

PART A

**Standardised Key Provisions for
Housing Loan / Home Financing
Agreements of RM500,000 and below**

PART A

SECTION 1

Section 1.1 The Housing Loan

1.1 At the Borrower's request, the Bank has agreed to lend the Borrower money to purchase a residential property upon the terms and conditions contained in the Letter of Offer and in this Agreement. It is a key term of this Agreement that the Borrower will offer the residential property as security to secure the repayment of the Housing Loan and payment by the Borrower of all amounts from time to time outstanding under the Letter of Offer and this Agreement.

Section 1.2 Purpose(s) of the Housing Loan

1.2 The Borrower must use the proceeds of the Housing Loan for the purposes of purchasing the Property¹ and defraying any renovation costs incurred in relation to the Property¹ and paying all insurance premiums on insurance policies which the Borrower may be required to take up and maintain in respect of the Property¹ and paying any legal fees, costs and expenses incurred by the Borrower in relation to the Housing Loan.

Section 1.3 Agreement to Borrow and Lend

1.3 Subject to the terms and conditions of the Letter of Offer and this Agreement, the Bank has agreed to make available the Housing Loan to the Borrower on the basis of and in full reliance upon the warranties, representations and undertakings contained in Section [.]

SECTION 2

Section 2.1 Definitions

2.1 In this Agreement (both Part A and Part B inclusive), the following words have the meaning given to them below.

"Bank"	[.]
--------	-----

¹ Subject to modification of the wordings to suit the Housing Loan

Base Rate	<p>(i) The rate of interest stated by the Bank from time to time as its base rate and as determined by the Bank.</p> <p>(ii) If the term Base Rate is no longer used, the rate of interest stated by the Bank to be applied for the purposes of this Agreement.</p>
“Borrower”	The person named in this Agreement as borrower of the Housing Loan.
“Banking Day”	A day when banks are open for general banking business in the state where the Bank is located.
“Default Rate”	The default rate of interest applicable to the Housing Loan as stated in the Letter of Offer.
“Event of Default” or “Events of Default”	Any of the events, situations or circumstances set out in Section 8.1 of this Agreement.
“Housing Loan” or “Facility”	<p>a) The principal amount in the sum of RM[.] that the Bank has agreed to lend to the Borrower under this Agreement; and</p> <p>b) Where applicable, this shall include other facilities previously lent or hereafter agreed to be lent by the Bank pursuant to Sections 7.2 and 7.3</p>
“Indebtedness”	<p>All money outstanding or payable by the Borrower under the Security Documents in connection with the Housing Loan:</p> <p>(a) whether such money is payable:</p> <p>(i) immediately or in the future;</p> <p>(ii) upon the happening of any contingency;</p> <p>(iii) as principal or as surety; or</p> <p>(iv) solely or jointly with any other person;</p> <p>(b) including principal, interest, additional interest, charges, commission and other costs; and</p> <p>(c) including where applicable, monies referred to in Sections 7.2 and 7.3</p>
“Interest Period” ²	<p>In the case of interest to be calculated on:</p> <p>(a) a monthly basis, a period of 1 month; or</p> <p>(b) an annual basis, a period of 12 months, or</p> <p>(c) if an Event of Default occurs, such other period of any duration as the Bank may determine, but so that:</p> <p>(i) the first Interest Period will commence on the date the Bank first releases the Housing Loan or any part thereof and expire:</p> <p>(aa) in the case of interest calculated on a monthly basis, on the day which is 1 month after that; or</p> <p>(bb) in the case of interest calculated on an annual basis, on the day which is 12 months after that,</p>

² subject to modification of the wordings to suit each Bank’s practice

	(ii) an Interest Period may not extend beyond the expiry of the Housing Loan.
“Letter of Offer”	<p>a) The Letter of Offer including any amendments or supplements thereto issued by the Bank and accepted by the Borrower containing the main terms and conditions upon which the Bank has agreed to provide the Housing Loan to the Borrower;</p> <p>b) In the event of conflict or discrepancy between the terms and conditions of the Letter of Offer and this Agreement, the terms and conditions of the Letter of Offer shall prevail; and</p> <p>c) ³Where applicable, the term “Letter of Offer” shall refer to:-</p> <p>(i) the first letter of offer accepted by the Borrower and set out in [.] hereto and/or</p> <p>(ii) any one of the letter(s) of offer for additional or further facility(ies) and/or</p> <p>(iii) any letter(s) for the variation, restructuring, conversion, interchange or substitution of the first Housing Loan or Facility or additional or further facility(ies).</p>
“Lock-in Period”	The period stated in the Letter of Offer during which the Bank may impose an early termination fee on the Borrower for repaying any part of, or the entire, Indebtedness pursuant to Section 6.1(c).
“Spread”/“Margin” ⁴	[.]% per annum
“Prescribed Rate”	The rate of interest, being the sum of the Base Rate and the Spread/Margin, that is applicable to the Housing Loan/Facility or such other rate of interest that the Bank may prescribe at any time.
“Property”	The piece of land or the lease of the land or the parcel/unit of immovable property identified or described as [.] together with all buildings and fixtures and on such land or property.
“Ringgit Malaysia”; “RM”	The lawful currency of Malaysia.
“Security Documents”	The Letter of Offer, this Agreement and such other security documents that have been or will be executed by the Borrower to secure the repayment of the Housing Loan by the Borrower as well as the payment of other Indebtedness.

³ subject to modification of the wordings to suit each Bank’s practice

⁴ subject to choice of terminology by the Bank

SECTION 3

Section 3.1 Conditions Precedent to Drawing

3.1 The Bank may not release any part of the Housing Loan unless it has satisfactory evidence of the following being fulfilled:

- a) the conditions set out in the Letter of Offer and/or this Agreement, and
- b) [the additional conditions precedent set out in the Letter of Offer and/or [Schedule [.] of this Agreement.]

Section 3.2 Cancellation of the Housing Loan

3.2 If the Borrower does not comply with any condition within the time stated by the Bank, the Bank is entitled to cancel the Housing Loan.

Section 3.3 Waiver of Conditions

3.3 The conditions set out in this Section are inserted for the sole benefit of the Bank. The Bank may waive compliance with any of the conditions in this Section without affecting its rights under this Agreement. Such waiver does not prevent the Bank from later demanding the Borrower to comply with any or all of the waived conditions within any period notified by the Bank to the Borrower.

No waiver of any conditions precedent constitutes a waiver of any other conditions precedent except to the extent expressly provided in such waiver.

SECTION 4

Section 4.1 Payment of Interest⁵

- (a) The Borrower must pay (without the requirement of notice from the Bank) interest at the relevant Prescribed Rate and where applicable, the Default Rate, to the Bank on such amount of the Housing Loan specified in the Letter of Offer up to the date when the Housing Loan is fully repaid to the Bank.
- (b) Unless otherwise notified by the Bank to the Borrower, interest is to be debited to the Borrower's account on the last Banking Day of every month, and on the day when the full Indebtedness for the Housing Loan is finally paid.
- (c) Interest is payable monthly in arrears, or at such other period as the Bank may prescribe.

Section 4.2 Calculation of Interest⁶

- a) Interest is calculated on the basis of the actual number of days elapsed and based on a 365-day year⁷ (366-day year in the case of a leap year).

⁵ subject to modification of the wordings to suit each Bank's practice

⁶ subject to modification of the wordings to suit each Bank's practice

⁷ subject to modification of the wordings to suit each Bank's practice

- b) Interest for this Housing Loan will be calculated on a daily/monthly/periodic rest basis as indicated in the Letter of Offer, unless otherwise stated or agreed by the Bank, and is payable in the manner stated by the Bank.
- c) Interest chargeable at the Prescribed Rate is calculated as follows:
 - (i) If interest on the Housing Loan is calculated on a daily rest, the Prescribed Rate is to be calculated on the daily balance of the Indebtedness;
 - (ii) If interest on the Housing Loan is calculated on monthly or other periodic rest, the Prescribed Rate is to be calculated on the amount of the Indebtedness at the end of each relevant Interest Period and will be due and payable on the first day of the next succeeding Interest Period.

Section 4.3 Default Rate

- 4.3 If the Borrower fails to pay any amount payable under the Housing Loan on the due date (including amounts payable following a termination of the Housing Loan), the Borrower must pay the Bank interest at the Default Rate on the entire overdue amount. Interest at the Default Rate is calculated from the due date until the date of actual payment (both before and after court judgment).

Section 4.4 Variation of Interest Rate

- (a) Regardless of any other provisions in this Agreement, the Bank is entitled to vary at any time:
 - (i) the interest rate and the manner of calculation of the interest rate; and
 - (ii) any commission, discount or other banking charges.
- (b) Such variation may be made in respect of the following:
 - (i) the Base Rate; or
 - (ii) subject to Section 4.4(c), the Spread/Margin; or
 - (iii) any other reference rate used in any Letter of Offer; or
 - (iv) any other rate of interest specified by the Bank;

or a combination of any one or more of the methods of calculation of interest, including changing the basis on which the Prescribed Rate or the Default Rate is arrived at.
- c) The amended or new Prescribed Rate or commission, discount or banking charges is payable from the date such amended or new Prescribed Rate, commission, discount or other banking charges take(s) effect. Interest will be re-calculated, if necessary in accordance with the provisions of this Agreement.
- d) The Bank will give at least twenty-one (21) calendar days' (or such other time frame as may be prescribed from time to time) prior notice of change of the Prescribed Rate, or the new commission, discount or banking charges to the Borrower but the Borrower's non-receipt of the notice will not affect or invalidate any change. Notice by the Bank may be given:
 - (i) in accordance with the "Notice" provisions set out in Section 11 of this Agreement; or
 - (ii) be general advertisement in any form(s) of mass communication; or
 - (iii) by notice in the Bank's website and/or placed at the banking hall of the Bank's branches.

- e) If the Prescribed Rate payable on the Housing Loan is varied and the Housing Loan is repayable in instalments, the Bank shall:
- (i) vary the amount of such Instalments subject to Sections 4.4 (g) and (h); or
 - (ii) vary the number of Instalments subject to Sections 4.4 (g) and (h); or
 - (iii) vary both,
- subject to the terms of the Letter of Offer or at the Bank's determination.
- f) For any upward or downward adjustment to the Base Rate, the Bank shall revise the amount of the instalments of the Housing Loan/Facility as the default option. The Bank shall provide the Borrower with particulars of the revised instalment amount at least seven (7) calendar days (or such other timeframe as may be prescribed from time to time) prior to the date the revised instalment comes into effect.
- g) Notwithstanding Section 4.4(f) the Bank may, at its discretion, allow a Borrower to retain the instalment amount upon the Borrower's specific request. This will result in an extension of the tenure of the Housing Loan/Facility and may include new terms and additional cost of borrowing as shall be disclosed by the Bank to the Borrower.

Section 4.5 Capitalisation of Interest⁸

- 4.5 Interest (other than interest at the Default Rate) on any amounts secured under the Security Documents (including capitalised interest), is to be capitalised and added to the principal sum then owing on such date as stated in the Letter of Offer or as determined by the Bank. The total sum will then bear interest at the relevant Prescribed Rate. This total sum shall be secured and payable accordingly, whether before or after court judgment or demand for payment has been made on the Borrower.

Section 4.6 Capitalised Interest excluded from Limit or Principal

- 4.6 For the purpose of ascertaining whether the limit of the principal amount has been exceeded or not, all accumulated and capitalised interest are deemed to be interest and not principal sum.

Section 4.7 Loan Statement

- 4.7 The Bank will provide a loan statement to the Borrower at least once a year indicating the outstanding balance at the beginning and end of the period covered by the statement, the amount credited and charged, including interest and other non-interest charges, and the dates when those amounts were posted to the account.

SECTION 5⁹

Section 5.1 Repayment

⁸ subject to modification of the wordings to suit each Bank's practice

⁹ subject to modification of the wordings to suit each Bank's practice

- (a) Regardless of any provision of this Agreement, the Housing Loan is immediately repayable upon demand by the Bank in writing upon the occurrence of an Event of Default.
- (b) Until such a demand is made by the Bank, the Housing Loan is repayable at the dates and in such manner as stated in the Letter of Offer.
- (c) Payments made by the Borrower should first be allocated to clearing any instalments in arrears before any fees and charges.

Section 5.2 Re-drawing or Re-borrowing

5.2 The Bank may at its absolute discretion subject to the terms and conditions set out in Part B of the Schedule or as the case may be, Letter of Offer allows the Borrower to redraw or re-borrow any of the amounts repaid or prepaid. Such amounts redrawn or re-borrowed together with interest thereon at the applicable Prescribed Rate shall be deemed to be and form part of all the monies owing or payable by the Borrower and secured by the Security Documents.

SECTION 6¹⁰

Section 6.1 Prepayment and Early Settlement

- (a) If:
 - (i) the Borrower wishes to repay any part of the Indebtedness or the Housing Loan before its due date; and
 - (ii) such early repayment is permitted under the Letter of Offer,the Borrower must provide one month's prior notice (or such other period of notice as may be stated in the Letter of Offer) to the Bank.
- (b) The Borrower may repay any part of the Indebtedness or the Housing Loan in multiples of the prepayment sum as the Bank may in its absolute discretion accept.
- (c) If the Borrower repays any part of, or the entire, Indebtedness or the Housing Loan during the Lock-in Period, the Bank shall charge the Borrower an early termination fee which reflects a reasonable estimate of the costs incurred by the Bank as a result of such early termination. Such costs may include:
 - (i) costs that have not been recovered because of a financing contract with discounted rate during the Lock-in Period is terminated early; and
 - (ii) initial costs that have not been recovered.

Section 6.2 Application of Prepayment Sum

6.2 All prepayments received by the Bank are to be applied by the Bank in or towards repayment of the Housing Loan in the inverse order of maturity.

Section 6.3 Partial Repayment

¹⁰ subject to modification of the wordings to suit each Bank's practice

6.3 Partial repayments of the Housing Loan do not relieve the Borrower of any of the Borrower's obligations under this Agreement, except to the extent of the total amounts prepaid.

SECTION 7

Section 7.1 Stamp Duties, Registration Fees and Other Costs

(a) The Borrower must on demand pay the Bank:

- (i) all costs and expenses (including legal fees, stamp duties, disbursements and any related penalties) the Bank incurs in connection with the preparation, execution, registration or perfection of the Security Documents;
- (ii) all costs and expenses (including legal fees on a solicitor-client basis, stamp duties, disbursements and any related penalties) the Bank incurs in connection with:
 - (1) the enforcement or the preservation of any rights under the Security Documents; or
 - (2) the Bank's involvement with any legal proceedings to protect, or connected to, the Property or any account(s) of the Borrower.

All such amounts are payable by the Borrower on a full indemnity basis. Such payment must be made together with interest from the date the costs and expenses are incurred to the date of full payment at the Prescribed Rate and if applicable, the Default Rate (both before and after judgment).

(b) Legal costs and expenses on a full indemnity basis are payable by the Borrower regardless of whether the Housing Loan is cancelled or aborted at any time before completion of legal documentation.

Section 7.2 Upstamping

7.2 In the event that the total monies advanced to or due and owing by the Borrower to the Bank shall at any time exceed the principal limit for which ad valorem stamp duty had been paid, this Agreement or the Letter of Offer shall be upstamped with ad valorem duty to cover the excess. The stamp duty including any penalty incurred shall form part of the monies owing or payable by the Borrower and secured by the Security Documents.

Section 7.3 Principal and Secondary Instrument¹¹

7.3 The Letter of Offer, this Agreement and the Security Documents are instruments employed in one transaction to secure the Indebtedness. Ad valorem stamp duty had been paid from time to time on the original of this Agreement and/or any supplements thereto, and/or the Letter of Offer and/or the Security Documents within the meaning of Section 4(3) of the Stamp Act, 1949. For the purpose of the said Section

¹¹ subject to modification of the wordings to suit each Bank's practice

4(3) of the Stamp Act, this Agreement shall be deemed the primary or principal instrument and the Letter of Offer and/or Security Documents are deemed the auxiliary or secondary instruments.

SECTION 8

Section 8.1 Events of Default

8.1 The Borrower is deemed to have committed a default under the Security Documents, if the Borrower commits or threatens to commit a breach of any of the covenants, undertakings, stipulations, terms, conditions, or provisions stated under the Security Documents, or upon the happening of any one or more of the following events:

(a) Non-payment

The Borrower fails or defaults in the payment of any sum of money

- (i) on its due date, whether formally demanded or not; or
- (ii) (if due on demand) when demanded by virtue of the provisions of the Security Documents; or

(b) Breach of Other Terms and Conditions

The Borrower:

- (i) breaches any term of the Security Documents or in any document delivered under the Housing Loan or the Security Documents; or
- (ii) fails to comply with any notice given under any of the Security Documents requiring him to remedy any breach of the terms of such Security Document; or

(c) Breach of Representation and Warranties

Any representation or warranty made or implied under:

- (i) Section [.] or any other provision of this Agreement; or
- (ii) any notice, certificate, letter or other document delivered under this Agreement,

is incorrect or misleading (as determined by the Bank) in a material detail as of the date on which it was made or deemed to have been made; or

(d) Ability of the Borrower to Perform Terms in Security Documents

Any event(s) has/have occurred, or a situation exists (including changes in the financial condition of the Borrower), which might, in the opinion of the Bank, affect the ability of the Borrower to

perform his obligations under the Security Documents; or

(e) Validity of the Security Documents

The validity of any of the Security Documents is challenged by any person; or

(f) Security in Jeopardy

The Bank is of the opinion that any of the security created pursuant to the Security Documents is in jeopardy or the value of the security created pursuant to the Security Documents is insufficient for the Bank's purpose upon valuation or re-valuation; or

(g) Illegality

It is or will become unlawful for the Borrower to perform or comply with any one or more of the obligations of the Borrower under the Security Documents; or

(h) Authorisation and Consents

Any action, condition, consent or thing at any time required to be taken, fulfilled or done for any of the purposes stated in Section [.] (here refer to representation on authorisation and consents):

- (i) is not taken, fulfilled or done; or
- (ii) ceases to be in full force and effect without modification; or

(i) Breach of Other Loans

- (i) The Borrower; or
- (ii) Any company deemed by the Bank to be associated to the Borrower by way of effective equity interest and/or management control; or
- (iii) Any company in which the Borrower is deemed by the Bank to hold a controlling interest (whether by way of shareholding, or whether it is by reason that such company is accustomed or is under an obligations to act in accordance with the Borrower's directions, interest or wishes),

commits a default of any provision of any agreement, or security documents, or both (as the case may be) relating to other accounts or loan facilities granted by other parties; or

(j) Cross Default

- (i) Any other indebtedness of the Borrower becomes payable or due prematurely, or becomes capable of being declared payable or due prematurely, by reason of a default by the Borrower in its obligations with respect to that indebtedness; or
- (ii) The Borrower fails to make any payment in respect of that Indebtedness on the due date for such payment, or if due on demand when demanded; or
- (iii) Upon the security for any such indebtedness becoming enforceable; or

(k) Legal Proceedings

Any legal proceedings, suit or action of any kind whatsoever (whether criminal or civil) is instituted against the Borrower; or

(l) Enforcement Proceedings

A distress or execution or other process of a court of competent jurisdiction is levied upon or issued against all or any part of the property of the Borrower and such distress, execution or other process is not discharge by the Borrower within five (5) days from the date of such levy or issue; or

(m) Insolvency

The Borrower

- (i) becomes insolvent or is adjudged a bankrupt; or
- (ii) is unable to pay its debts as they fall due; or
- (iii) stops or suspends, or threatens to stop or suspend, payment of all or a material part of its debts; or
- (iv) begins negotiations or takes any proceeding or other step with a view to readjustment, rescheduling or deferral of all or any part of its indebtedness; or

(n) Bankruptcy

- (i) Any step or action is taken for the bankruptcy of the Borrower; or
- (ii) A petition for bankruptcy is presented against the Borrower; or
- (iii) If such proceeding or action has been taken by or against the Borrower, that step or petition is not discharged or stayed within twenty-one (21) days from the date of the taking of the step or petition; or

(o) Assignment

The Borrower

- (i) makes an assignment for the benefit of its creditors; or
- (ii) enters into an arrangement for composition for the benefit of its creditors; or
- (iii) allows any judgment against him to remain unsatisfied for a period of fourteen (14) days or more, unless an appeal against the judgment is pending and a stay of execution has been granted; or

(p) Moratorium on payments

The Borrower

- (i) enters into or proposes to enter into; or
- (ii) there is declared by any competent court or authority,

a moratorium on the payment of Indebtedness or other suspensions of payments generally; or

(q) Compulsory acquisition

A notice or proposal for compulsory acquisition of all or any of the assets of the Borrower is issued or made under or by virtue of an Act of Parliament or other statutory provision; or

(r) Death and Insanity

The Borrower dies or becomes insane; or

(s) Material Adverse Change

Any event or series of events (whether within or outside of Malaysia and whether of a national or international nature) including any act of violence, terrorism, hostility or war or endemic or epidemic or other calamity occurs which in the Bank's opinion

- (i) could or might affect the Borrower's ability or willingness to fully comply with all or any of his obligations under any of the Security Documents or make it improbable that the Borrower would be able to do so; or
- (ii) would render it inadvisable or impractical for the Bank to make or continue to make the Facility available or allow any use of the Facility; or
- (iii) could or might jeopardize the Facility or any of its security or the Bank's security position; or

(t) Use of Housing Loan not for purposes stated

The Housing Loan is not used for the purposes stated or the Housing Loan is used for illegal or speculative purposes; or

(u) Borrower's Account re-designated or closed

If the Borrower's account is re-designated or closed by the Bank as a result of

- (i) any guideline or directive; or
- (ii) the account having been conducted unsatisfactorily; or
- (iii) the account having been suspended due to a court order or at law; or
- (iv) an investigation by the Bank giving rise to negative findings including dishonesty, fraud or suspicious activities; or

(v) Security Document not perfected

If any of the Security Documents cannot be perfected for any reason whatsoever or if any Security

Document which requires to be registered, cannot be registered or is invalid for any reason whatsoever.

SECTION 9

Section 9.1 Rights of Bank on Default

- (a) If any of the events described in Section 8.1 occurs,
- (i) the Bank is entitled to immediately suspend further utilisation of any or all of the Housing Loan, or to reduce the limit or amount made available under the Housing Loan, without having to make a prior demand; and
 - (ii) the Indebtedness will become and be deemed to be immediately due and payable, regardless of any provision of this Agreement to the contrary.
- (b) If any of the events set out in Section 8.1 occurs, the Bank is also entitled to take such action (whether on its own accord or through its agent(s)) as may be appropriate against the Borrower, including:
- (i) action to recall the Housing Loan or to sue for the recovery of the Indebtedness either before, after or concurrently with the action to enforce any of the Security Documents; and
 - (ii) to apply any credit balance in whatever currency standing to any account of the Borrower with any office or branch of the Bank or any member of the Bank's group of companies, towards satisfaction of the Indebtedness.
- (c) Any part of the Housing Loan not disbursed or utilised before the default may be cancelled by the Bank. Upon such cancellation, any part of the Housing Loan already disbursed or utilised will become due and immediately repayable on demand, regardless of any provision of this Agreement to the contrary.

Section 9.2 Proceeds of Recovery

9.2 Subject to statutory priorities (if any), all amounts received by the Bank from any proceeding instituted or step taken under any of the Security Documents are to be applied by the Bank:

FIRSTLY in payment of any rents, taxes, assessments, fees, lawful outgoings and other fees due and payable to the relevant authorities by the Borrower in respect of the Property charged or assigned to the Bank as security for the Housing Loan;

SECONDLY in the enforcement of any of the Security Documents or in the performance of any duties or the exercise of any powers vested in the Bank, in payment of any costs, charges, expenses and liabilities incurred by the Bank and every person appointed by the Bank under the Security Documents

- THIRDLY in or towards payment to the Bank of all interest then accrued and remaining unpaid in respect of the Housing Loan;
- FOURTHLY in or towards payment to the Bank of the principal sum due and remaining unpaid under the Housing Loan;
- FIFTHLY in or towards payment to the Bank of all other moneys due and remaining unpaid under any or all of the Security Documents;
- SIXTHLY in or towards payment to the Bank of all other moneys due and remaining unpaid;
- SEVENTHLY any surplus will be paid to persons entitled to such surplus.

PROVIDED ALWAYS THAT the Bank may alter the above order of payment or keep such amounts in a non-interest bearing suspense account. Such alteration in the order of payment, or payment into a suspense account, will not affect the right of the Bank to receive the full amount to which it would have been entitled if the primary order had been observed, or any lesser amount which the sum ultimately realised from the security may be sufficient to pay.

Section 9.3 Deficiency in Proceeds of Sale

9.3 The parties agree that, regardless of any other provision contained in this Agreement to the contrary:

- (a) if the actual amount ultimately received by the Bank under the terms of the Security Documents and/or on a sale of the assets or properties charged and/or assigned to the Bank under the Security documents, after deduction of all fees (including but not limited to the Bank's solicitors fees on a solicitor and client basis), costs, rates, taxes and other outgoings on the assets or properties charged and/or assigned to the Bank under the Security documents, is less than the amount due to the Bank under the Letter of Offer and this Agreement, the Borrower will be liable for the amount of such shortfall;
- (b) paragraph (a) applies whether or not the Bank is the purchaser of all the assets or properties charged and/or assigned to the Bank under the Security Documents at such sale;
- (c) until payment is made for the amount of the shortfall, the Borrower will (regardless of any foreclosure proceedings taken or sale made by the Bank) also pay interest (both before demand as well as after judgment and irrespective of whether or not the banker or customer relationship exists or has been terminated) on the shortfall at the Prescribed Rate and if applicable, the Default Rate, up to the date such shortfall together with all accrued interests is actually received in full by the Bank; and
- (d) any interest payable under this Section 9.3 is to be calculated and charged in accordance with Section 4.

SECTION 10

Section 10.1 Agreement to maintain Mortgage Insurance Policy

10.1 If the Borrower is required to take up, or in the event that the Bank takes up on the Borrower's behalf, and maintains a mortgage reducing term policy, or any other policy, guaranteeing the repayment of the Indebtedness, the Borrower expressly agrees with the Bank to:

- a) cause the interest of the Bank as loss payee to be endorsed on the insurance policy so taken up;
- b) pay the premium on such policies; and
- c) deliver the receipts for such payments to the Bank.

Section 10.2 Agreement to maintain insurance on the Property

10.2 (i) The Borrower expressly agrees with the Bank that whenever required the Bank, the Borrower will:

- a) ensure that the Property is adequately insured up to their full insurable value, against loss or damage by fire, lightning, tempest, flood, riot, civil commotion, malicious acts and strike and such other risks as the Bank may require, with a reputable insurance company approved by the Bank;
- b) ensure that the interest of the Bank as chargee or assignee and loss payee is endorsed on the insurance policy or policies so taken up; and
- c) deposit with the Bank a certified true copy of the policy or policies so taken up together with evidence of payment of the current premium payable under such policy or policies.

(ii) The Borrower also expressly agrees that the Bank may but is not obliged to insure and keep the Property insured in accordance with Section 10.2(i)(a). In the event the Bank proceeds to do so, the Borrower shall be required to pay the insurance premium on demand by the Bank. If the Borrower fails to pay the insurance premium, the Bank shall proceed to make the payment on behalf of the Borrower and such payment shall be added to the Indebtedness or the Housing Loan.¹²

Section 10.3 Agreement to inform Bank change of address

10.3 The Borrower expressly agrees with the Bank to inform the Bank immediately of any change in the correspondence address of the Borrower.

SECTION 11

11.1 Notices by Bank

¹² This provision can be omitted if it is not applicable to the Bank.

Notices may be given or made by post, facsimile, personal delivery or such other mode as may be practicable and allowed by the Bank. Notices issued by or on behalf of the Bank (including computer generated notices/statements that do not require any signature) will be directed to the Borrower at the Borrower's address, facsimile number or electronic mail address as stated in the Letter of Offer or the last known address, facsimile number or electronic mail address notified by the Borrower.

11.2 Deemed Delivery

The Notices are deemed delivered to the Borrower:

- (i) in the case of post, two (2) days after the date of posting, regardless of whether the Notices are returned undelivered or unclaimed;
- (ii) in the case of facsimile, on the day of transmission;
- (iii) in the case of electronic mail, on the day of transmission provided that the Bank has not received a failed or undeliverable message from the host provider of the recipient within the day of transmission; and
- (iv) in the case of personal delivery, at the time of delivery.

[the remainder of this page has been left blank intentionally]