

TERMS & CONDITIONS

1 Interest that may be Mortgaged/Charged

- (a) Only a Lease/Licence under a Lease/Agreement to Lease/Agreement for Lease/Building Agreement may be mortgaged/charged. Any other type of interest, including tenancies, cannot be mortgaged/charged.
- (b) A Mortgage/Charge shall not be created or transferred if HDB has served on the Mortgagor/Chargor a letter of demand in respect of a breach that has not been rectified or if HDB has commenced any other type of legal action against the Mortgagor/Chargor.

2 Notice to HDB

- (a) A Mortgage/Charge may only be created or transferred after a duly completed Notice of Mortgage/Charge in HDB's required form ("Notice") has been submitted to HDB at least 7 working days prior to the creation or transfer of the Mortgage/Charge.
- (b) The Mortgagor/Chargor must forward to HDB a copy of the Mortgage/Charge letter of offer together with the submission of the Notice.
- (c) HDB must be notified in writing within fourteen (14) days of the discharge of the Mortgage/Charge or any decision not to proceed with the Mortgage/Charge.
- (d) In the case of syndicated loans, HDB must be notified in writing within fourteen (14) days of any change in the Lenders or the Agent/Security Trustee/Lenders' representative.

3 Use of Mortgage/Charge Facilities

- (a) The Mortgage/Charge facilities shall be used firstly to pay HDB any outstanding monies and interest thereon. Alternatively, the Mortgagor/Chargor and the Mortgagee/Chargee shall ensure that sufficient funds from other sources are used to meet the aforesaid obligations (if any).
- (b) Prior to the obtaining of the Temporary Occupation Permit ("TOP"), the Mortgage/Charge facilities shall be used solely for the development of the leased land or otherwise for the purpose under which the land is sold/leased to the Mortgagor/Chargor or the land is to be used as security for the commodity transactions and the leased land is not to be used for other projects as collateral or for any other purposes whatsoever.

4 Notice to Mortgagee/Chargee

Any notice served on the Mortgagee/Chargee by HDB shall be sufficiently served if the same is forwarded by registered post or facsimile to the Mortgagee's/Chargee's office in Singapore and shall be deemed served upon evidence that the same has been sent.

5 Conflict

If there shall be a conflict between any provision of the Mortgage/Charge and that of the Lease/Agreement to Lease/Agreement for Lease/Building Agreement and any variations thereto as agreed between HDB and the Mortgagor/Chargor, the latter shall prevail as to HDB's rights and remedies thereunder.

6 Powers of Sale under the Mortgage/Charge

- (a) The Mortgagee/Chargee shall not exercise its power of sale without the prior written consent of the HDB, which consent may be refused at the HDB's sole discretion or granted subject to such terms and conditions as the HDB may impose and which terms and conditions shall include the levy of a fee.
- (b) If the Mortgagee/Chargee exercises its power of sale subject to HDB's prior written consent (if any), the Mortgaged/Charged Property shall be sold only to a purchaser approved by HDB in writing. In granting approval (if any), HDB shall have the full right and liberty to, inter alia, revise the rent/licence fee to the then prevailing market rent/licence fee to be determined by HDB.

7 Non-foreclosure (*Applies only to foreign government-owned mortgagees*)

Notwithstanding any provisions in the Mortgage relating to the statutory powers of the Mortgagee, the Mortgagee shall not exercise its right of foreclosure and in particular section 76 of the Land Titles Act (Cap.157) shall not apply.

8 Compliance with Laws

- (a) The Mortgage/Charge shall comply with all relevant laws, statutes, legislation, by-laws, rules, orders and regulations.
- (b) The Mortgage/Charge shall be construed in accordance with the laws of Singapore and all legal proceedings in relation to the Mortgage/Charge shall be commenced and heard in Singapore courts.
- (c) The Mortgagee/Chargee (and, in the case of syndicated loans, each Lender) must be a bank licensed under the Banking Act or a finance company licensed under the Finance Companies Act. Any mortgages or charges to any other entities are still subject to HDB's prior written consent.

9 Assignment or Transfer

A Mortgage/Charge may only be created by a prospective assignee/transferee after HDB's written consent to assign/transfer has been obtained and the assignment/transfer has been completed in accordance with HDB's terms and conditions.

10 Void Notice

A Notice shall be rendered void in the event of:

- (a) false declarations;
- (b) submission of an incomplete or a tampered Notice;
- (c) submission of a Notice after the creation or transfer of a mortgage/charge;
- (d) non-compliance with any of the terms and conditions herein; or
- (e) non-compliance with any of the other terms and conditions of the HDB's Guidelines on Notice of Mortgage/Charge.

11 Effect of Void Notice

Any Mortgage/Charge created or transferred pursuant to a void Notice shall be a breach of the lease/licence. However, HDB may, at its discretion, after an evaluation of the facts of the particular case permit such a breach to be remedied. Such remediation (if permitted) may be subject to additional terms and conditions, including the payment of a fee to be determined by HDB.

12 Non-Waiver

(a) HDB's retention of a Notice shall not be deemed to be or construed as an acceptance:

- (i) that the Notice is not void; or
- (ii) of the truth or accuracy of the particulars given in the Notice,

and HDB shall be under no obligation to verify such particulars or otherwise confirm the validity of the Notice.

(b) HDB's retention of a Notice shall also not in any way prejudice, nor be deemed to be or construed as a waiver of any of HDB's rights and remedies whatsoever in respect of any outstanding arrears or other breaches of the lease/licence, including HDB's right of re-entry, in the event that any outstanding payment is not made or the other breaches are not remedied.

13 No other party shall have any right under the Contracts (Rights of Third Parties) Act (as amended or revised from time to time) to enforce any of the terms or conditions herein.

14 Endorsement on Mortgage/Charge Documents

The Mortgagor/Chargor's solicitors must certify on the relevant mortgage documents (i.e. the Mortgage-in-escrow/Mortgage Instrument/Deed of Debenture etc.) as follows:

<p><u>CERTIFICATE PURSUANT TO HOUSING & DEVELOPMENT BOARD'S ("HDB") GUIDELINES ON NOTICE OF MORTGAGE/CHARGE.</u></p> <p>I, the solicitor for the Mortgagor/Chargor*, hereby certify that:</p> <p>(a) the Mortgagee/Chargee has agreed that the Mortgage/Charge shall be subject to the terms and conditions of the HDB's Guidelines on Notice of Mortgage/Charge; and</p> <p>(b) HDB has been duly notified of the creation/transfer* of this Mortgage/Charge* in accordance with the HDB's Guidelines on Notice of Mortgage/Charge.</p> <p>Dated this day of</p> <hr/> <p>NAME AND SIGNATURE OF MORTGAGOR/CHARGOR'S* SOLICITOR <i>*Delete as appropriate</i></p>
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