

TERMS AND CONDITIONS OF HOME LOAN

1. **Restriction on Sale, Lease, and Mortgage.** The Mortgagor shall not sell, dispose, transfer, lease out, encumber or further mortgage the Mortgaged Property without the prior written consent of the Bank/Financial Institution.

2. **Events of Default.** The Bank/Financial Institution shall have the right, at its option, to declare the Loan and Secured Obligations immediately due and demandable, accelerate the maturity thereof and to foreclose the mortgage constituted herein judicially or extra-judicially in accordance with Act No. 3135, as amended, or such other applicable laws, in any of the following events of default and the Mortgagor herein grants the Bank/Financial Institution a special power to sell the Mortgaged Property in accordance with Act No. 3135, as amended, or such other applicable laws:

a) **Payment Default.** Borrower fails to pay any installment, amortization or sum due on the Loan or advances made by the Bank/Financial Institution under this Agreement;

b) **Cross Default.** Borrower defaults or fails to pay the Secured Obligations or any loan or credit accommodation with the Bank/Financial Institution's subsidiaries or affiliates or any third party or creditor, whether as borrower, surety or guarantor;

c) **General Default.** Borrower or Mortgagor violates or fails to perform any of the terms and conditions of this Agreement, the Supplemental Terms and Conditions or any other loan or credit document covering the Secured Obligations;

d) **Representations/ Warranties.** Borrower or Mortgagor provides information, or makes any representation or warranty in this Agreement, the loan application, or any credit or loan documents that are incorrect or untrue in any material respect;

e) **Impairment.** The mortgage constituted herein is not promptly registered in the appropriate Registry of Deeds for causes not attributable to the Bank/Financial Institution or the lien in favor of the Bank/Financial Institution shall become ineffective, impaired, depreciate in value, cease to be first ranking and preferred, is disaffirmed by the Borrower or Mortgagor, is nullified or cease to be effective;

f) **Death or Incapacity.** Borrower or Mortgagor dies or becomes incapacitated or insolvent or a guardian/administrator is appointed over his person or properties;

g) **Loss of License, Authorization or Registration.** Borrower or Mortgagor is dissolved or its corporate registration or business license with the Securities and Exchange Commission or relevant government agency is cancelled or revoked;

h) **Bankruptcy.** If a juridical entity, the Borrower or Mortgagor becomes insolvent, bankrupt or unable to pay its debts, or applies for suspension of payments or corporate rehabilitation or, whether a natural or juridical person, is unable to pay its debts as they mature, or take advantage of insolvency, bankruptcy, or applicable laws for the relief of debtors;

i) **Involuntary Proceedings.** Borrower or Mortgagor shall be subject to or is respondent to any proceeding for insolvency, bankruptcy, guardianship, receivership, suspension of payments, corporate rehabilitation, or any similar process;

j) **Material Adverse Change.** Borrower or Mortgagor becomes subject to any material adverse change in his / its condition or circumstances, including a finding of probable cause against the Borrower or Mortgagor or against any member of its Board of Directors/partners/trustees/stockholders or officers [if the Borrower or Mortgagor is a juridical entity] for offenses involving moral turpitude, or an order is issued by any competent government authority or court freezing, preserving or forfeiting the accounts, money, or property of the Borrower or Mortgagor, which in the opinion of the Bank/Financial Institution may impair the ability or willingness of the Borrower or Mortgagor to perform or pay for his / its obligations under this Agreement or such other credit agreements.

3. Additional Consequence of Default. The Borrower agrees that the Bank/Financial Institution may, without need of prior notice to the Borrower, set off, debit or cause the debiting of any and all of the Borrower's accounts or credits held by the Bank/Financial Institution, its parent corporation or any of its subsidiaries or affiliates and apply the same in payment of the Loan and Secured Obligations. The Bank/Financial Institution may likewise hold any personal property, securities, monies, or funds, except property in safe deposit boxes, belonging to the Borrower in the possession of the Bank/Financial Institution, its parent corporation, subsidiaries and affiliates and sell said property or securities in a public or private sale, without need of prior notice to the Borrower. The proceeds thereof may be applied in partial payment of the Loan and Secured Obligations without prejudice to the foreclosure of the mortgage constituted herein. For this purpose, the Borrower hereby irrevocably appoints the Bank/Financial Institution as its Attorney-in-Fact with full power of substitution, to negotiate for and sell said property or securities. The Bank/Financial Institution shall notify the Borrower in writing at his last given address about the set-off or debit conducted.

4. Extensions/Renewals of the Note. No extension or renewal of this Note shall be valid and binding unless approved in writing by the authorized officer/s of the Bank and as agreed to by the undersigned Borrower/Mortgagor in accordance with the policies of the Bank. Should this Note be signed by more than one Borrower/Mortgagor, the Borrower/Mortgagor or any one of the co-maker/s may, with the consent of the holder thereof, renew or extend the original or subsequent maturity date/s hereof for a portion or for the whole amount of the principal without notice to the other/s, and in such case, the liability of the other co-maker/s to the Bank shall remain joint and several.

Upon such extension, renewal, rescheduling, or restructuring, the Borrower/s agree to pay the applicable processing fees, additional interest, surcharges, taxes, and other costs and expenses in accordance with the Bank's prevailing policies and the Disclosure Statement issued for such purpose.

5. Documentary Stamp Taxes and Expenses. The Borrower/Mortgagor shall be liable for and bear the cost of documentary stamp tax and such other taxes and expenses related to the execution and registration of this Agreement.

6. Interest Rate Adjustment. It is agreed that the interest on the Loan shall be subject to upward or downward adjustment if there be any extraordinary circumstance/event, or any law, circular, rule or regulation is issued or promulgated and which has the effect of increasing or decreasing the Bank/Financial Institution's cost of funds or intermediation cost, including reserve requirements, taxes, salaries or wages. Such adjustment in interest rate shall be effective upon a 30-day written notice to the Borrower/Mortgagor and each advice shall form part of the Loan by reference. Should the Borrower disagree with the adjusted rate, he/she may prepay the loan without penalty.

7. Payments.

a) Without Counterclaim. All payments due to the Bank/Financial Institution under this Agreement, whether for principal, interest, penalty, charges, fee or otherwise shall be made without deduction, set-off or counterclaim.

b) Prepayment. Should the Borrower or the Mortgagor disagree with the interest rate provided on Interest Fixing Date or any interest rate adjustment as provided above, the Borrower or Mortgagor may prepay the Loan in full subject to the following conditions: a) The Borrower/Mortgagor shall give at least thirty (30) days irrevocable prior written notice of the amount and date of prepayment; b) For Loans with multiple interest payment dates, each prepayment shall be made on an interest payment due date; and c) Any prepayment shall be subject to payment of applicable service fee set out in the Disclosure Statement.

c) Application of Payments. Payments shall be applied in the following order of priority: a) advances made by the Bank/Financial Institution; b) penalty for late payment; c) service and other fees; d) interest; and e) principal amount of the Loan.

d) Credit Life Insurance. The Borrower shall secure and maintain, until the full payment of the Loan, acceptable credit life insurance and endorse the same in favor of the Bank/Financial Institution. The Borrower shall submit proof of premium payments and renewal thereof no later than ten (10) days before the due date. Should there be any credit life insurance policy that was not endorsed to the Bank/Financial Institution, the Borrower agrees and hereby appoints the Bank/Financial Institution as

his/its Attorney-in-Fact with full authority to collect any indemnity or claim due thereon in case of death of the insured and apply such proceeds thereof in full or partial payment of the Loan.

8. The Mortgaged Property.

a) Good Condition, Repairs, and Works. The Borrower and Mortgagor shall maintain the Mortgaged Property in good condition, undertake and bear the cost of all necessary works and repairs thereon to keep it in perfect state of safety, maintenance, and sanitation. Should the Borrower or Mortgagor fail to do so, the Bank/Financial Institution may, at its option, undertake such works and repairs, advance the cost thereof.

b) Fire and Other Insurance. The Borrower and Mortgagor shall also secure and maintain, until the full payment of the Loan, acceptable insurance against risks of fire, flood and earthquake in the amount of the Loan or in the sum not less than the appraised value of the improvements. The insurance policy on the Mortgaged Property shall be endorsed to and delivered with the Bank/Financial Institution as beneficiary. The Borrower and the Mortgagor shall also submit proof of payment of premiums and renewal of said policy no later than ten (10) days before the due date. For construction loans the Mortgagor shall also secure acceptable constructor's all risk insurance policy with the Bank/Financial Institution as beneficiary. Should there be any insurance policy that was not endorsed to the Bank/Financial Institution, the Borrower and Mortgagor agree and hereby appoint the Bank/Financial Institution as his/its Attorney-in-Fact with full authority to collect any indemnity or claim due thereon in case of loss of the Mortgaged Property and apply such proceeds thereof in full or partial payment of the Loan.

c) Realty Taxes, Dues and Assessments. The Mortgagor shall pay all the realty taxes, government charges and association dues and such other assessments or charges due on the Mortgaged Property not later than ten (10) days before the due date and deliver official receipts and proof of payment to the Bank/Financial Institution within the same period.

d) Family Home. The Borrower and The Mortgagor represents and warrants that [i]the Mortgaged Property is not a family home as defined by law; and [ii] if it is a family home, he/it has submitted to the Bank/Financial Institution the requisite notarized affidavit of consent of all beneficiaries of legal age to mortgage the family home, if any.

e) Collateral Deterioration / Expropriation. In case the Mortgaged Property should diminish in value, be destroyed, or deteriorate by a considerable amount for any cause including force majeure, or be the subject of expropriation proceedings in whole or in part, the Bank/Financial Institution shall have the option to demand that the Borrower/ Mortgagor immediately pay the Loan in full or to provide additional collateral or security acceptable to the Bank/Financial Institution.

f) Required Collateral Value. The fair market value of the Mortgaged Property, as assessed by the Bank/Financial Institution shall, at all times, be greater than or equal to the Required Collateral Value, which shall be an amount equal to the sum of the aggregate outstanding Loan and Secured Obligations or _____ percent (%) of the appraised value. Otherwise, the Bank/Financial Institution may require additional properties of sufficient quantity and quality from the Borrower/Mortgagor with the aggregate fair market value at least equal to the Required Collateral Value.

g) Subsequent Liens on Mortgaged Property. The Borrower and Mortgagor shall immediately notify the Bank/Financial Institution of any lien, levy on attachment or execution, claim or demand upon the Mortgaged Property and shall immediately secure the release and discharge of such lien, levy on attachment or execution or claim.

h) Power of Attorney. In case of an event of default, the Bank/Financial Institution is likewise appointed by the Borrower and Mortgagor as Attorney-in-Fact, with full power of substitution and expressly authorized: [i] to take actual possession of the Mortgaged Property without need of court order in case of loss or damage to the Mortgaged Property; [ii] to sell and dispose of the Mortgaged Property and in connection therewith execute and deliver the necessary deed of conveyance in order to vest full and absolute title to the purchaser thereof; [iii] to sell and dispose of the Mortgaged Property under Act 3135 as amended; [iv] to collect all rent due on the Mortgaged Property and apply such rent to the payment of the Loan and the Secured Obligations; and [v] to perform such other acts

of administration and management of the Mortgaged Property. The authorities herein granted are coupled with interest and are irrevocable.

9. Advances by Mortgagee. The Mortgagee may, at its discretion, advance the payment of insurance premiums as well as real estate taxes, association dues, assessments, fees, charges and cost of repair on the Mortgaged Property in the event that the Borrower or Mortgagor fails to pay the same when due or undertake necessary repairs and submit proof of renewal of the insurance or completion of necessary repairs. Any amount advance by the Bank/Financial Institution, including premiums on the credit life or fire, flood and earthquake insurance policies, taxes, dues, assessments, fees, charges and cost of repair works on the Mortgaged Property may, at the option of the Bank/Financial Institution, be debited from the Borrower's accounts with the Bank/Financial Institution, demanded immediately or added to and become part of the Loan and bear the same interest rate.

10. Authority of Co-Borrowers and Co-Mortgagors. When there are more than one Borrower or Mortgagor, each one irrevocably authorizes the other Borrowers/Mortgagors to a) sign and execute the documents and amendments; b) receive and acknowledge receipt of documents concerning the Loan and this Agreement; and c) acknowledge the acts of such Borrower or Mortgagor as binding on him / it. Upon full settlement of the Loan and the Secured Obligations, the Bank/Financial Institution is hereby authorized to deliver original certificate of title and collateral release documents to any one of the Mortgagors and such delivery is hereby authorized, confirmed and ratified.

11. Correspondence. All correspondence and written notices shall be sent to the given address of the Borrower or Mortgagor. The failure to receive such correspondence or if the address given is fictitious or cannot be located, shall not excuse or relieve the Borrower and the Mortgagor from the effects of such notice.

12. Attorney's Fees and Costs of Enforcement. In case the Bank/Financial Institution should engage the services of counsel to enforce its rights under this Agreement, The Borrower/Mortgagor shall pay an amount equal to ten (10) percent of the outstanding Loan and Secured Obligations which in no case shall be lower than PHP50,000.00. The Borrower/Mortgagor shall likewise be liable for and bear the costs of legal fees and expenses and expenses entailed in the foreclosure, collection and/or enforcement of this Agreement.

13. Application of Proceeds of Foreclosure Sale. The proceeds of the sale of Mortgaged Property shall be applied in the following order of priority to: a) the expenses, advances, legal fees and costs of the foreclosure sale; b) penalty charges; c) interest due; d) Loan; e) other Secured Obligations.

14. Waiver of Confidentiality. The Borrower and Mortgagor hereby waives his/ its rights under applicable laws on bank secrecy and information security existing or may hereafter be enacted, such as R.A. No. 1405 (The Law on Secrecy of Bank Deposits), R.A. No. 6426 (Foreign Currency Deposit Act), R.A. No. 8791 (The General Banking Law), R.A. No. 10173 (Data Privacy Act of 2012), and authorizes the Bank/Financial Institution: (a) pursuant to BSP Circular No. 472 Series of 2005 as implemented by BIR Revenue Regulation RR-4 2005, to verify with the Bureau of Internal Revenue (BIR) (or such other taxing authority that may substitute it) in order to establish authenticity of the annual income tax returns and accompanying financial statements and documents or information submitted by the Borrower / Mortgagor, (b) to inquire into any of the deposit accounts or properties maintained by the Borrower or Mortgagor with the Bank/Financial Institution, its parent, subsidiaries or affiliates for the purpose of implementing the Automatic Debit Authorization or the set-off provisions, and (c) obtain from or disclose to its parent, subsidiaries, affiliates, or credit bureau any information regarding the Borrower or the Mortgagor, the Loan, this Agreement, or any Secured Obligations, as the Bank/Financial Institution may deem necessary to exercise its rights under this Agreement or as may be allowed or required by applicable laws, rules and regulations. The Borrower / Mortgagor also hereby authorizes the Bank/Financial Institution to request information on the status of any court case to which it / he is a party. Pursuant to R.A. No. 9510 (Credit Information System Act), the Borrower/Mortgagor finally authorizes the submission of basic credit data in connection with any credit availment from the Bank/Financial Institution to the Credit Information Corporation (or its successor entity) and authorize the latter to provide the same information to the BSP.

The Borrower/Mortgagor/Grantor acknowledges that the Bank is a 'Personal Information Controller' under the Data Privacy Act of 2012. The Borrower hereby grants informed consent for the Bank to collect, process, and store personal and sensitive personal information for the purposes of loan administration, credit scoring, and compliance with R.A. No. 9160 or the Anti-Money Laundering Act (AMLA). Furthermore, the Bank is authorized to disclose such information to third-party service providers under outsourcing

agreements, provided such providers maintain equivalent security measures as required by the National Privacy Commission (NPC) and Section 112 of the Manual Regulations for Banks (MORB).

15. Misrepresentation or False Information. Any material misrepresentation, falsity or omission on the part of the Borrower or the Mortgagor shall be construed as an act to defraud the Bank/Financial Institution and may be a ground for the denial of any loan application, refusal to release loan proceeds or, if granted, entitle the Bank/Financial Institution to terminate and declare the Loan and the Secured Obligations immediately due and payable without prejudice to such civil and/or criminal liability that the Bank/Financial Institution may pursue against the Borrower and/or the Mortgagor.

16. Solidarity. If the term "Borrower" or "Mortgagor" herein refers to two or more persons, the obligation of the Borrower and/or the Mortgagor stipulated in this Agreement shall be deemed to be joint and several.

17. Assignment. The Bank/Financial Institution shall have the right to assign or transfer its rights and obligations under this Agreement. It reserves the right and is authorized to sell, cede, transfer, securitize, sub-participate, assign to or subrogate in favor of any person or entity its rights and interests in and to this Agreement, the Loan and Secured Obligations. The Borrower and Mortgagor herein gives their consent to such assignment, transfer or subrogation.

18. Further Acts and Assurances. The Borrower and the Mortgagor shall promptly and duly execute and/or deliver to the Bank/Financial Institution such other documents and do all further acts and things as may be necessary or required by the Bank/Financial Institution to give full force and effect to this Agreement. Such document/agreement executed by the Borrower or Mortgagor shall form part of this Agreement as an integral part hereof.

19. Venue. Any legal action arising under or by virtue of this Agreement, other than foreclosure which shall be filed in the proper courts where the property is located, shall be instituted exclusively in the proper court of the place where this Agreement is executed.

20. Separability. In case any provision of this Agreement shall be declared invalid, illegal or unenforceable in any respect, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired.

21. Integral Document. The Borrower/ Mortgagor acknowledges and agrees that these terms and conditions and the Uniform Loan and Mortgage Agreement shall be read and construed together and shall constitute one integral document.