



saadiq
islamic

Saadiq Home Finance Agreements

LEASE AGREEMENT

BETWEEN

Standard Chartered Bank (as lessor)

AND

Customer (as lessee)

LEASE AGREEMENT

PARTIES

- (1) STANDARD CHARTERED BANK a bank duly established, licensed and existing under the laws of England, acting through its branch in the UAE and having its registered office at P.O. Box 999, Dubai, United Arab Emirates (the “Bank”); and
- (2) Customer: As per the name and address provided in the Offer Letter

LEASE OF PROPERTY

The Bank hereby leases the Property to the Customer for the duration of the Lease Period, upon the terms and conditions outlined in the Finance Documents (defined below).

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

Unless otherwise defined in this Agreement, capitalised terms used in this Agreement shall bear the same meaning as given to them in the Saadiq Client Terms (defined below). If a word defined in this Agreement is also defined in the Saadiq Client Terms, the definition in this Agreement applies for the purposes of this Agreement. In this Agreement, the following terms shall have the following meanings:

“**Additional Rental**” has the meaning set out in the Offer Letter.

“**Advance Rental**” has the meaning set out in the Offer Letter.

“**Advance Rental Payment Date**” means the last Banking Day of each month in the Advance Rental Period.

“**Advance Rental Period**” has the meaning set out in the Offer Letter.

“**Agent**” means the agent (which may be the Customer) appointed by the Bank pursuant to the Service Agency Agreement.

“**Association**” means the association of the owners of residential or commercial units in a building or development in which the Property is located formed for the purpose of managing that building or development.

“**Calculation Period**” means the period for which the Profit Rate is calculated, as set out in the Offer Letter.

“**Deposit**” means the amount paid by the Customer (on behalf of the Bank) to the developer or owner of the Property, as set out in the Offer Letter

“**Early Settlement Profit Rate**” has the meaning set out in the Offer Letter.

“**Effective Date**” means the date this Agreement is executed by the parties.

“**Event of Default**” means any of the events listed in Clause 7.1 of this Agreement.

“**Expiration**” means the last day of the final month in the Lease Period, or upon the termination of this Agreement, whichever is the earlier.

“**Finance**” means any transaction or arrangement that has the commercial effect of financing or creating an indebtedness (or any contingent liability relating thereto), as reasonably determined by the Bank in its sole discretion.

“**Finance Documents**” means this Agreement, the Offer Letter, the Service Agency Agreement, the Purchase Undertaking, the Sale Undertaking, the Saadiq Client Terms, the insurance / takaful policies for the Property, each Security Document, any other documents issued pursuant to the foregoing documents, and any other document designated as such by the Bank.

“Fixed Rental” means the fixed amount of each Rental Payment as set out in the applicable Rental Payments Schedule the sum total of which would equal the Ijarah Amount as at the Effective Date.

“Ijarah Amount” means the amount set out in the Offer Letter.

“Lease Period” has the meaning set out in the Offer Letter.

“Major Maintenance” means structural maintenance and repairs without which, in the opinion of the Bank, the Property could not, reasonably and properly, be used in the ordinary course of use.

“Manager” means the person or entity appointed to be the manager of the Association from time to time in accordance with the Rules.

“Material Adverse Effect” means a material adverse effect on or a material adverse change in:

- (a) the financial standing of the Customer or the ability of the Customer to perform the Customer’s obligations under the Finance Documents;
- (b) any other external event or events impacting the ability of the Bank to conduct normal business related to this financing; or
- (c) the Profit Rate as set out in the Offer Letter.

“Offer Letter” means the offer letter by which the Bank offers Islamic financing to the Customer.

“Ordinary Maintenance” means any repairs and maintenance on the Property other than Major Maintenance.

“Outstanding Fixed Rental” means, at any time, the Ijarah Amount, less the aggregate amount of any Fixed Rental paid under this Agreement from time to time.

“Partial Loss” means an accident or event which causes loss or damage to the Property, but which is not a Total Loss in that, in the opinion of the Bank, the Property can still be occupied.

“Profit Rate” has the meaning set out, and calculated in accordance with, the Offer Letter.

“Property” has the meaning set out in the Offer Letter.

“Purchase Undertaking” means the letter (with its appendices) in the form agreed between the Bank and the Customer on the date of this Agreement to be issued by the Customer to the Bank.

“Reinstatement Period Advance Rental” has the meaning given to it in Clause 5.4(c)(i)(B).

“Rental Payments” means the monthly rental payments payable to the Bank by the Customer calculated as follows:

- (a) in the first Rental Period, the aggregate of the Additional Rental, Deposit, Fixed Rental, Variable Rental and Supplemental Rental.
- (b) in all Rental Periods thereafter, the aggregate of the Fixed Rental, Variable Rental and Supplemental Rental.

“Rental Payment Date” means the last Banking Day of each Rental Period from the Effective Date.

“Rental Payment Schedule” means a notice or schedule detailing Rental Payments (or changes thereto) substantially in the form contained in Schedule 1 and effective from the date stated therein.

“Rental Period” means a period of one calendar month.

“Rules” means the rules relating to the operations of the Association and its members (as amended or supplemented from time to time).

“Saadiq Client Terms” means the Bank’s Saadiq Client Terms (as amended or supplemented from time to time) accepted and agreed by the Customer.

“Sale Undertaking” means the letter (with its appendices) in the form agreed between the Bank and the Customer on the date of this Agreement to be issued by the Bank to the Customer.

“Security Document” means any guarantee or other document, in the form and substance acceptable to the Bank, granting security or a security interest in favour of the Bank from time to time in connection with the Customer’s obligations (in whatever capacity) under the Finance Documents.

“Security Interest” means any mortgage, charge, pledge, lien, hypothecation or other security interest securing any

obligation of any person or any other type of preferential arrangement (including, without limitation, title transfer and retention arrangements) having a similar effect.

“**Security Party**” means a person or entity providing any form of security to the Bank, by means of a Security Document or otherwise, in connection with the Customer’s obligations (in whatever capacity) under the Finance Documents, if applicable.

“**Service Agency Agreement**” means the service agency agreement between the Bank and the Agent, whereby the Agent on behalf of the Bank will procure the provision of maintenance services payment of ownership taxes in relation to the Property, and insurance / takaful cover for the Property and includes any replacement or amended agreement entered into with a third party in respect of the provision of such services and insurance / takaful cover.

“**Supplemental Rental**” means an amount equal to: (a) all amounts paid (or due to be paid) by the Bank under the Service Agency Agreement; (b) the costs of insurance / takaful or property or ownership taxes (where not undertaken or paid by the Agent); (c) any other costs related to the Finance Documents paid by the Bank; and (d) as otherwise defined in this Agreement.

“**Total Loss**” means an accident or event which damages or destroys the Property to such extent that, in the opinion of the Bank, it is no longer reasonably capable of repair or of occupation for the purposes of this Agreement.

“**Variable Rental**” means an amount which is equal to the Outstanding Fixed Rental at the commencement of the applicable Rental Period multiplied by the Profit Rate, calculated in accordance with Clause 4.3 below.

1.2. Interpretation

1.2.1. In this Agreement:

- (a) clause headings are inserted for convenience of reference only and shall be ignored in the interpretation of this Agreement;
- (b) unless the context otherwise requires, references to Clauses and Schedules are to be construed as references to the clauses of and schedules to, this Agreement and references to this Agreement include its schedules;
- (c) words importing the plural shall include the singular and vice versa; and
- (d) references to a person shall be construed as including references to an individual, firm, bank, corporation, unincorporated bodies of persons or any state or any agency thereof.

1.2.2. The parties recognise and acknowledge that this Agreement is being entered into for the purposes of providing financing to the Customer in a manner compliant with the principles of Shariah and the parties undertake to perform their respective obligations under this Agreement accordingly.

1.2.3. The parties agree that the Finance Documents (other than the Saadiq Client Terms):

- (a) are subject to the Saadiq Client Terms;
- (b) shall be read in conjunction with the Saadiq Client Terms and any other documents forming the “banking agreement” between the Customer and the Bank in accordance with Clause 1.4 of the Saadiq Client Terms; and
- (c) for the purposes of the Saadiq Client Terms, are “Saadiq product terms”.

1.2.4. To the extent of any inconsistency between the terms of the Finance Documents (other than the Saadiq Client Terms) and the Saadiq Client Terms, the terms of the Finance Documents (other than the Saadiq Client Terms) shall prevail.

2. CONDITIONS PRECEDENT

2.1. This Agreement is subject to the following conditions:

- (a) Payment of the Deposit by the Customer;
- (b) the Bank having entered into a sale and purchase agreement (or a similar agreement to that effect) prior to the execution of this Agreement;
- (c) no Event of Default has occurred or is continuing;
- (d) each of the Finance Documents being duly executed by the Customer or any Security Party (as applicable) and delivered to the Bank; and

- (e) the Customer having satisfied all credit requirements of the Bank and any other conditions precedent set out in the Offer Letter or notified to the Customer by the Bank.

3. DELIVERY AND CONDITIONS OF THE PROPERTY

- 3.1. The Customer shall take delivery of the Property on the Effective Date.
- 3.2. The parties agree that from the Effective Date, the Customer shall be under a binding obligation and be irrevocably committed to the payment of each and every amount as set out in the Finance Documents on their respective due dates, notwithstanding if the Customer subsequently abandons the Property, fails to take delivery in accordance with this Agreement or otherwise ceases to occupy the Property.
- 3.3. The Customer confirms that: (a) the specifications of the Property (as set out in the Offer Letter) are in accordance with the Customer's requirements; (b) the Customer is fully and solely responsible for the selection and specifications relating thereto; and (c) the Customer has inspected the Property, there is no defect in the condition or design of the Property and that the Property is fit for the purpose for which the Customer intends to use it. Accordingly, the Bank makes no warranties or representations as to the suitability, market price, quality, fitness for purpose, value, condition or design of the Property of any kind or nature, whether arising by implication, by law or otherwise and without prejudice to the generality of the foregoing any such warranty or representation is hereby expressly excluded to the extent permitted by law.

4. PAYMENTS

4.1. Rental Payments

- (a) During the Advance Rental Period, the Customer shall pay to the Bank the Advance Rental on each Advance Rental Payment Date, which shall be notified to the Customer by the Bank.
- (b) The Customer shall pay to the Bank the Rental Payments on each relevant Rental Payment Date, which shall be notified to the Customer through the relevant Rental Payment Schedules.
- (c) To the extent any Reinstatement Period Advance Rental, Advance Rental or Rental Payments are not paid in accordance with this Agreement, the Customer authorises the Bank to deduct due Reinstatement Period Advance Rental, Advance Rental and Rental Payments from the Customer's accounts with the Bank provided that if there are insufficient monies in such accounts, the Customer shall pay such shortfall on demand and agrees that any of the Customer's other accounts with the Bank, irrespective of their designation, may be debited with the relevant Reinstatement Period Advance Rental, Advance Rental and Rental Payments or amounts due or any part thereof.
- (d) All payments, repayments, rebates and penalties paid by a developer or constructor in respect of the Property shall be paid directly to the Bank as owner of the Property.
- (e) The Customer acknowledges and agrees that it has paid the Deposit on behalf of the Bank.
- (f) The Rental Payment amount for the first Rental Period shall include the amount of the Deposit and Additional Rental and the Bank will set off the actual Deposit paid by the Customer (on behalf of the Bank) and the actual aggregate Advance Rental received by the Bank from the Customer against the Rental Payment due for that period.
- (g) Subject to such requirements and restrictions set out in the Offer Letter (including minimum payment amounts and accelerated payment processing charges), the Customer may by thirty (30) days prior written notice to the Bank request for partial accelerated payment of Outstanding Fixed Rental (but not in full). Such notice would be irrevocable and the Rental Payment for the Rental Period subsequent to the Rental Period in which the notice is served would increase by this partial accelerated payment amount. This partial accelerated payment would be due (subject to the notice period) on the subsequent Rental Payment Date. Following any potential accelerated payment, the Bank shall provide the Customer with a revised Rental Payment Schedule in accordance with the terms of this Agreement.

4.2. Unconditional Obligations to Pay

The obligation to pay the Rental Payments is an immediate and irrevocable binding obligation and shall not be affected by:

- (a) any set-off, counterclaim, recoupment, defence or other right which the Customer may have against the Bank or any other person for any reason whatsoever;
- (b) on the basis of the Customer's confirmations set out in Clause 3.3. any determination after the Effective Date by the Customer that there is a defect in the condition or design of the Property, that the Property is not fit

for the purpose for which the Customer intends to use it or, for any other reason the Customer does not wish to lease the Property;

- (c) subject to Clause 5.4, any damage to or Partial Loss of the Property which, in the reasonable opinion of the Bank, does not render it uninhabitable;
- (d) the Customer's negligence and/or misconduct having been the reason for any disruption, delay or stoppage in the use or occupation of the Property or any part thereof, (in addition and without prejudice to the provisions relating to Partial Loss below); and
- (e) the occurrence of any Event of Default; and
- (f) where the Bank has validly exercised the Purchase Undertaking but the Customer has failed to give the Bank vacant possession of the Property.

4.3. Variable Rental Payments

- (a) The Variable Rental is subject to periodic review during the Lease Period as set out in the Offer Letter.
- (b) The Variable Rental shall be established and calculated by reference to the Profit Rate for the next period.
- (c) Through the relevant Rental Payment Schedules the Customer will receive notification in writing of any changes in the Variable Rental. If a Customer is not notified of any change to the Variable Rental, the same benchmark rate, which was applicable for the previous period, shall apply.

5. TERMS OF THE LEASE

5.1. Right of ownership

- (a) The Property (including any modification or addition made to it during the Lease Period) shall remain the property of the Bank at all times unless and until the Bank transfers the ownership of the Property to the Customer pursuant to the Finance Documents.
- (b) The Customer shall not do or permit anything which may affect or imperil the Bank's right, title and interest in the Property.
- (c) The Customer shall do all things necessary to protect the right of ownership of the Bank in the Property, including the obtaining of any requisite authorisation, license or permit and, if necessary, the filing of this Agreement with any competent agency, registry or government department.
- (d) The Customer shall allow the Bank the right to view and inspect the Property, on reasonable prior notice.

5.2. Maintenance of Property

- (a) The Customer shall, at the Customer's own cost and expense, be responsible for Ordinary Maintenance.
- (b) Major Maintenance shall be performed directly by the Bank or through the Agent.
- (c) The Customer shall ensure that the Property is maintained by persons who are competent to maintain the same and that no person who is prohibited by law or regulations from so doing shall carry out work relating to the Property.
- (d) The Customer undertakes to keep accurate, complete and updated records of all maintenance activities on the Property and shall provide copies thereof to the Bank upon request.
- (e) The Customer undertakes to fully indemnify the Bank against any losses resulting from failure to perform the Customer's duties with regard to the maintenance required for the Property.

5.3. Alterations to Property

- (a) The Customer is not permitted to make any modifications, additions, improvements, substitutions or alterations to the Property without the prior written approval of the Bank. If approved by the Bank, such modifications shall be at the expense of the Customer and shall not be deductible from any Rental Payments owed to the Bank.
- (b) Any additions, improvements, substitutions or alterations made to the Property shall be deemed to form part of the Property. However, the Customer may at the Customer's cost remove any such additions, improvements or alterations and return the Property to its original condition upon prior written consent of the Bank provided that such removal does not materially affect or diminish the value or utility of the Property.

5.4. Loss of Property

- (a) Upon the occurrence of a Total Loss to the Property during the Lease Period, the Customer shall, within not more than three (3) Banking Days of the loss, provide notice to the Bank of such loss or destruction, whereupon the Agreement shall terminate. Upon receipt of the applicable insurance / takaful proceeds, the Bank shall be entitled to apply such proceeds as it sees fit.
- (b) Upon the occurrence of a Partial Loss, the Customer shall give prompt notice to the Bank ("Partial Loss Notice"), identifying the damage in a comprehensive technical report and estimating the amount of loss or damage that has occurred and the cost of reinstating the damaged Property.
- (c) If, in the circumstances contemplated in the sub-clause (b) above:
 - (i) the loss was not caused by the Customer's negligence or wilful misconduct:
 - (A) the Bank shall release the applicable insurance / takaful proceeds to the Agent to enable the Agent to proceed with the reinstatement of the damaged Property. On reinstatement of the Property, the Customer shall give prompt notice to the Bank confirming that the Property is reinstated to the same or better condition as it was prior to the damage ("**Reinstatement Completion Notice**");
 - (B) during the period commencing from the date the Bank receives the Partial Loss Notice and ending on the date the Bank receives the Reinstatement Completion Notice ("**Reinstatement Period**"), the Customer will, in substitution to the Customer's obligation to pay Rental Payments falling due during the Reinstatement Period to the Bank, pay to the Bank advance rental in the amount equal to the full Rental Payments falling due during the Reinstatement Period ("**Reinstatement Period Advance Rental**") on each Rental Payment Date falling within the Reinstatement Period;
 - (C) the Rental Payment for the Rental Period immediately succeeding the Reinstatement Period would increase by an amount equal to the Reinstatement Period Advance Rental and the Bank will set off the actual aggregate Reinstatement Period Advance Rental received by the Bank from the Customer against the Rental Payment due for that period; and
 - (D) following receipt of the Reinstatement Completion Notice, the Bank shall provide the Customer with a revised Rental Payment Schedule in accordance with the terms of this Agreement.
 - (ii) If the loss was caused by the Customer's negligence or wilful misconduct, the Customer will continue to be liable to pay, and shall pay the full Rental Payments as they fall due for payment without abatement and Customer shall indemnify the Bank for all costs (except interest), expenses, liabilities losses, fees (including legal fees and expenses incurred in connection with any enforcement of this Clause), damages, and penalties of every kind and nature imposed on, incurred by or asserted against the Bank in relation to such loss.

5.5. Sub-leasing

- (a) Unless otherwise agreed in the Offer Letter, only the Customer and his immediate family, may occupy the Property and the Property may only be sub-leased upon such conditions as the Bank may deem fit to impose at the time.
- (b) If the Bank agrees to any sub-leasing of the Property, it shall not under any circumstances excuse the Customer from the Customer's obligations under this Agreement, including but not limited to making the Reinstatement Period Advance Rental, Advance Rental and Rental Payments and the Bank may also ask the Customer to assign any sub-lease rentals or other amounts payable under any sub-lease agreement as security for the Customer's obligations hereunder and, if so requested, the rentals payable from any sub-lessee shall be paid directly to the Bank.

5.6. Takaful (Insurance)

- (a) Unless otherwise agreed by the Bank, the Customer shall, for the duration of the Lease Period, take up and maintain a Takaful protection (life insurance) policy for an amount, on terms and from an insurer acceptable to the Bank in all respects. The policy shall include a non-cancellation clause.
- (b) The Customer shall cause the Bank to be endorsed as the sole beneficiary of the insurance / takaful policy and shall without notice and from time to time pay the premium thereon and deliver the receipts for the same to the Bank.
- (c) In the event the Customer does not comply with the Customer's obligations under this Clause 5.6, the Bank is hereby authorised, but without any obligation to do so, to effect or maintain such insurance / takaful provided that all moneys expended by the Bank in this respect shall on demand by the Bank be refunded by the Customer. In the event the Customer fails to pay to the Bank, without prejudice to the Bank's rights and remedies under the Finance Documents and under law, Clause 7.3 will apply.

5.7. Employment

- (a) The Customer shall be responsible for informing the Bank within three (3) Banking Days of any proposed changes to the Customer's employment and/or the business that the Customer is conducting.
- (b) In the event that the Customer ceases to be employed, or carry on the Customer's business (whichever may be applicable), with the same employer or same business as was the case at the time of the signature hereof, the Bank will have the right to declare an Event of Default in accordance with Clause 7 below. For the Bank to waive this right (in its sole discretion) it must immediately be provided complete details of the Customer's new employer or business and the proposed salary/income the Customer will receive from this.
- (c) At the time of the Customer changing employment, the Bank may request that any end-of-service termination benefits payable to the Customer at such time to be paid towards the payment of any outstanding Reinstatement Period Advance Rental, Advance Rental and Rental Payments.
- (d) Additionally, the Bank may at its option request the Customer to provide written confirmation from the Customer's employer that it will comply with any request of the Bank in accordance with Clause 5.7(c) above, prior to it waiving its rights in terms of Clause 7 below.

6. UNDERTAKINGS

6.1. The Customer undertakes to the Bank that it shall:

- (a) promptly inform the Bank of the occurrence of any Event of Default;
- (b) not sell, or transfer any rights in the Property, or transfer any obligations in respect thereof, or sub-lease the Property to any other party, or enter into any negotiations pertaining to any of the above, unless specifically agreed to by the Bank in writing;
- (c) ensure that the Property shall be used only for the designated purposes for which such Property is leased and the Customer shall not take, omit to take or permit any action that could reasonably be expected to have a material adverse effect on the value of the Property or the interests of the Bank;
- (d) immediately produce to the Bank any order, directive, notice, permission sought or any other matter that has a direct impact on or is likely to affect the Property or cause a Material Adverse Effect and will provide the Bank with a copy of the same, including (but is not limited to) any such order, directive, permission sought by any local or federal authority;
- (e) not remove any fixtures and fittings from the Property that is likely to detract from the value of the Property;
- (f) not to grant, execute or register any Security Interest in respect of the Property in favour of any third party, without the prior written consent of the Bank;
- (g) punctually pay all management fees, service charges, rates, taxes, licences, service and other charges levied and to be levied at any time in respect of the use of the Property (the "Fees") when due and the Customer shall on demand by the Bank provide receipts thereof to the Bank provided that where any such fees are not paid on the due date, the Bank may pay any Fee and any moneys so disbursed shall on demand by the Bank be refunded by the Customer. In the event the Customer fails to pay to the Bank, without prejudice to the Bank's rights and remedies under the Finance Documents and under law, Clause 7.3 will apply;
- (h) not make any building or structural changes to the Property without the prior written consent of the Bank; and
- (i) ensure that the Customer acts in accordance with the provisions stipulated in any insurance / takaful policy taken out in connection with this Agreement and shall not take any actions that will invalidate such insurances / takaful or increase the cost thereof.

6.2. Customer hereby acknowledges and confirms that

- (a) the Rental Payments are appropriate and fair; and
- (b) the Bank will not be obligated to adjust the Rental Payments (paid amounts) according to any benchmark or market rental for any reason whatsoever.
- (c) The Customer hereby waives any right which the Customer may now or in future have in respect of any adjustments to the Rental amounts paid and due but unpaid, according to any benchmark or market rental for any reason whatsoever.

7. DEFAULT

7.1. Events of Default

Any of the following constitute an Event of Default for the purpose of this Agreement:

- (a) the Customer and/or any Security Party fails to pay any sum due under the Finance Documents or relevant Security Document on its due date; or
- (b) any representation, warranty, covenant or undertaking made by the Customer under the Finance Documents proves to have been incorrect in any material respect on or as of the date made or deemed to have been made and has a Material Adverse Effect on the Customer's and/or any Security Party's ability to make any payment due under the Finance Documents; or
- (c) the Customer and/or any Security Party fails duly to perform or comply with any of the obligations (other than those referred to in sub-clause (a) above) expressed to be assumed by such party under the Finance Documents and if such breach is in the reasonable opinion of the Bank capable of remedy and is not remedied within seven (7) days after the earlier of the date of notice by the Bank requiring such remedy or the date on which such party first becomes aware of the breach; or
- (d) any Finance of the Customer and/or any Security Party is not paid when due or within any applicable grace period or any Finance of the Customer and/or any Security Party becomes capable of being declared to be or is declared to be due and payable prior to its specified maturity by reason of the occurrence of a default (howsoever described) or any commitment under any facility available to the Customer and/or any Security Party is cancelled by reason of the occurrence of any such default (howsoever described); or
- (e) the Customer and/or any Security Party respectively: (i) are unable to pay their debts generally as they become due, (ii) apply for or consent to the appointment of, or the taking of possession by, a receiver, administrator of themselves or of all or a substantial part of their assets, (iii) make a general assignment for the benefit of, or a composition or arrangement with, their creditors, (iv) be adjudicated or declared by any competent authority to be bankrupt or insolvent and such adjudication or declaration is not set aside within 21 Banking Days, or (v) file or acquiesce in the filing of, or fail to have dismissed or withdrawn any petition filed against themselves in an involuntary case under any such laws; or
- (f) legal proceedings, suits or actions of any kind whatsoever (civil or criminal) are instituted against the Customer and/or any Security Party or the Customer and/or any Security Party fails to pay any final judgement or court order when due; or
- (g) any attachment, execution or distress is levied against, or an encumbrancer takes possession of the whole or any part of, the property, undertaking or assets of the Customer and/ or any Security Party; or
- (h) subject to Clause 5.7, the Customer and/or any Security Party ceases to be employed, or carry on their business (as applicable) with the same employer or same business as they carry on at the date hereof; or
- (i) it is or becomes unlawful for the Customer and/or any Security Party to perform or comply with any of its material obligations under the Finance Documents, or any of the obligations under the Finance Documents or any related Security Document are not or cease to be legal, valid, binding and enforceable by reason of any litigation, arbitration or administrative proceedings of or before any court, arbitral body or agency; or
- (j) the insurer issues a notice of avoidance or cancellation of any such coverage as a result of a breach by the Customer of the terms of any of the insurances / takaful; or
- (k) the Customer and/or any Security Party is declared insane; or
- (l) any event or series of events occurs which in the reasonable opinion of the Bank may have a Materially Adverse Effect; or
- (m) the Customer or any other person commences proceedings or takes any other action challenging the validity of any of the Customer's and/or any Security Party's obligations or any of the Bank's rights under the Finance Documents; or
- (n) any Default set out in the Saadiq Client Terms arises; or
- (o) at any time, there is no Agent of the Property to procure, on behalf of the Bank, the provision of maintenance services, payment of ownership taxes in relation to the Property and insurance / takaful cover for the Property.

7.2. Consequences of Event of Default

On, and at any time after the occurrence of an Event of Default or as otherwise permitted under the Finance Documents, the Bank may, at its discretion:

- (a) terminate the Finance Documents;
- (b) demand that the Customer pay all outstanding Rental Payments and all other amounts outstanding under the Finance Documents, if any;
- (c) exercise its rights under the Purchase Undertaking; and/or
- (d) take possession of and sell or lease the Property to any third party at a price or rental that is reasonable in the circumstances and following such sale or lease to claim from the Customer any actual damages incurred by the Bank as a result of the occurrence of such Event of Default and the termination of the Finance Documents from the date of the occurrence of the Event of Default or termination (as applicable) until the date of such sale or lease (such period not to exceed any period determined by the relevant authorities).

7.3. Donation

In the event the Customer fails to pay any amount under the Finance Documents when such amount becomes due, in addition to the Customer's obligation to pay the overdue amounts, the Customer hereby undertakes to make a donation to charity in accordance with Clause 19.6 of the Saadiq Client Terms.

7.4. Remedies Cumulative

The Bank shall, in the case of an Event of Default, be entitled to exercise any or all of the above remedies, and shall also be entitled to pursue any other remedies as may be available to the Bank at law in any court of competent jurisdiction.

8. INDEMNITY

The Customer shall indemnify and hold harmless the Bank and its officers, employees and duly appointed representatives (the "Compensated Persons") for any and all obligations, liabilities losses, costs (except interest), expenses, fees (including legal fees and expenses incurred in connection with any enforcement of the Finance Documents), damages, penalties, demands, actions and judgments of every kind and nature imposed on, incurred by or asserted against any of the Compensated Persons arising out of the subject matter of this Agreement or the arrangements and transactions contemplated by the Finance Documents provided they are imposed on, incurred by or asserted against any of the Compensated Persons due to the Customer's fraud, negligence or wilful misconduct.

9. NOTICES AND COMMUNICATION

9.1. All notices or other communications under or in connection with the Finance Documents shall be given in accordance with Clause 7 of the Saadiq Client Terms.

9.2. The addresses of the Bank for all notices under or in connection with this Agreement are as follows:

Standard Chartered Bank
P.O. Box 999
Dubai
United Arab Emirates
Telephone number: 600 5222 88
Attention: [Insert Designation]

9.3. The addresses, email and facsimile number of the Customer for all notices under or in connection with this Agreement are as per the details provided in the Offer Letter.

10. ENTIRE AGREEMENT

The Finance Documents contain the whole agreement between the parties relating to the transactions contemplated by it and supersede all previous agreements between the parties relating to the same transaction.

11. SEVERABILITY

If, at any time, any provision of this Agreement or the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any other jurisdiction will in any way be affected or impaired.

12. INCREASED COSTS

The Bank shall advise the Customer by written notice, from time to time, of any incremental costs incurred or sustained by the Bank from the making or maintaining, or committing to make, its commitment under the Finance Documents which result from the introduction of, or any change in, any applicable law or any applicable guideline or policy (whether or not having the force of law but excluding any policy of the Bank), or any change in the interpretation or application thereof by any governmental or regulatory authority charged with the administration thereof, subsequent to the date of this Agreement (the "Increased Costs"). Such Increased Costs will become part of the Supplemental Rental for the Rental Period subsequent to the Rental Period in which the Increased Costs are advised to the Customer, and as such will be payable in accordance with the terms of this Agreement.

13. RELATIONSHIP WITH THE OTHER FINANCE DOCUMENTS

Several provisions relating to the transactions contemplated by this Agreement are contained in other Finance Documents. The Customer and the Customer's respective successors in interest, assigns, heirs and estate agree to comply with and be bound by the provisions in any Finance Document referring to the Customer or the Customer's respective successors in interest, assigns, heirs and estate (in any capacity) whether or not the Customer or they are a party to that Finance Document (in that capacity).

14. ILLEGALITY

If the Bank determines that the introduction or variation of any law, regulation or official directive (whether or not having the force of law) makes it unlawful for the Bank to maintain, fund or give effect to its obligations hereunder, the shall be entitled to exercise its rights under Clause 7.2.

15. GOVERNING LAW AND JURISDICTION

- 15.1. This Agreement shall be governed and construed in accordance with the civil laws of the Emirate in which the Property is located and the applicable Federal Law of the UAE, and the Customer hereby irrevocably submits to the non-exclusive jurisdiction of the courts of such Emirate. Such submission shall not, however, prejudice the right of the Bank to bring proceedings against the Customer in any other jurisdiction.
- 15.2. The Customer irrevocably waives any objection which it might now or hereafter have to the courts referred to in this Clause being nominated as the forum to hear and determine any suit, action or proceeding and to settle any disputes which may arise out of or in connection with this Agreement and the Finance Documents made hereunder and agrees not to claim that any such court is not a convenient or appropriate forum.

This Agreement has been entered into on the date stated at the beginning of this Agreement

Standard Chartered Bank

Customer

by: _____

by: _____

Address:

Email:

Facsimile:

SALE UNDERTAKING

Dated: Same as the Offer Letter

To: Customer: As per the name and address provided in the Offer Letter

From: STANDARD CHARTERED BANK a bank duly established, licensed and existing under the laws of England, acting through its branch in the UAE and having its registered office at P.O. Box 999, Dubai, United Arab Emirates (the "Bank").

Dear Customer

Sale Undertaking

We refer to the lease agreement entered into between the Bank and the Customer as on the date of the Offer Letter (the "Lease Agreement"), whereby the Bank agreed to lease the Property (as defined therein) to the Customer on the terms and conditions set out therein.

1. Terms defined in the Lease Agreement shall have the same meanings when used herein and, in addition, in this Sale Undertaking:

"Full Payment Event" means the date on which the Customer has irrevocably paid all amounts outstanding under or in connection with the Finance Documents (as confirmed by the Bank).

"Full Payment Sum" means the amount notified by the Bank in accordance with Clause 3 below to be the amount payable by the Customer for purchase of the Property from the Bank, being a minimum of [AED 1,000].

"Full Payment Sum Payment Date" means the date notified by the Bank in accordance with Clause 3 below to be the date on which the Full Payment Sum shall become payable, being a minimum of thirty (30) days following the date of the Exercise Notice.

"Exercise Notice" means a notice by the Customer to the Bank in the form attached as Appendix 1.

"Refinance" means when the Property is owned by the Customer before signing of the sale agreement between Bank and the Customer as on the date of the Offer Letter.

2. On and at any time following a Full Payment Event, the Customer may deliver to the Bank an Exercise Notice. In case of Refinance, Customer will have no right to serve the Exercise Notice within one year of the date of this Sale Undertaking.
3. The Bank hereby undertakes that upon the delivery to the Bank by the Customer of an Exercise Notice it shall sell the Property to the Customer for the Full Payment Sum. The Full Payment Sum will be determined and calculated by the Bank and notified to the Customer accordingly along with the Full Payment Sum Payment Date.
4. The Bank hereby agrees that upon payment of the Full Payment Sum in full title to the Property the Bank then holds shall (subject to the official property registration process) vest in the Customer forthwith.
5. The Customer shall be liable to pay all taxes, governmental and other fees related to the transfer title of the Property in the event that a sale is effected pursuant to this Sale Undertaking.
6. Any sale under this Sale Undertaking shall be on an "as is, where is" basis, subject to any security interest subsisting over the Property at such time and exclusive of any warranties (whether express or implied) of any kind by the Bank but free from any encumbrances placed on the Property by the Bank. The Bank and the Customer shall enter into and execute the sale agreement (attached as appendix 2) to record and effect the sale.
7. The provisions of clauses 1.2, 7.3, 8 to 11 (inclusive) and 13 to 15 (inclusive) of the Lease Agreement shall be incorporated into and apply (mutatis mutandis) to this Sale Undertaking as if the same were set out in full in this Sale Undertaking, save for references to "this Agreement" or "Finance Documents" therein shall be deemed to refer to this Sale Undertaking.

Yours faithfully,

By authorised signatory
Standard Chartered Bank

We acknowledge receipt of the above Sale Undertaking and confirm our acceptance of its terms and conditions.

By Customer
Customer details provided in the Offer Letter

Appendix 1 to the Sale Undertaking (if applicable)

Agreed Form of Exercise Notice

Date:

To: Standard Chartered Bank

From: [insert]

Dear Sir,

Exercise Notice

We refer to the Sale Undertaking issued by the Bank dated [insert].

1. Terms defined in the Sale Undertaking have the same meanings when used herein.
2. Pursuant to the Sale Undertaking, the Customer hereby gives the Bank notice that the Customer wishes to purchase the Property and the Bank is hereby requested to notify the Full Payment Sum and the Full Payment Payment Date.
3. The Customer hereby indemnifies the Bank (and each of your directors, employees and agents) and holds the Bank (and them) harmless from and against all actual costs, expenses, claims, demands, penalties, fines, damages, judgments, orders or other sanctions incurred by the Bank (in this paragraph 3 referred to as "Losses") in respect of any injury to or the death of any person or persons and/or any Losses relating to, or arising directly or out of, the Property caused by the Customer, including the condition, use, registration or occupation of the Property at any time after the Bank has passed title thereto to the Customer in accordance with the terms hereof.
4. The Customer confirms and reiterates that the sale of the Property is subject to the terms of the Sale Undertaking.
5. The Customer agrees that (without limiting the applicability of any other provisions of the Lease Agreement or any of the other Finance Documents) the provisions of clauses 1.2, 7.3, 8 to 11 (inclusive) and 13 to 15 (inclusive) in the Lease Agreement shall apply (mutatis mutandis) to this Exercise Notice as if the same were herein set out in full this Exercise Notice save for references to "this Agreement" or "Finance Documents" therein shall be deemed to refer to this Exercise Notice.

Yours faithfully,

By authorised signatory

SAMPLE

Appendix 2 to the Sale Agreement (if applicable)

Sale Agreement

This Agreement is made on this _____ day of _____ by and between:

Standard Chartered Bank, a bank duly established, licensed and existing under the laws of England, acting through its branch in the UAE and having its registered office at P.O. Box 999, Dubai, United Arab Emirates (the "Bank"); and

_____ national of _____ P.O. Box _____, UAE (the Customer).

Introduction

1. The Bank has certain rights, title and interest in the Property.
2. The Bank wishes to sell and the Customer wishes to purchase such right, title and interest that the Bank has in the Property on the terms set out in this Agreement.

Therefore, it is hereby agreed as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1. Unless the context otherwise requires or unless otherwise defined in this Agreement, words and expressions defined in the Lease Agreement shall have the same meanings when used in this Agreement.
- 1.2. In this Agreement:
 - "Lease" means the lease contract entered into between the Parties dated _____ in relation to the Property.
 - "Party" means the Bank or the Customer and Parties means both of them.
 - "Purchase Date" means the date of this Agreement.
 - "Purchase Price" means AED _____ (UAE Dirhams _____ only).

2. SALE AND TRANSFER

- 2.1. Subject to the Customer paying the Purchase Price to the Bank on the Purchase Date as described in Clause 3, the Bank sells all of its right, title and interest in and to the Property and the Customer purchases all of the Bank's right, title and interest in and to the Property (and possession of the same):
 - (a) free and clear of any Security Interests and third party rights (to the extent created or knowingly permitted by the Bank) but otherwise on an 'as is, where is' basis;
 - (b) without any condition, warranty or representation express or implied whether arising by law or otherwise as to the description, suitability, quality, fitness for any purpose, value, state, condition, appearance, safety, durability, design or operation of the Property or any part thereof. If any condition, warranty or representation is implied by law, it shall be excluded to the full extent permitted by law.
- 2.2. The Bank's right, title and interest to the Property, together with its associated rights and obligations, shall pass to the Customer on the Purchase Date.
- 2.3. To the extent that the Bank has any right, title or interest in any contractual or statutory warranties relating to the design or construction of the Property, any building contract guarantees, insurances / takaful and building contract warranties and indemnities, the Bank shall use its best endeavours to assign (as far as legally or practically possible) such right, title or interest to the Customer (at the cost of the Customer) as soon as possible from the date of such payment.

3. PURCHASE PRICE

- 3.1. On the Purchase Date, the Customer shall pay the Purchase Price to the Bank, in freely and immediately available funds.
- 3.2. Unless expressly notified otherwise by the Bank in writing the Customer shall pay the Purchase Price to the Bank by making the funds available in its bank account described in the Offer Letter.

SAMPLE

4. INCORPORATED PROVISIONS

The provisions of clauses 1.2, 7.3, 8 to 11 (inclusive) and 13 to 14 (inclusive) in the Lease Agreement shall apply (mutatis mutandis) to this Agreement as if the same were set out in full herein save for references to “this Agreement” or “Finance Documents” therein shall be deemed to refer to this Agreement.

5. GOVERNING LAW AND JURISDICTION

- 5.1. This Agreement shall be governed and construed in accordance with the laws of the Emirate in which the Property is located and the applicable Federal Law of the UAE.
- 5.2. The Parties irrevocably submit to the jurisdiction of the Courts of the Emirate where the Property is situated. Submission to such jurisdiction shall not limit the right of the Bank to initiate proceedings against the Customer in any other court with jurisdiction over the Customer or its assets or revenue.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Signed by the parties or their duly authorised representatives

Bank

Signed by
duly authorised for and on behalf of
Standard Chartered Bank

Customer

SAMPLE

PURCHASE UNDERTAKING

Dated: Same as the Offer Letter

To: STANDARD CHARTERED BANK a bank duly established, licensed and existing under the laws of England, acting through its branch in the UAE and having its registered office at P.O. Box 999, Dubai, United Arab Emirates (the "Bank").

From: Customer: As per the name and address provided in the Offer Letter

Dear Sirs,

Purchase Undertaking

We refer to the lease agreement entered into by the Bank and the Customer as on the date of the Offer Letter, (the "Lease Agreement"), whereby the Bank agreed to lease to the Customer the Property (as defined therein) on the terms and conditions therein set out.

1. This Purchase Undertaking is issued pursuant to the Lease Agreement.
2. Terms defined in the Lease Agreement shall have the same meanings when used herein and, in addition, in this Purchase Undertaking:

"Termination Sum" means the aggregate of the following:

- (a) Outstanding Fixed Rental;
- (b) accrued and unpaid Variable Rental and Supplemental Rental;
- (c) Early settlement profit calculated in accordance with the Offer Letter by the Bank and notified to the Customer;
- (d) any amounts paid or due to be paid by the Bank under the Service Agency Agreement or in relation to insurance / takaful or property or ownership taxes in the final Rental Period (and which are not included in (b) above); and
- (e) an amount equal to all other moneys due and payable by the Customer under the Finance Documents, and in no event shall be less than AED 100.

"Termination Payment Date" means the date specified in the Exercise Notice to be the date on which the Termination Sum shall become payable.

"Exercise Notice" means a notice from the Bank in the form attached as Appendix 1.

3. Following the occurrence of an Event of Default, the Bank shall have the right (but not the obligation) to issue an Exercise Notice to the Customer specifying the Termination Sum and the Termination Payment Date.
4. On receipt of the Exercise Notice, the Customer agrees to purchase the Property by paying to the Bank the Termination Sum in full on the Termination Payment Date and that upon payment of the Termination Sum, title to the Property the Bank then holds (subject to the official registration process) shall vest in the Customer forthwith.
5. The Customer shall be liable to pay all taxes, governmental and other fees related to the transfer title of the Property in the event that a sale is effected pursuant to this Purchase Undertaking.
6. Any sale under this Purchase Undertaking shall be on an "as is, where is" basis, subject to any security interest subsisting over the Property at such time and exclusive of any warranties (whether express or implied) of any kind by the Bank but free from any encumbrances placed on the Property by the Bank. The Bank and the Customer shall enter into and execute the sale agreement (attached as Appendix 2) to record and effect the sale.

7. The provisions of clauses 1.2, 7.3, 8 to 11 (inclusive) and 13 to 15 (inclusive) of the Lease Agreement shall be incorporated into and apply (mutatis mutandis) to this Purchase Undertaking as if the same were set out in full in this Purchase Undertaking save for references to “this Agreement” or “Finance Documents” therein shall be deemed to refer to this Purchase Undertaking.

Yours faithfully,

By Customer
Customer details provided in the Offer Letter

We acknowledge receipt of the above Purchase Undertaking and confirm our acceptance of its terms and conditions.

By authorised signatory
Standard Chartered Bank

Appendix 1 to the Purchase Undertaking (if applicable)

Agreed Form of Exercise Notice

Date:

To: The Customer

From: Standard Chartered Bank

Dear Sirs,

Exercise Notice

We refer to the Purchase Undertaking dated [insert] and issued by the Bank and confirm the following:

Termination Sum: _____

Termination Payment Date: _____

1. Terms defined in the Purchase Undertaking have the same meanings when used herein.
2. The Bank hereby gives the Customer notice that an event or circumstance has occurred under paragraph 3 of the Purchase Undertaking and the Bank hereby requires the Customer to purchase the Property pursuant to the provisions of the Purchase Undertaking.
3. By issuing this Exercise Notice, the Bank draws the Customer's attention to the consequences of the Bank exercising its rights as set out in the Purchase Undertaking.
4. The Bank agrees that by delivery of this Purchase Notice its title to the Property shall, upon payment by the Customer of the Termination Sum in full, vest in the Customer or any party nominated by the Customer, on the Termination Payment Date, and that the Bank shall use its best endeavors to assign any rights, title and interest of the Bank in any subsisting building contract guarantees, insurances / takaful and building contract warranties and indemnities to the Customer as soon as possible from the date of such payment.

Yours faithfully,

By authorised signatory
Standard Chartered Bank

SAMPLE

Appendix 2 to the Purchase Undertaking (if applicable)

Sale Agreement

This Agreement is made on this _____ day of _____ by and between:

Standard Chartered Bank, a bank duly established, licensed and existing under the laws of England, acting through its branch in the UAE and having its registered office at P.O. Box 999, Dubai, United Arab Emirates (the "Bank"); and

_____ national of _____ P.O. Box _____, UAE (the Customer).

Introduction

1. The Bank has certain rights, title and interest in the Property.
2. The Bank wishes to sell and the Customer wishes to purchase such right, title and interest that the Bank has in the Property on the terms set out in this Agreement.

Therefore, it is hereby agreed as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1. Unless the context otherwise requires or unless otherwise defined in this Agreement, words and expressions defined in the Lease Agreement shall have the same meanings when used in this Agreement.
- 1.2. In this Agreement:
 - "Lease" means the lease contract entered into between the Parties dated _____ in relation to the Property.
 - "Party" means the Bank or the Customer and Parties means both of them.
 - "Purchase Date" means the date of this Agreement.
 - "Purchase Price" means AED _____ (UAE Dirhams _____ only).

2. SALE AND TRANSFER

- 2.1. Subject to the Customer paying the Purchase Price to the Bank on the Purchase Date as described in Clause 3, the Bank sells all of its right, title and interest in and to the Property and the Customer purchases all of the Bank's right, title and interest in and to the Property (and possession of the same):
 - (a) free and clear of any Security Interests and third party rights (to the extent created or knowingly permitted by the Bank) but otherwise on an 'as is, where is' basis;
 - (b) without any condition, warranty or representation express or implied whether arising by law or otherwise as to the description, suitability, quality, fitness for any purpose, value, state, condition, appearance, safety, durability, design or operation of the Property or any part thereof. If any condition, warranty or representation is implied by law, it shall be excluded to the full extent permitted by law.
- 2.2. The Bank's right, title and interest to the Property, together with its associated rights and obligations, shall pass to the Customer on the Purchase Date.
- 2.3. To the extent that the Bank has any right, title or interest in any contractual or statutory warranties relating to the design or construction of the Property, any building contract guarantees, insurances / takaful and building contract warranties and indemnities, the Bank shall use its best endeavours to assign (as far as legally or practically possible) such right, title or interest to the Customer (at the cost of the Customer) as soon as possible from the date of such payment.

3. PURCHASE PRICE

- 3.1. On the Purchase Date, the Customer shall pay the Purchase Price to the Bank, in freely and immediately available funds.
- 3.2. Unless expressly notified otherwise by the Bank in writing the Customer shall pay the Purchase Price to the Bank by making the funds available in its bank account described in the Offer Letter.

4. INCORPORATED PROVISIONS

The provisions of clauses 1.2, 8 to 11 (inclusive) and 13 to 14 (inclusive) in the Lease Agreement shall apply (mutatis mutandis) to this Agreement as if the same were set out in full herein save for references to “this Agreement” or “Finance Documents” therein shall be deemed to refer to this Agreement.

5. GOVERNING LAW AND JURISDICTION

- 5.1. This Agreement shall be governed and construed in accordance with the laws of the Emirate in which the Property is located and the applicable Federal Law of the UAE.
- 5.2. The Parties irrevocably submit to the jurisdiction of the Courts of the Emirate where the Property is situated. Submission to such jurisdiction shall not limit the right of the Bank to initiate proceedings against the Customer in any other court with jurisdiction over the Customer or its assets or revenue.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Signed by the parties or their duly authorised representatives

Bank

Signed by
duly authorised for and on behalf of
Standard Chartered Bank

Customer

SERVICE AGENCY AGREEMENT

THIS AGREEMENT is made as on the date of the Offer Letter.

BETWEEN:

- (1) STANDARD CHARTERED BANK a bank duly established, licensed and existing under the laws of England, acting through its branch in the UAE and having its registered office at P.O. Box 999, Dubai, United Arab Emirates (the "Bank"); and
- (2) Agent: As per the name and address provided in the Offer Letter as Customer

BACKGROUND:

By a lease agreement (the "Lease Agreement") between the Bank as lessor and the Agent as lessee dated as on the date of the Offer Letter, the Bank has agreed to lease the Property to the Agent upon the terms and conditions contained therein.

The Bank has agreed to appoint a service agent to maintain and repair, insure and pay the requisite taxes and perform all other services with regards to the Property on behalf of the Bank. The Bank wishes to appoint the Agent to fulfill these obligations in accordance with the terms and conditions set out in this Agreement.

IT IS AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1. Definitions

In this Agreement the following terms have the following meanings:

"Event of Default" means (i) an event of default as defined in the Lease Agreement, and/or (ii) any default under this Agreement.

"Insurance Policies" means, such insurance / takaful policies in respect of the Property maintained by the Agent (if required by the Bank) with such insurers as may be acceptable to the Bank.

"Rental Payment" has the meaning given to that term in the Lease Agreement.

"Services" means the services with respect to the Major Maintenance, Insurance Policies (where applicable), and repair of the Property to be undertaken by the Agent pursuant to the terms and conditions of this Agreement.

"Service Amount" means, where applicable, the actual expenses incurred by the Agent in the course of providing the Services and communicated to the Bank substantially in the form of Schedule 1.

"Service Payment Date" means each Rental Payment Date falling in a calendar month subsequent to the month in which invoices for the Service Amount are submitted pursuant to Clause 4.2.

"UAE" means the United Arab Emirates.

1.2. Interpretation

Unless the context otherwise requires or unless otherwise defined in this Agreement, words and expressions defined in the Lease Agreement shall have the same meaning when used in this Agreement.

2. APPOINTMENT AND FEE

2.1. Appointment

The Bank appoints the Agent as its service agent and the Agent agrees to act as service agent for the Bank to carry out the Services during the Lease Period.

2.2. Fee

In consideration for the Agent acting as service agent of the Bank, the Agent shall receive a fee in the amount of AED100 (the adequacy of which the Agent acknowledges).

3. AGENT'S OBLIGATIONS

3.1. Maintenance

The Agent undertakes with the Bank that, until the end of the Lease Period and for so long as any moneys are or may become payable to the Bank under the Finance Documents, it shall carry out all Major Maintenance and shall maintain the Property in accordance with the general standards expected from a prudent company carrying on a business similar to that of the Agent and in accordance with all applicable laws and regulations in order to safeguard and preserve the Property, including but not limited to the following:

- (a) conduct regular and proper inspections of the Property with a view to identifying items of Major Maintenance;
- (b) pay all repair and operation expenses arising in connection with such Major Maintenance including where applicable the cost of replacement of parts or otherwise;
- (c) ensure that all Major Maintenance activities are undertaken only by persons who are competent to maintain the same and that no person who is prohibited by law from so doing shall carry out work involving the management or operation of, or attendance in proximity to, the Property; and
- (d) ensure that accurate, complete and current records are kept of all Major Maintenance activities on the Property, and shall provide copies of those records to the Bank upon reasonable request.

3.2. Insurance/Takaful

- (a) During the Lease Period, if required or permitted by the Bank under the Offer Letter, the Agent shall maintain Insurance Policies for the Property against loss or damage for full replacement value or as otherwise deemed fit by the Bank or by law or custom. The Bank shall be the sole beneficiary of any such Insurance. Insurance Policies shall have to be acceptable to the Bank and be taken with an Islamic Takaful company approved by the Bank.
- (b) The Agent shall directly arrange for the Insurance Policies and pay the Insurance Policy premiums directly to the insurance company.
- (c) The Agent shall at all times refrain from acting in a manner that may invalidate, risk or increase the cost of such Insurance Policies.
- (d) The Agent shall notify the Bank within two (2) days of the occurrence of any event or accident that may lead to a claim under any such Insurance Policies, or which may affect the Bank's entitlement to compensation under such Insurance Policies.

3.3. Damage to Property

- (a) In the event of any damage to the Property, the Agent shall notify the Bank within two (2) days of the occurrence of such event. In the event that the Insurance Policies are maintained by the Agent, the Agent shall ensure that a claim in respect of that damage is made promptly in accordance with the terms of the relevant Insurance Policies, and that no settlement of any such claim shall be agreed by any person without the prior written consent of the Bank. The Agent irrevocably undertakes to procure that in the event any insurance / takaful proceeds in respect of a claim for damage is paid to the Agent by the insurer, the Agent will hold such proceeds as agent for the Bank. The Bank shall apply such proceeds from the Insurance Policies to the repair of the Property as it deems fit.
- (b) If the Agent maintains the Insurance Policies, the Agent shall indemnify the Bank to the fullest extent against any damage to the Property where such damage is not covered by the Insurance Policies, or for any other losses suffered by the Bank whether such losses are due to the Agent's failure to insure or renew the Insurance Policies over the Property, the Agent fails to fully, properly and sufficiently insure the Property, or the insurer refuses to pay the insurance / takaful amount due to any negligence or default on the Agent's part.

3.4. Owner's Association and Related Obligations

- (a) The Agent shall comply with the Rules (and for this purpose, the Bank authorises the Agent to attend Association meetings or similar meetings on the Bank's behalf), recognise and accept the Association powers thereto and pay any service charges, management fees or other charges as fixed by the Manager or otherwise in accordance with the Rules. All such amounts should be paid on or prior to the due date without any deduction, withholding or set-off. In complying with this Clause, the Agent may not, without the prior written consent of the Bank, bind or purport to bind the Bank to any financial or other obligations.
- (b) The Agent will make all related payments in this regard on behalf of the Bank as the owner of the Property and the Agent hereby irrevocably and unconditionally indemnifies the Bank from any losses, costs, expenses, liabilities, damages or penalties that may be imposed on the owners and/or occupiers of the Property from time to time due to the non or late payment by the Agent in this regard.

3.5. Taxes and Fees

- (a) The Agent shall pay all present and future charges, registration fees, duties and taxes attributable to the Property and similar charges throughout the duration of the Lease Period.
- (b) The Agent shall be entitled to be reimbursed by the Bank for property taxes (if any) or other taxes related primarily to the ownership of the Property (as opposed to the use thereof) paid by the Agent on behalf of the Bank.

4. EXPENSES

4.1. Bank's Obligation to Pay

Subject to Clauses 4.2 and 4.3, the Bank hereby agrees to pay, upon the Agent's claim, on each Service Payment Date, the Service Amount in arrears.

4.2. Invoices

- (a) The Agent shall evidence entitlement to receive the Service Amount by providing an invoice for the expenditures incurred by the Agent in performing its obligations under this Agreement. Any such invoices shall be submitted by the Agent at least seven (7) Business Days before the monthly due date.
- (b) Reimbursement shall be made to the Agent by the Bank if the Agent evidences its entitlement to such reimbursement by delivering to the Bank receipts, invoices or other valid evidence or payment as determined by the Bank no later than the Rental Period immediately prior to the Rental Period ending on Expiration.
- (c) If the Agent reasonably incurs any reimbursable amount after the Rental Period immediately prior to the Rental Period ending on Expiration but before Expiration, the Agent must claim such amount before Expiration, and if approved by the Bank, such amount shall be reimbursed.

4.3. Expense Set-Off

Notwithstanding any other provision in any Finance Document, in case the Agent has entered into the Lease Agreement with the Bank, the Bank shall be entitled to set off its obligation to pay the Service Amount against the relevant Rental Payment due from the Agent under the Lease Agreement.

5. TERMINATION

5.1. Termination of the Lease Agreement

This Agreement shall terminate upon Expiration.

5.2. Right of Termination following an Event of Default

The Bank may elect to terminate this Agreement any time after the occurrence of an Event of Default. Such election to terminate may be made by the Bank in its sole discretion.

6. INDEMNITY

6.1. General Indemnity and Expenses

The Agent hereby indemnifies the Bank against all liabilities, claims, demands, actions, proceedings, damages, losses, actual costs and expenses (excluding interest) (being "Losses") which are made, or brought against, or incurred by the Bank under or in connection with any Finance Document (including any losses which are made, or brought against, or incurred by the Bank as a result of a Total Loss of the Property), occurring as a consequence of, or attributable to, a breach by the Agent of any of its obligations under this Agreement including, but without limitation, any failure by the Agent to carry out any necessary maintenance and/or the Agent acting in a manner that may invalidate or increase the cost of, the Insurance Policies taken out by the Bank or where applicable, failure by the Agent to take out and maintain any Insurance Policies, in accordance with its obligations hereunder.

6.2. Indemnity Survives Termination

The provisions of this Clause 6 shall apply from the date of execution of this Agreement and shall survive the expiration or earlier termination hereof and all documents, agreements and contracts entered into or issued pursuant hereto or otherwise in relation to the Property.

6.3. Non-Performance

If the Agent fails to effect or perform any Services in accordance with this Agreement, the Bank shall be entitled (but shall not be bound) to effect or perform such Services and in such instance the Agent shall indemnify the Bank against all Losses which are made, or brought against, or incurred by the Bank as a result of the failure by the Agent to effect or perform any Services in accordance with this Agreement.

7. ASSIGNMENT AND TRANSFER

7.1. No Assignment or Transfer by Agent

The Agent shall not be entitled to assign or transfer any or all of its rights, benefits or obligations under this Agreement without the prior written consent of the Bank.

7.2. Assignment and Transfer by Bank

- (a) The Bank shall have the right at any time during the term of this Agreement to assign or otherwise transfer all or any part of its rights, benefits and obligations hereunder to any third party (the "Assignee").
- (b) The Assignee shall have the same rights against and obligations towards the Agent as if it had been a signatory party hereto.
- (c) The Agent undertakes to execute all such documents and agreements as may be required to enable the Bank to effect a transfer and/or assignment of any of its rights hereunder as contemplated under this Clause 7.

8. GENERAL

8.1. Amendments and Waivers

No amendment or waiver of any provision of this Agreement nor any waiver of any default under this Agreement shall be effective unless made in writing and signed and agreed by both the parties hereto.

8.2. Waiver

- (a) Failure or delay by the Bank in exercising any right, power or remedy hereunder or any consent given by the Bank shall not impair such right, power or remedy or operate as a waiver thereof, nor shall any single or partial exercise of any right, power or remedy preclude any further exercise thereof or the exercise of any other right, power or remedy.
- (b) The rights, powers and remedies provided for in this Agreement are cumulative and shall not exclude any other rights, powers and remedies provided by law.

8.3. Severability

If, at any time, any provision of this Agreement or the Finance Documents is or becomes illegal, invalid or unenforceable in any respect under any law of any jurisdiction, neither the legality, validity or enforceability of the remaining provisions nor the legality, validity or enforceability of such provision under the law of any jurisdiction will in any way be affected or impaired.

8.4. Disclosure of Information

The Bank may disclose to a potential Assignee or to any person who may otherwise enter into contractual relations with the Bank in relation to this Agreement, such information about the Agent and/or this Agreement as the Bank shall consider appropriate, provided that such potential Assignee or any other person entitled hereunder to such information about the Agent shall agree to maintain such information as confidential and not disclose such information to any third party.

8.5. Notices

All notices or other communications under or in connection with this Agreement shall be given in accordance with Clause 9 of the Lease Agreement.

8.6. Relationship with the other Finance Documents

Several provisions relating to the transactions contemplated by this Agreement are contained in other Finance Documents. The Agent and the Agent's respective successors in interest, assigns, heirs and estate agree to comply with and be bound by the provisions in any Finance Document referring to the Agent or the Agent's respective successors in interest, assigns, heirs and estate (in any capacity) whether or not the Agent or they are a party to that Finance Document (in that capacity).

8.7. Governing Law and Jurisdiction

- (a) This Agreement shall be governed by the laws applicable in the UAE as applied in the Emirate where the Property is situated and the applicable Federal Law of the UAE.
- (b) The parties irrevocably submit to the jurisdiction of the Courts of the Emirate where the Property is situated. Submission to such jurisdiction shall not limit the right of the Bank to initiate proceedings against the Agent in any other court with jurisdiction over the Agent or its assets or revenue.

8.8. Date of Effectiveness and Expiry

This Agreement shall be effective as of the Effective Date as defined and determined in accordance with the Lease Agreement and shall expire on Expiration.

IN WITNESS WHEREOF this Agreement was executed by the duly authorised representatives of the parties hereto on the day and year first written above.

The Bank

By authorised signatory
Standard Chartered Bank

The Agent
As per the details provided in the Offer Letter

Schedule 1 to the Service Agency Agreement (if applicable)

NOTICE OF SERVICE AMOUNT DUE

Date:

To: Standard Chartered Bank (the "Bank")

From: [Customer name, number]

Re: Service Amount due

Dear Sirs,

In accordance with the terms of the Service Agency Agreement in relation to the Lease Agreement dated _____ between myself and the Bank, please note the following Service Amount is due (as evidenced by the attached documentation):

Regards,

[Signature of the Customer]

ACKNOWLEDGEMENT OF SUPPLEMENTAL RENTAL DUE

Date:

I hereby acknowledge the following Supplemental Rental amount is due on the first Rental Payment Date following the date of this acknowledgement:

[insert Service Amount from above]

Regards,

[Signature of the Customer]

S
A
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P
L
E

ASSET PURCHASE AGREEMENT¹

Applicable Only Where Customer is the Seller

THIS AGREEMENT is made as on the date of the Offer Letter by and between:

- (1) Seller: As per the name and address provided in the Offer Letter as Customer; and
- (2) STANDARD CHARTERED BANK a bank duly established, licensed and existing under the laws of England, acting through its branch in the UAE and having its registered office at P.O. Box 999, Dubai, United Arab Emirates (the Purchaser).

Introduction

- (A) The Seller has certain rights, title and interest in the Property.
- (B) Pursuant to financing being offered by the Purchaser, the Seller wishes to sell and the Purchaser wishes to purchase such right, title and interest that the Seller has in the Property on the terms set out in this Agreement.

Now, therefore, it is hereby agreed as follows:

1. DEFINITIONS AND INTERPRETATION

- 1.1. In this Agreement:

“**Offer Letter**” means the offer letter by which financing is offered to the Seller by the Purchaser.

“**Party**” means the Seller or the Purchaser and Parties means both of them.

“**Property**” has the meaning set out in the Offer Letter.

“**Purchase Date**” means the date of this Agreement.

“**Purchase Price**” means the Ijarah Amount provided in the Offer Letter.

2. SALE AND TRANSFER

- 2.1. Subject to the Purchaser paying the Purchase Price to the Seller on the Purchase Date as described in Clause 3, the Seller sells all of its right, title and interest in and to the Property and the Purchaser purchases all of the Seller’s right, title and interest in and to the Property (and possession of the same):
 - (a) free and clear of any security interests and third-party rights (to the extent created or knowingly permitted by the Seller) but otherwise on an ‘as is, where is’ basis;
 - (b) without any condition, warranty or representation express or implied whether arising by law or otherwise as to the description, suitability, quality, fitness for any purpose, value, state, condition, appearance, safety, durability, design or operation of the Property or any part thereof. If any condition, warranty or representation is implied by law, it shall be excluded to the full extent permitted by law.
- 2.2. The Seller’s right, title and interest to the Property, together with its associated rights and obligations, shall pass to the Purchaser on the Purchase Date.
- 2.3. To the extent that the Seller has any right, title or interest in any contractual or statutory warranties relating to the design or construction of the Property, any building contract guarantees, insurances / takaful and building contract warranties and indemnities, such right, title or interest shall be assigned (as far as legally possible) to the Purchaser (at the cost of the Seller) within five (5) business days from the date of such payment.

3. PURCHASE PRICE

- 3.1. On the Purchase Date, the Purchaser shall pay the Purchase Price to the Seller, in freely and immediately available funds.
- 3.2. The Purchaser shall pay the Purchase Price to the Seller’s bank account described in the Offer Letter.

¹ Asset Purchase Agreement is executed prior to entering in to lease agreement.

4. GENERAL REPRESENTATIONS

The Seller represents and warrants that:

- (a) it has the right to sell and transfer its right, title and interest in the Property to the Purchaser on the terms set out in this Agreement;
- (b) there are no proceedings current or, to its knowledge, pending or threatened relating to the Property; and
- (c) it will, at the cost and expense of the Purchaser, execute and do (or procure to be executed and done by any other necessary party) all such deeds, documents, acts and things as the Purchaser or its assignee may from time to time require in order to vest the Seller's right, title and interest in and to the Property in the Purchaser including registering this Agreement at the relevant Land Department.

5. GOVERNING LAW AND JURISDICTION

- 5.1. This Agreement shall be governed and construed in accordance with the civil laws of the Emirate in which the Property is located and the applicable Federal Law of the UAE, and the Seller hereby irrevocably submits to the non-exclusive jurisdiction of the courts of such Emirate. Such submission shall not, however, prejudice the right of the Purchaser to bring proceedings against the Seller in any other jurisdiction.
- 5.2. The Seller irrevocably waives any objection which it might now or hereafter have to the courts referred to in this Clause being nominated as the forum to hear and determine any suit, action or proceeding and to settle any disputes which may arise out of or in connection with this Agreement.

This Agreement has been entered into on the date stated at the beginning of this Agreement.

Signed by the parties or their duly authorised representatives

Seller
On the date of the Offer Letter

Purchaser
On behalf of Standard Chartered Bank