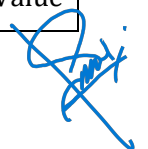


TERM SHEET

DEVELOPMENT & OPERATION OF WAREHOUSES IN HULHUMALE'

1.	Parties to the Agreement	Housing Development Corporation Ltd HDC Building Hulhumalé (Hereinafter referred to as "Lessor", which expression shall include its successors-in-title, liquidators, administrators and lawful assignees where the context so requires or admits). [Address of the successful Proponent] (Hereinafter referred to as "Lessee/ developer", which expression shall include its successors-in-title, liquidators, administrators and lawful assignees where the context so requires or admits)
2.	Objective	2.1. Development and operation of 'Warehouses in Hulhumale' as per the agreement terms set forth by HDC.
3.	Land Plot	3.1. Plot Sizes: Approximately 2,100 sqft (Annex. Land Details). 3.2. No of Plots: 6
4.	Land Usage	4.1. The land plot should be used to develop and operate a warehouse. 4.2. Any development on the land should be in compliance with the published Hulhamalé industrial planning and development guideline.
5.	Performance Guarantee	5.1. Submission of Performance Guarantee amounting to 5% of Estimated Project Value



		<p>within 30 (thirty) calendar days from the receipt of conditional award letter subject to:</p> <ul style="list-style-type: none"> ▪ Local Parties: Minimum of MVR 500,000 maximum of MVR 5,000,000 ▪ International Parties: Minimum USD 100,000 maximum USD1,000,000. <p>5.2. Performance Guarantee should be valid throughout the Development Period plus 03 (three) additional Calendar Months from Completion of Development period.</p> <p>5.3. The Lessor has the right to claim the Performance Guarantee in case of agreement termination.</p>
6.	Commitment Fee	6.1. Commitment fee must be paid in compliance with the framework agreement.
7.	Lease Deposit	<p>7.1. Lease Deposit shall be paid regardless of the type of business model agreed upon.</p> <p>7.2. Under Lease Model, the lease deposit amount shall be the total of first 03 (three) months' monthly lease.</p> <p>7.3. Under business models other than the Lease Model, the lease deposit amount shall be calculated using the following formula: LD: 15*3*A</p> <ul style="list-style-type: none"> ▪ LD: Lease Deposit Amount ▪ A: Plot Area <p>7.4. This amount shall be paid within 7 (seven) working days of detailed drawing approval and prior to land handover.</p> <p>7.5. The Lessor will keep the lease deposit throughout the agreement period.</p>

		<p>7.6. Lease Deposit will be paid back within 01 (one) Month upon expiration of the agreement after adjusting for any unpaid lease, penalty or expenses that Lessor may incur linked to the agreement and the land, such as but not limited to unpaid utility bills, etc.</p> <p>7.7. If the Agreement is terminated by the Lessee before the expiration of the agreement term without the notice period specified under clause 19.3, the Lessor has the right to take the lease deposit amount in full.</p>
8.	Preferred Business Models	<p>8.1. HDC's preferred business models for this project are:</p> <ul style="list-style-type: none"> ▪ <u>Lease Model</u>: developer is required to pay a monthly lease to HDC. ▪ <u>DBOT Model</u>: developer is required to handover equivalent space to HDC as stated in the contract terms.
9.	DBOT Model Terms	<p>9.1. The Lessee shall Design, Build, Operate and Transfer to HDC, where Lessee will be given 25 years lease hold right of the land in return for the following;</p> <ul style="list-style-type: none"> ▪ Lessee has to secure the full financing for the project ▪ For the initial 20 years, Lessee has to provide HDC with a leasable area greater than 25%. ▪ From 20th year onwards Lessee shall provide HDC with a leasable area of 50%.

		<p>9.2. After the 25th year, Lessee and HDC shall agree to a new lease and agreement terms if HDC is willing to lease.</p> <p>9.3. If the Lessee wishes to extend the lease period, Lessee should notify its intention to HDC before 6 months of the expiration of the current agreement. The new terms shall be agreed by Lessee and HDC 3 months before the expiration of the current agreement.</p>
<p>10.</p>	<p>Lease Model Terms</p>	<p>10.1. The Lease term is 25 (twenty five) years from the date of signing of the agreement.</p> <p>10.2. The Lease Rate will be revised every five years based on the Market Inflation Rate based on the formula: $NR=P(1+i+5\%)$ <ul style="list-style-type: none"> ▪ NR: is the Rate for the next 5 years ▪ P: is the Rate for the preceding 5 years ▪ i: is the Cumulative Inflation of the preceding 5 years for the real estate inflation of Greater Male Region published by Maldives Monetary Authority or Any Government Relevant Body. </p> <p>10.3. The Lease Effective Date shall be the Date of the land handover.</p> <p>10.4. The development land/site will be handed over to the Lessee within 7 (seven) working days of detailed drawing approval and upon settlement of the lease deposit.</p>

11.	Grace Period	<p>11.1. The Lessee will be given a maximum of 18 (eighteen) months lease free period as an incentive from the date of land handover.</p> <p>11.2. The Grace period will not be automatically extended with any extension the Lessor may grant to the Lessee for the construction period.</p>
12.	Mortgage Rights	<p>12.1. Mortgage rights of the land can be given to the Lessee as per HDC's Mortgage Policy.</p>
13.	Land Handover	<p>13.1. The development land/site will be handed over to the Lessee within 7 (seven) working days of detailed drawing approval and upon settlement of the lease deposit.</p> <p>13.2. The land will be handed over as it is, however the Lessor should ensure that the land is free from any legal encumbrances.</p>
14.	Concept Drawings	<p>14.1. The Concept Drawings must be submitted in compliance with the framework agreement.</p>
15.	Detailed Drawings	<p>15.1. Detailed drawings must be submitted within 60 (sixty) calendar days of agreement signing.</p> <p>15.2. The Lessor must review and provide if any comments within 14 (fourteen) calendar days of submission of the detailed drawings by the Lessee.</p> <p>15.3. The Lessee must submit revised drawings, after adjusting for any and all comments made by the Lessor, within 14 (fourteen) calendar days or receipt of Lessor's comments.</p> <p>15.4. The Lessor must inform in writing to the Lessee of the approval or rejection of the revised detailed drawings submitted.</p>

		15.5. Failure to submit or get approval for detailed drawings will be considered as a breach of the agreement.
16.	Construction and Development Period	16.1. The Lessee shall complete the construction and development within a maximum period of 18 (eighteen) calendar months from the land handover date.
17.	Operation & Management	<p>17.1. The Lessee must ensure the start of operation and service provision no later than 01 (one) month from the completion of the development.</p> <p>17.2. The Lessee must ensure continued operation and provision of service to throughout the agreement period.</p> <p>17.3. Failure to provide a continuous / regular service by the Lessee will be considered as a breach of contract.</p> <p>17.4. The Lessee must ensure that the Land/Property is maintained up to safety standards specified by the relevant authorities such as, but not limited to, MNDF fire and safety standards.</p> <p>17.5. The Lessee must ensure the security of the land/property at all times.</p> <p>17.6. The Lessee must ensure property maintenance of the land/property throughout the agreement duration.</p> <p>17.7. The Lessee must ensure that the property is insured throughout the agreement period. Such an insurance should at least cover the losses including third party losses due to fire.</p>

18.	Request for Extension	<p>18.1. An extension for a timeline should be applied no later than 20% of the allowed time is still remaining.</p> <p>18.2. With any extension request, the proponent must submit a revised project scheduled backed by a resource plan and signed by the independent consultant proving that the developer will be able to achieve the targeted completion deadline.</p> <p>18.3. Any extension that will result in a delay of the project by more than 50% of the targeted deadline will result in the termination of the agreement.</p> <p>18.4. Any request to extend shall be submitted with proper proof of documents for HDC to grant any extension.</p>
19.	Termination	<p>19.1. If the Lessee fails to perform any of its obligation under the agreement, the Lessee shall be granted a period to rectify the breach along with a fine amount between MVR 5,000 and MVR 100,000 considering the degree of the breach, to be determined by the sole discretion of the Lessor.</p> <p>19.2. If the Lessee fails to pay the fine and cure the breach within the period granted to rectify the breach, the Lessor has the right to terminate the agreement and give the Lessee a duration of not less than 30 (thirty) calendar days to vacate the land and handover the land to the Lessor.</p> <p>19.3. The Lessee may terminate the agreement by serving 6 (six) months' written notice upon</p>



		<p>the Lessor of its intention to do so for any reason whatsoever.</p> <p>19.4. If the Lessee fails to achieve any hard deadlines by 150% HDC has the right to terminate the agreement, under no circumstances this clause should be taken as an automatic time extension to any hard deadlines given in the agreement.</p> <ul style="list-style-type: none"> ▪ For example, if the deadline for the submission of detailed drawings is 90 days from agreement signing, however for any reason if the drawings is submitted later then (90*150%) 135 days from agreement signing. <p>19.5. The Lessor has the right to terminate the agreement if the total accumulated penalty amount exceeds 20% of the project value.</p>
20.	Process of Termination	<p>20.1. Upon agreement termination, HDC shall claim any PG submitted in relation to the agreement.</p> <p>20.2. Upon agreement termination, the Lessee must give the ownership of the approved drawings under the agreement.</p> <p>20.3. Upon agreement termination, HDC will take possession of any immovable assets on the land.</p>
21.	Possession of any immovable Assets	<p>21.1. If any development has been undertaken at the time of termination, the development will be valued at cost by an independent valuer.</p> <p>21.2. Any such assets/developments shall be valued at cost based on the BOQ and the work done.</p>

		<p>21.3. HDC can allocate the development to a new Lessee via an open RFP process, EOI process or any other allocation method that is in place.</p> <p>21.4. HDC should include a base acquisition cost which is agreeable to both parties but not higher than the cost value of the asset.</p> <p>21.5. Once the development is successfully allocated to a new party and acquisition cost is fully recovered, HDC should pay Lessee 80% of the acquisition cost with a maximum of the cost as per clause 19.2.</p> <p>21.6. HDC can take 20% and any amount above the cost value as a compensation for the administrative work and lost time.</p> <p>21.7. In case, HDC fails to secure a new party through an open RFP process, EOI process or any other allocation method that is in place, the existing developer will not be entitled to any compensation and has to vacate the premises upon termination.</p>
<p>22.</p>	<p>Definitions</p>	<p>22.1. Development period: Development period means duration from agreement signed date to the date of commencing the usage of the development for the intended purpose.</p> <p>22.2. Construction Period: Construction period is the duration from land handover to the date of completion of the construction and finishing works.</p> <p>22.3. Hard deadlines: Hard deadlines are the deadlines for the following tasks:</p> <ul style="list-style-type: none"> ▪ Date for the submission of the detailed drawings

		<ul style="list-style-type: none">▪ Date for the completion of the construction and finishing works▪ Date for obtaining the building usage permit for the intended purpose <p>22.4. HDC delays: HDC delays mean any delays from HDC side in providing any comments or approval or land handover, in such a case HDC should revise the deadlines accordingly.</p>
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DISCLAIMER:

- **This contract terms only includes the key points of the agreement. The agreement is not limited to the clauses included in this contract terms.**
- **The proposal submitted by the successful Proponent shall be a part of the agreement.**

