advance informing of the consequences that

may arise if the contributions and the related fine for late payment is not paid within the prescribed time, i.e. about the arising obligation to repay the full portion of Credit Amount assigned to the Beneficiary's apartment;

**6.3.3.** If the Beneficiary delays fulfilling his/her/its payment obligations to the Administrator for more than 60 (sixty) days, within 10 (ten) days (if payments have not been made during this period) inform the Beneficiary by submitting (sending) to the Beneficiary a letter of *claim* requiring payment of the debt incurred and informing that, without paying the debt within 14 (fourteen) days or without contacting the Administrator regarding the arrangement of the debt and without entering into a settlement contract, judicial debt recovery proceedings will be initiated, which will result in recovery of not only the overdue debt but the entire portion of the Credit Amount assigned to the Beneficiary's apartment and all the costs of litigation and compulsory recovery. In the event that the Administrator executes the debt recovery, upon successful completion of the case and upon receipt of the execution order on the basis of the court order, the Administrator undertakes to immediately submit the order to execute to the bailiffs' office and provide the Bank with copies of the supporting documents (court judgment, enforcement order, cover letter to the bailiff and other documents);

**6.3.4.** If the administration of the municipality in which the apartment building is located or another state or local government institution to which the functions of the municipal administration in connection with the execution of the Credit and/or interest payments for the disadvantaged Beneficiaries will be transferred at the time of signing of the Contract, does not execute the payment into the accumulated funds account for the disadvantaged Beneficiary before the 10 (tenth) working day immediately after the quarter when the disadvantaged Beneficiary provided the certificate, the Administrator undertakes to provide a letter of *urgency* to the respective state or local government institution and the disadvantaged Beneficiary, indicating in that case if compulsory payments under the Contract will not be made within 90 (ninety) days after the quarter of the calendar year for which payments from the disadvantaged Beneficiary have not been fulfilled, enforcement measures will be taken and court will be applied to for the award of a debt;

**6.3.5.** Upon receipt of information on the bankruptcy case, insolvency or liquidation proceedings instituted against the Beneficiary, within 10 (ten) days (if payments have not been made during this period) from the date of learning submit (send) to the Beneficiary a letter of *claim*, requiring, if provided for by law, the Beneficiary to pay the portion of the Credit amount assigned to Beneficiary's apartment and timely submit the creditor claims to Beneficiary's bankruptcy administrator. The Administrator undertakes to promptly notify the Bank in writing of the bankruptcy case, insolvency or liquidation proceedings instituted against the Beneficiary;

**6.3.6.** The Administrator undertakes to receive the Beneficiary's confirmation that the Beneficiary is not included into the central database of the prohibition on participation in the procurement procedure specified in the 25 October 2012 Regulation (EU, Euratom) No 1605/2002

of the European Parliament and of the Council 966/2012 on the financial rules applicable to the general budget of the European Union and repealing Council Regulation (EC, Euratom) No 1605/2002, Art. 108 and, at the request of the Bank, no later than within 5 (five) days, submit the said Beneficiary's confirmation.

**6.4.** The Administrator, when concluding the Contract, confirms that at the time of signing the Special Conditions he/she/it became acquainted with the standard forms of urging, reminder, claim requirement letters submitted by the Bank (Annex 2 to the *General Terms of Crediting for Apartment Buildings*) and undertakes to follow them in administering the Beneficiary's debts. The Administrator undertakes to ensure the proper serving of the abovementioned notifications to the Beneficiaries and to receive and store documents confirming the service of such messages to the Beneficiary throughout the term of validity of the Contract. The service of the aforementioned communications is considered appropriate if the Administrator sends them to the Apartment address if the particular Beneficiary has not specified another address for correspondence. Upon request from the Bank, the Administrator undertakes to provide originals or copies of the *urging, reminder, claim* to the Beneficiaries.

**6.5.** When the Beneficiary delays fulfilling his/her/its payment obligations to the Bank for more than 90 (ninety) days and the amount delayed to pay by the Beneficiary (debt) exceeds EUR 100 (one hundred euros), the Administrator within 10 (ten) days (if there were no payments during that period made) undertakes and must initiate recovery of full (if this is not in conflict with the mandatory provisions of the law) or overdue portion of the Credit assigned to the Beneficiary's apartment from the Beneficiary through legal procedure, i.e. to apply to the court for the award of a part of the Credit assigned to Beneficiary's apartment and for recovery to bailiff (if the debtor does not execute a court judgment voluntarily) or to conclude a settlement Contract with the Beneficiary (debtor) regarding performance of obligations, allocating the payments of the Beneficiary's debt for a maximum period of 12 (twelve) months and obliging the debtor – Beneficiary – to pay for the delay period at least the amount of the default interest specified in the Special Conditions. All Credit, interest and fine payments (except for costs incurred by the Administrator for litigation and/or enforced recovery that are paid to the Administrator's bank account) pursuant to the peace settlements, court decisions and/or bailiff's orders shall be executed into the accumulated funds account and the Administrator must provide the Bank the information on the amount of money paid for the repayment of the credit, interest and/or fine payments.

**6.6.** If the Administrator considers that it is not expedient to apply to court for the award of a debt under the Contract from the Beneficiary (debtor), i.e. the Beneficiary is insolvent and the amount recoverable from him/her/it will not cover the litigation costs, the Administrator has the right to apply to the Bank for the dismissal of the Administrator from the obligation to recover delayed payments from such Beneficiary. The Bank, having assessed the information provided by the Administrator and seeing a reasonable basis for the Administrator's claims

regarding the inappropriateness of recovery, dismisses the Administrator from further actions of recovery.

**6.7.** If the Beneficiary is late to pay interest and/or Credit contribution for more than 30 (thirty) days, the Administrator must submit to the Bank within 10 (ten) days (if payments have not been fully executed during this period), the report on each Beneficiary being late to pay and the actions performed by the Administrator (Annex 3 to the *General Terms of Crediting for Apartment Buildings*).

**6.8.** If the Beneficiary fails to fulfil his/her/its payment obligations under this Contract, the Bank and the Administrator shall be entitled to inform other credit institutions operating in the Republic of Lithuania and third parties whose activities are related to the recovery of debts about such person.

**6.9.** The Parties agree that without termination of the Contract, the Administrator has the right to start compulsory recovery of the Beneficiary's who is late in performance of its payment obligations to the Bank outstanding part of the Credit (debt) under this Contract or, in compliance with the conditions specified in Paragraph 6.10 of the *General Terms of Crediting for Apartment Buildings*, to entrust carrying out of the debt recovery to the third parties.

**6.10.** The Administrator, during the whole period of the Contract, is entitled to conclude, with the debt recovery/administration company, a cooperation or service contract in order to transfer to the debt recovery/administration company the obligations (or their part) specified in the Contract related to administration and/or recovery of overdue payments (debts) from Beneficiaries. The debt collection/administration company chosen by the Administrator must be acceptable to the Bank, and the co-operation or service contract signed is to be agreed in advance with the Bank. If the Administrator does not conclude a co-operation or service contract with the Bank-acceptable debt recovery/administration company or the Administrator concludes the relevant contract with the Bank-unacceptable debt collection/administration company, in this case the Administrator is responsible for debt administration and recovery from the Beneficiaries in accordance with the provisions of the Contract and Administrator gets all the payment obligations related to litigation and/or enforcement of debts from Beneficiaries (obligation to pay a stamp duty, enforcement costs for a bailiff, etc.). Otherwise, i.e. if the Administrator concludes a co-operation or service Contract with the Bank-acceptable debt recovery/administration company, in such a case, the costs arising from the administration and recovery of debts from the Beneficiaries (litigation and/or debt relief from Beneficiaries, that is, the obligation to pay a stamp duty, enforcement costs for a bailiff, etc.), in accordance with the provisions of the Contract, go to the Bank.

## 7. ADMINISTRATOR'S COMMITMENTS

**7.1.** The Administrator undertakes:

**7.1.1.** To ensure that the technical maintenance of the renovation (modernization) of the apartment building is

carried out by a technical supervisor of construction works having appropriate permits, permissions or licenses;

**7.1.2.** To ensure that the renovation (modernization) of the apartment building is carried out in compliance with all the legal requirements, including the European Union and environmental legislation;

**7.1.3.** To keep book keeping in accordance with the procedure established by the legal acts of the Republic of Lithuania;

**7.1.4.** To keep all documents related to the execution of the Contract confirming the use of the Credit in accordance with the purpose and the applicable European Union legislation;

**7.1.5.** Not to take actions which would substantially impair the Administrator's financial position and/or performance of which would be essential for the performance of the Administrator's obligations under the Contract and upon request of the Bank to provide information on the Administrator's solvency, financial liabilities (debts) taken and assets;

**7.1.6.** To enable the representatives of the Bank to monitor execution of the funded project without hindrance, to verify the use of the Credit in accordance with the purpose of the Credit, to see the economic, financial and other documentation related to the use of the Credit;

**7.1.7.** To ensure that each Beneficiary is properly informed of the amount due from him/her/it by the Administrator within 10 (ten) days after the payment date;

**7.1.8.** After noticing an error in the Return Schedule or in the operations in the accumulated funds account, to inform the Bank immediately, in any case no later than within 2 (two) business days;

**7.1.9.** When it becomes clear, before the Credit payment day, that the Beneficiary carries out the business activity in the apartment, no later than within 5 (five) business days, to apply to BETA for the permission to grant the Credit to the Beneficiary of the aforementioned apartment, and after the Credit is paid, inform BETA;

**7.1.10.** During the period of apartment building renovation (modernization), as provided for in the legal acts of the Republic of Lithuania and in the regulations of the European Union Structural Funds, provide relevant information and use publicity measures stating that all the Credit or its part assigned for the renovation (modernization) is financed from the European Union Structural Funds, or to ensure that such information and publicity measures were used by the Contractor;

**7.1.11.** Prior to the conclusion of the Contract, inform the Beneficiaries of the essential terms of the Contract (amount of credit, terms, amounts of contributions, their repayment, payment procedure), and upon the conclusion of the Contract, immediately inform the Beneficiaries of the conclusion of the Contract and of each Beneficiary's share in the full amount financed by the Bank for the renewal (modernization) of the entire apartment building;

**7.1.12.** Within 20 (twenty) days from the date of the Bank's written request, to make the necessary records in the Real Estate Register of the Republic of Lithuania confirming that the Contract for financing the renovation (modernization) of an apartment building is concluded (*this paragraph applies*

only if such an obligation is provided for in the then valid legal acts of the Republic of Lithuania);

**7.1.13.** To credit the payments made by every Beneficiary of Credit, interest and fine (if any) under the Contract on the dates of payment of these amounts, covering the debts of each Beneficiary to the Bank arising from the Contract;

**7.1.14.** Throughout the Contract validity period, to ensure proper accounting and administration of Beneficiaries' payment liabilities under the Contract in accordance with the provisions of the Contract and the legislation in force;

**7.1.15.** Upon the expiration of the Administrator's rights or powers related to the implementation of the apartment building renewal/modernization project, to transfer, through the statutory procedure, unused funds accumulated by the Beneficiaries to the newly appointed/elected administrator, the existing documents for the construction of the apartment building and technical inventory documents and other documents held by the Administrator related with the Contract and implementation of the apartment building renewal/modernization project. For the sake of clarity, the Parties confirm that the Administrator's rights and obligations under the Contract will be transferred to the new administrator from the date of appointment/election of this entity, unless the Parties agree otherwise.

**7.1.16.** To inform the Beneficiaries in the manner chosen by the Administrator that ownership of the apartment or part thereof may be transferred only upon receipt of a certificate issued by the Administrator on the Beneficiary's settlements (delays) in accordance with the Contract; upon receipt of an appropriate request from the Beneficiary, the Administrator undertakes and must issue (free of charge) to the Beneficiary, within 5 (five) working days, an appropriate certificate ensuring that the information specified in the certificate regarding the Beneficiary's payment obligations for the apartment arising from the Contract is relevant, accurate and correct.

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

**7.2.1.** About the change of the owner of the apartment and to update the list of apartment owners accordingly (Annex 1 to the *General Terms of Crediting for Apartment Buildings*);

**7.2.2.** About Beneficiary's business activities carried out in the apartment;

**7.2.3.** About the change of the Administrator's statute, name, domicile address, telephone, authorized persons, head;

**7.2.4.** About the decisions taken on the initiation of the Administrator's authorized capital reduction, reorganization, transformation, liquidation, restructuring and/or bankruptcy proceedings;

**7.2.5.** About occurred and foreseeable financial difficulties, expected settlement delays or other important events (for example, the public authorities apply the sanctions on the Administrator by depriving or restraining his/her/its rights in the economic, financial activities, etc.) that could interfere with the proper implementation of the Contract;

**7.2.6.** About existing or forecasted decisions on debt recovery from the apartment;

**7.2.7.** Other important events that could interfere with the proper implementation of the Contract.

**7.3.** The administrator acknowledges the right of the European Investment Bank (EIB), the EIB's representatives, the European Court of Auditors (ECA), the European Commission and/or the European Commission representatives, including the European Anti-Fraud Office (the representatives), other European Community institutions or services authorized to exercise control over the use of structural funds of the European Union and the corresponding authority of the state or local government, including the duly authorized representatives of the State authorities, to carry out the audit and control of the Contract or the Contract execution and to demand information related to the Contract or performance of the Contract. The Beneficiary and the Administrator will allow and require the Contractor to allow the EIB, the EIB's representatives, the ECA, the European Commission or the persons authorized by these authorities to carry out monitoring visits and inspections of the activities of the Beneficiary, the Administrator and the Contractor, their accounting books and records. Since the Beneficiary, the Administrator and the Contractor can be checked themselves on site, the Beneficiary and the Administrator will provide and require the Contractor to provide the EIB, the EIB's representatives, the ECA, the European Commission or authorized persons of the State authorities access to the premises of the Beneficiary, Administrator and Contractor during normal working hours. The Beneficiary and the Administrator will allow and require the Contractor to permit the persons designated by the Bank, the EIB and/or BETA to inspect the apartment building, the equipment used for renovation (modernization) of the apartment building and works of renovation (modernization) of the apartment building, as well as to carry out such inspections as the Bank, the individuals designated by the EIB and/or BETA consider it to be necessary. The Beneficiary and the Administrator will provide and require the Contractor to provide the persons designated by the Bank, the EIB and/or BETA with all necessary assistance in order to inspect and verify the apartment building, the apartment building renovation/modernization equipment and the works of renovation (modernization) of the apartment building. The Administrator must include the requirements specified in this paragraph into the contracts concluded with the Contractors.

## 8. ADMINISTRATOR'S REPRESENTATIONS AND GUARANTEES

**8.1.** The Administrator represents and guarantees that:

**8.1.1.** It is a legal entity that is registered in the Register of Legal Entities and operates in accordance with the legal acts of the Republic of Lithuania;

**8.1.2.** It has the right to conclude the Contract and the conclusion of the Contract is not in conflict with the legal acts of the Republic of Lithuania, the Administrator's statutes, other founding documents or the obligations entered into by the Administrator in accordance with contracts concluded with the third parties;

**8.1.3.** The representative who signed the Special Conditions operates within the limits of the powers granted and the conclusion of the Contract is not in conflict with the laws, the Administrator's statutes, other founding documents, regulations of management bodies and other regulatory acts, the obligations of the Administrator under contracts with third parties, and also has received all necessary Administrator's management bodies', state institutions' or other persons' permissions, permits and powers of attorney to enter into the Contracts;

**8.1.4.** The data specified in the application submitted to the Bank and in other documents related to the receipt of the Credit is correct, without omissions and reflects the actual situation;

**8.1.5.** At the date of signing the Special Conditions (making the Contract), there are no other financial liabilities in respect of loans, leases, financial leases, suretyships, guarantee contracts (transactions) not be notified to the Bank, there are no cases instituted in the court or arbitration and the Administrator is not aware that it is prepared to institute cases against the Administrator in which a decision may adversely affect the Administrator's financial position and ability to execute the Contract, and to force the Bank to suspend Credit payment in the future or to terminate the Contract altogether;

**8.1.6.** On the date of signing the Special Conditions (making the Contract) there are no significant factors known to it which may force the Bank to suspend the Payment of the Credit or to terminate this Contract; it is not aware of any circumstance in which the Credit could not be paid;

**8.1.7.** It is properly aware of all the terms of the Contract and does not consider that any of these conditions are unfair, contrary to the principles of justice, reasonableness and integrity, or the rights and interests of the Beneficiaries and the powers which they have given;

**8.1.8.** It is properly prepared (including that it has all the necessary technical capabilities) to account for the Beneficiary's payment obligations in accordance with the Contract in accordance with the procedure established by the Contract, as well as to submit to the Bank the Bank-approved content and form reports on the implementation of the obligations of the Administrator and the Beneficiaries under the Contract.

**8.2.** The Administrator undertakes to inform the Bank immediately, if during the term of the Contract, due to any circumstances, any Administrator's approval and/or warranty would become substantially inaccurate or incorrect.

**8.3.** The Administrator undertakes to ensure that the personal data of the Beneficiaries will be processed and transferred to the Bank in accordance with the provisions of the Law on Legal Protection of Personal Data of the Republic of Lithuania and other legal acts regulating the protection of personal data and its processing.

## 9. TERMINATION OF THE CONTRACT

**9.1.** The Bank has the right (but not the obligation) after notifying the Administrator in writing and at least 15 (fifteen) days before, unilaterally and without recourse to the court, to terminate the Contract (or part thereof)

before the term and/or demand that the Beneficiaries returned all the outstanding Credit (or specified part thereof) to the Bank with the interest calculated before the repayment date and accrued fines (if any) if the Bank determines any violation of the Contract referred to in Paragraph 9.2 of the *General Terms of Crediting for Apartment Buildings*.

**9.2.** The following legal facts specified in this paragraph are considered to be material breaches of the Contract:

**9.2.1.** Documents are not submitted to the Bank confirming that the apartment building renovation project has been implemented properly, i.e. within 6 (six) months after the expiration of the Credit payout period, the Energy Performance Certificate of an apartment building is not provided to the Bank, prepared and issued in accordance with the procedure established by legal acts after the modernization of an apartment building confirming that at least energy efficiency class D has been attained and the calculated thermal energy consumption has been reduced by no less than 20 (twenty) percent;

**9.2.2.** The credit or part thereof was used not for the purpose of the Credit;

**9.2.3.** The criminal acts of the Beneficiaries, which violate the Bank's legitimate interests arising from the Contract, are revealed;

**9.2.4.** It turns out that the Administrator's declarations/confirmations specified in the Contract are in whole or in part incorrect, which threatens to further execution of the Contract, and the Administrator does not correct them within the Bank-set notice period, which cannot be shorter than 30 (thirty) days;

**9.2.5.** The Administrator is liquidated or the insolvency file is opened for the Administrator, the powers of Administrator (as the Beneficiary's representative) are terminated or cancelled for any other reason without which the Administrator cannot administer the Credit assigned for apartment building modernization and/or act in the Beneficiary's interests and/or execute the Contract and within 30 (thirty) days after the events referred to in this paragraph there is no new administrator assigned to assume all rights and obligations under the Contract;

**9.2.6.** Within the period of time prescribed by law, which may not be shorter than 60 (sixty) days after the Bank's written notice of the required Administrator's change date, the Administrator is not replaced by a new Administrator who may and is able to administer the project for renovation (modernization) an apartment building;

**9.2.7.** The Administrator does not comply with the obligations set in paragraphs 7.1.1-7.1.3 of the *General Terms of Crediting for Apartment Buildings* which would violate the legitimate interests and objectives of the Beneficiaries and the Bank for which the Contract has been concluded;

**9.2.8.** At least one circumstance is disclosed in respect of which the Credit could not be paid or the violation of the Regulation occurs.

**9.3.** After the Bank uses the right provided for in Paragraph 9.1 of the *General Terms of Crediting for Apartment Buildings*, the Administrator undertakes and must, at the latest on the day of termination of the Contract and/or demand for the repayment of the Credit (or a part thereof)

before the deadline, assign/transfer to the Bank (or any other person indicated by the Bank) all the rights and obligations under the Contract as provided for in Paragraph 10 of the *General Terms of Crediting for Apartment Buildings*.

## 10. TRANSFER AND TAKE OVER OF RIGHTS AND AUTHORITIES UNDER THE CONTRACT

*Transfer of rights and obligations under the Contract*

**10.1.** If the criminal actions of the Administrator that violate the legitimate interests of the Beneficiaries and/or the Bank arising from the Contract or in the opinion of the Bank are disclosed, the Administrator does not execute or carries out the Contract improperly and therefore causes real threat to the interests of the Bank and/or the Beneficiaries and the Administrator does not correct the violations specified by the Bank within the time limit set by the Bank, which may not be less than 30 (thirty) days, the Bank shall have the right to apply to the institutions or persons specified in legal acts in accordance with the procedure established by legal acts with the requirement to immediately change the Administrator by obliging it, that is the newly appointed/elected administrator, who will continue to administer the project of renovation (modernization) of the apartment building, to take over all the rights and duties of the Administrator arising from the Contract.

**10.2.** The Parties agree that upon replacement of the Administrator (Paragraph 10.1 of the *General Terms of Crediting for Apartment Buildings*), the Contract and the rights and obligations of the Beneficiaries provided therein will continue to be in force with respect to the Beneficiaries and the rights and obligations of the Administrator provided for in the Contract will be transferred to the new administrator in full. This condition must be included in the contract with the new administrator, and in the event that no contract is concluded with the new administrator, a written commitment by the new administrator to comply with all the obligations assumed by the Administrator under the Contract must be received, but despite the absence of such consent, the absence of above condition or obligation does not release the new administrator from the obligation to fulfil all obligations assumed by the Administrator under the Contract.

**10.3.** Except for paragraphs 10.1 and 10.2 of the *General Terms and Conditions of Apartment Buildings*, the Administrator is not entitled to transfer his rights and/or obligations under the Contract to any third parties without the prior written consent of the Bank.

**10.4.** In the event that the Beneficiary transfers apartment ownership to other person(s) or apartment ownership goes onto another person(s) on any other grounds, such new owner(s) of the apartment, from the day of registration of ownership rights to the Apartment in the Real Estate Register, receives all the Beneficiary's obligations not executed under this Contract and the new apartment owner becomes the new Beneficiary from the day of transfer of ownership rights to the apartment.

**10.5.** The Bank, without the consent of the Administrator, its notification and information is entitled to transfer all rights and obligations under the Contract to any other bank,

**9.4.** The Administrator is obliged to compensate Beneficiaries all losses (damage) that they will suffer due to the Administrator's fault or illegal actions, including cases where the essential Contractual breaches would arise due to the Administrator's actions or omissions. financial institution or third party who, in accordance with the applicable legislation, has the right to provide, take over, invest in such types of loans as Credit, on condition that all rights and obligations of the Bank under this Contract shall be transferred immediately and the Administrator and Beneficiaries do not incur any additional payment obligation in respect of such transfer and shall not increase the amount due under this Contract.

**10.6.** In the event of the reorganization of the Administrator and/or the Beneficiary (if it is a legal entity), obligations under this Contract shall be taken over by its successor in title to which the terms of the Contract are binding.

*Takeover of rights and obligations under the Contract*

**10.7.** If the Administrator acting on behalf of the Beneficiaries, is late in execution of its financial obligations to the Bank by more than 120 (one hundred twenty) days, when the amount of late liabilities is at least 40 % (forty percent) of the paid, but not returned Credit balance (credit and interest), the Bank has the right (but not the obligation) to take over from the Administrator, and the Administrator in all cases, upon request of the Bank, must transfer to the Bank all rights of the Administrator in accordance with the Contract, including claims rights to amounts receivable from Beneficiaries in accordance with the Contract. The parties unconditionally and irrevocably agree that the transfer to the Bank of rights (in the context of this paragraph of the *General Terms of Crediting for Apartment Buildings*) shall be executed by a unilateral written notification by the Bank to the Administrator and the Administrator's rights (as it is understood in the context of the paragraph of the *General Terms of Crediting for Apartment Buildings*) are deemed to have been transferred to the Bank from the day of receipt of the Bank's written notice of receipt of the succession or from the day which in the Bank's written notice is indicated as the takeover date. No separate arrangement or amendment to the Contract is concluded between the Parties. Also, the transfer and acceptance of the rights needs no separate Beneficiaries' decision/consent. The Administrator undertakes and must transfer to the Bank all documents, information, rights of access to information and all other data related to the transferred rights to the Bank within 3 (three) business days after the transfer of rights, to the extent necessary for the proper implementation of the Contract.

## 11. LIABILITY

**11.1** The administrator shall be liable to the Bank for the performance of the obligations provided for in the Contract in accordance with the procedure provided for in the Contract and the legal acts. The Administrator undertakes to pay to the Bank the fine imposed on the Bank in the amount specified in the Special Conditions for any violation of any Administrator's non-financial obligation stipulated in Paragraphs 2.4, 6.3-6.6, 7.1.3- 7.1.15, 7.2.1-7.2.2 of the *General Terms of Crediting for Apartment Buildings*. The

penalty must be paid within 15 (fifteen) days from the date of receipt of the written request. A fine may also apply in the event of repeated infringement of the Contract. The payment of a fine does not relieve the Administrator from the obligation to properly fulfil obligations under the Contract.

**11.2.** The Administrator, acting in good faith and goodwill, shall be liable to the Bank only for the proper collection of funds (Credit payments, accrued interest and fines, if applicable) from Beneficiaries and 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 return it, if the non-repayment of the Credit is not due to deliberate acts, dishonesty or gross negligence of the Administrator.

**11.3.** Beneficiaries are liable to the Bank for failure to comply with their obligations on the repayment of all the granted Credit, payment of interest, fine on late payments (if any) and payment of other amounts payable under the Contract (if any) with all their property within the limits stipulated in the laws of the Republic of Lithuania. Beneficiaries must cover all losses incurred by the Bank as a result of the failure or improper execution by the Beneficiary of the obligations under the Contract, with the exception of losses caused by force majeure.

**11.4.** The party is released from liability for failure to comply with the Contract if the Contract is not executed due to force majeure circumstances which the party could not control and reasonably foresee at the time of the conclusion of the Contract and could not prevent the emergence of these circumstances or their consequences. Force majeure is not considered to be due to the fact that the party does not have the necessary financial resources or its counterparts are in breach of their obligations. The parties to the Contract must inform each other without delay by fax, and then in writing, of the occurrence of force majeure circumstances. A party who has not notified the other party of force majeure circumstances may not rely on it as a ground for exemption from liability for failure to comply with the Contract. In the event of force majeure, parties are discharged from their Contractual obligations (except from the obligation to pay interest) for the entire

period of the above mentioned circumstances, but for no longer than 6 (six) months.

**11.5** The Administrator undertakes to answer to the Bank in the event that the Contract 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 authorizations granted.

## 12. FINAL PROVISIONS

**12.1.** The Contract enters into force from the moment of signing of the Special Conditions between the Bank and the Administrator and is valid until the full performance of the obligations of the Bank, the Administrator and the Beneficiaries under the Contract.

**12.2.** The Parties agree that if there are other conditions not specified in these *General Terms of Crediting for Apartment Buildings* or that the terms and conditions of the Parties are subject to conditions different from those specified in these *General Terms of Crediting for Apartment Buildings*, or that the specific terms of the *General Terms of Crediting for Apartment Buildings* should not apply, all such conditions shall be specified in the Special Conditions.

**12.3.** The Bank has the right unilaterally, without any prior notice and/or consent of the Administrator and/or the Beneficiary, to change the *General Terms of Crediting for Apartment Buildings* and the changed conditions for the Administrator and the Beneficiaries shall be effective from the day they were published on the Bank's website.

**12.4** Annexes to the *General Terms of Crediting for Apartment Buildings*:

Annex 1 List of Beneficiaries (sample form)

Annex 2 Notices to debtors (sample forms)

Annex 3 Administrator's Report (sample form)

Annex 4 Request for advance repayment of credit (sample form).

These *General Terms of Crediting for Apartment Buildings* will take effect from 27 June 2017.

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LIST OF BENEFICIARIES

Date

No	Apartment	Owner's name, surname	Apartment owner's portion in the Bank-financed amount (%)	Apartment owner's portion in the Bank-financed amount (EUR)
1.				
2.				
3.				
4.				
5.				
6.				
..				

On behalf of Administrator:

POSITION NAME SURNAME

\_\_\_\_\_

*Name, surname, signature*

ANNEX 2 NOTICES TO DEBTORS

Date

URGING TO PAY THE DEBT

Please be reminded that **you owe EUR \_\_\_\_\_ amount** of monthly contributions assigned to repay interest and credit granted for apartment house \_\_\_\_\_ (address) renovation (modernization) project implementation financing.

Please, as soon as possible, pay the mentioned debt into your apartment house accumulated funds account LT \_\_\_\_\_ in Šiaulių bankas AB.

Please be informed that on the mentioned amount for every day you are calculated fine amounting 0,04 per cent; payment of the fine does not relieve you of the obligation to fulfill your liabilities.

REMINDER FOR DEBT PAYMENT

Please be reminded that you owe EUR \_\_\_\_\_ amount of monthly contributions assigned to repay interest and credit granted for apartment house \_\_\_\_\_ (address) renovation (modernization) project implementation financing and EUR \_\_\_\_\_ of accrued fine, i.e. **your total debt is EUR \_\_\_\_\_.**

Please, as soon as possible, pay the mentioned debt into your apartment house accumulated funds account LT \_\_\_\_\_ in Šiaulių bankas AB.

In the case of failure to pay the above amount within 20 (twenty) calendar days after the receipt of this reminder, you will be required to pay and through judicial procedure exacted your (as Beneficiary's) share in the investments of apartment building modernization project realization (part of the credit) in full with fines and interest accrued, as well as all costs of litigation and compulsory recovery. Please also be informed that on the mentioned amount for every day you are calculated fine amounting 0,04 per cent.

CLAIM FOR DEBT PAYMENT

Please be reminded that you owe EUR \_\_\_\_\_ amount of monthly contributions assigned to repay interest and credit granted for apartment house \_\_\_\_\_ (address) renovation (modernization) project implementation financing and EUR \_\_\_\_\_ of accrued fine, i.e. **your total debt is EUR \_\_\_\_\_.**

Please, as soon as possible, pay the mentioned debt into your apartment house accumulated funds account LT \_\_\_\_\_ in Šiaulių bankas AB.

In the case of failure to pay the above amount within 14 (fourteen) calendar days after the receipt of this claim, from the next day after the end of this term it will be deemed that you must pay (return) your (as Beneficiary's) share in the investments of apartment building modernization project realization (part of the credit) in full, i.e. it will be deemed that the deadline to pay (repay) your share in the investments is reached. The mentioned debt will be recovered from you through judicial proceedings. Please also be informed that on the overdue amount for every day you are calculated fine amounting 0,04 per cent.

On behalf of Administrator:

POSITION NAME SURNAME

\_\_\_\_\_  
Name, surname, signature

ADMINISTRATOR'S REPORT

Date of Information:  
Information submission date:

Apartment No	Granted credit (EUR)	Credit balance (EUR)	Credit			Interest			Deferred/accrued interest			Actions taken by Administrator to collect the payments (in the case of delay)					
			Monthly contribution (EUR)	Overdue amount (EUR)	Overdue days	Monthly contribution (EUR)	Overdue amount (EUR)	Overdue days	Monthly contribution (EUR)	Overdue amount (EUR)	Overdue days	Fine (EUR)	delay over 30 d	delay over 60 d	delay over 90 d	delay over 120 d	
Total:																	

On behalf of Administrator:

POSITION NAME SURNAME

\_\_\_\_\_  
Name, surname, signature

**REQUEST FOR ADVANCE REPAYMENT OF CREDIT**

Date

With the means of this request Administrator informs Šiaulių bankas AB about the Credit part (Credit) repaid before the contractual deadline:

Apartment house crediting contract date and number	20__-__-__ d. Nr. EIBV-20__-____-fil. __
Beneficiary, whose Credit is repaid earlier	Name, surname, apartment No ....
Amount of Credit repaid earlier	____ EUR
Day of payment on which specified part of Credit is repaid	20__-__-__ d.
Other information	Please treat the early repaid specified portion of Credit as a pre-paid Credit contribution without changing the Credit repayment schedule.

Administrator is to inform that at the time of taking the request(s) from Beneficiary(ies) for early Credit repayment, the Beneficiary(ies) was(were) duly informed that the Bank will direct the amount specified by Beneficiary(ies) for early Credit cover only on condition that Beneficiary(ies) does not have any overdue payments under the Contract. By submitting this request to the Bank, Administrator ensures that the aforementioned Beneficiary(ies) on the specified payment day does(do) not have any debts under the Contract and there are no other circumstances preventing the Beneficiary(ies) from early repayment of his/her/its(their) portion of the Credit.

**On behalf of Administrator:**

POSITION NAME SURNAME

\_\_\_\_\_  
*Name, surname, signature*