**PERSONAL GUARANTEE DEED**

**BY**

**<<GUARANTORS NAME>>**

**DRAWN AND PREPARED BY: -**

The Legal Department of

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**THE REPUBLIC OF UGANDA**

**GUARANTEE DEED**

This GUARANTEE and INDEMNITY is dated this **<<Date >>** and made ***BETWEEN***:

**<<Guarantors Name>> of <<address>>** (hereinafter called ***“The Guarantor”*** which expression shall where the context so admits include their Personal representatives) of the *ONE PART*;

***AND***

**<<Name of the Bank >>**whose registered office is at **<<Address>> (**hereinafter called ***“the Bank”***) of the *OTHER PART*.

**NOW IT IS HEREBY AGREED as follows:**

1. **COVENANT TO PAY**
   1. In CONSIDERATION of the Bank making available **a Demand ………………… facility of UGX <<Amount in figures>> <<Amount in words>>** of (hereinafter referred to as ***“the facility”***)or continuing banking facilities or other accommodationto **<<Name of the Customer>> of <<Address>>** (hereinafter ***“the Customer”***) *vide* a Facility Agreement dated **<<Date of facility Agreement>>**; the Guarantor hereby guarantees on demand, to pay to the Bank all moneys and discharge all obligations and liabilities whether actual or contingent now or at anytime hereafter due and owing or incurred to the Bank by the Customer in whatever currency denominated whether on any current or other account or otherwise in any manner whatsoever (whether alone or jointly and in whatever style name or form and whether as principal or surety when the same are due including all liability in connection with foreign exchange transactions, Swap arrangements, issuing, confirming, accepting, endorsing or discounting any notes or other credits or any instruments whatsoever from time to time entered into by the Bank for or at the request of the Customer together with interest (as well after as before any demand or judgement)to date of payment at such rates and upon such terms as may from time to time be payable by the Customer (or which would have been so payable but for the liquidation or other incapacity of the Customer AND all commission fees and other charges and all legal costs and other expenses incurred by the Bank in relation to the Customer or this guarantee or liabilities hereby guaranteed on a full indemnity basis. Any statement of account of the customer signed as correct by any duly authorised officer of the Bank shall be conclusive evidence against the Guarantor of the indebtedness of the Customer to the Bank.
   2. The total amount recoverable under this Guarantee shall be limited to the **Principal Sum of UGX <<Amount in figures>> <<Amount in words>>** interest and commission thereon and all costs charges and expenses referred to herein.
   3. The Guarantor hereby agrees to pay interest, as covenanted in the said Loan Agreement/offer letter/ Security Agreement or at such higher rate as may from time to time be payable by the Customer or would have been payable but for the death, bankruptcy, insanity or other incapacity of the Customer upon such days and upon such terms as the Bank may from time to time determine and such interest shall be compounded in the event of it not being punctually paid with quarterly rests in accordance with the usual practice of the Bank but without prejudice to the right of the Bank to require payment of such interest when due.
2. **CONTINUING SECURITY**
   1. This Guarantee is a continuing security and shall secure the ultimate balance from time to time owing to the Bank by the Customer in any manner whatsoever notwithstanding the death, insolvency, insanity or other incapacity or any change in the constitution of the Customer or of any partner or the introduction of any further partner of the Customer or the Guarantor or any settlement of account or other matter whatsoever until three months after receipt by the Bank of notice in writing to determine the same signed by the Guarantor provided always that such notice shall not affect the liability of the Guarantor for moneys and obligation or liabilities present or future actual or contingent due owing or incurred prior to the expiration of such three (3) month period.
   2. This Guarantee is in addition to and shall not merge with or otherwise prejudice or affect any contractual or other right or remedy or any guarantee, indemnity, lien, pledge mortgage charge or other security now or hereafter held by or available to the Bank and may be enforced notwithstanding the same or invalidity thereof.
   3. Notwithstanding any notice of termination or that this Guarantee ceases to be continuing for any reason whatsoever, the Bank may continue any account of the Customer or open one or more new accounts and the liability of the Guarantor hereunder shall not in any way be reduced or affected by any subsequent transactions or receipts or payments into or out of any such account.

**3. PROTECTIVE CLAUSES**

3.1 If any purported obligation or liability of the Customer or to the Bank which if valid would have been the subject of this Guarantee is not or ceases to be valid or enforceable against the Customer on any ground whatsoever whether or not known to the Bank including any illegality or defect in want of powers of the Customer or irregular exercise thereof or lack of authority by any person purporting to act on behalf of the Customer or any legal or other limitation (whether under the limitation Acts or otherwise) disability incapacity or any amalgamation, reconstruction, reorganisation, bankruptcy/liquidation or administration of the customer, the Guarantor shall nevertheless be liable to the Bank in respect of the purported obligation or liability as where the principal debtor in respect thereof. The Guarantor hereby agrees to keep the Bank fully indemnified against all damage loss costs and expenses arising from any failure of the Customer to carry out any such purported obligation or liability.

3.2 The liability of the Guarantor shall not be affected nor shall this Guarantee be discharged or diminished by reason of:

1. any present or future guarantee, indemnity, mortgage charge pledge, lien or other security or right or remedy held by or available to the Bank being or becoming wholly or in part void, voidable or unenforceable on any ground whatsoever or by the Bank from time to time dealing with exchanging varying realising, releasing or failing to perfect or enforce any of the same; or;
2. the Bank compounding with discharging, releasing or varying the liability of or granting any time indulgence or concession to the Customer or any other person or issuing confirming or renewing determining varying or increasing any bill, promissory note or other negotiable instrument, accommodation, facility or transaction in any manner whatsoever or concurring in accepting or varying any compromise arrangement or settlement or omitting to claim or enforce payment from the Customer or any other person; or
3. any act or omission which would not have discharged or affected the liability of the Guarantor had he been principal debtor instead of Guarantor or by anything done or omitted which but for this provision might operate to exonerate the Guarantor.

3.3 The Guarantor warrants to the Bank that the Guarantor has not taken or received and undertakes not to take or receive the benefit of any security from the Customer or any other person extending to liabilities under this Guarantee. If any such security is taken or the Guarantor receives the benefit of the same, the Guarantor hereby declares that such security and all moneys at any time received in respect thereof shall be held on trust for the Bank as a continuing security for the liability of the Guarantor to the Bank hereunder.

3.4 Until the ultimate balance owing by the Customer to the Bank has been paid or satisfied in full (and notwithstanding payment under any bankruptcy proceedings or under any compromise or arrangement) the Guarantor waives all rights of subrogation and indemnity against the customer and any other personal liability and agrees (unless so required by the Bank), not to demand or accept or to negotiate, assign, charge or otherwise dispose of any moneys, obligations or liabilities now or hereafter due and owing to the Guarantor from the customer or any co-guarantor or any promissory note, bill of exchange, guarantee, indemnity, mortgage, charge, pledge or other security from the same or to take or to take any step to enforce any right against the customer or any co-guarantor or to claim any set-off or counterclaim against the same or to claim or prove in competition with the Bank in the bankruptcy or liquidation of the Customer or any co-guarantor or have the benefit of or share in any payment or composition from the same or in any other guarantee, indemnity or security now or hereafter held by the Bank for any moneys, obligations or liabilities of the Customer. If the Guarantor is required to do any of the same by the Bank or otherwise receives any payment, promissory note, bill of exchange, guarantee, indemnity, mortgage, charge or other security or other benefit or exercises any set-off or counterclaim or otherwise acts, in breach of this clause, anything so received and any benefit derived directly or indirectly by the Guarantor there from shall be held in trust for the Bank as a continuing security for the liability of the Guarantor to the Bank hereunder.

**4. SET-OFF AND LIEN**

4.1 The Guarantor hereby agrees that the Bank may at any time without notice after an event of default or in making demand, notwithstanding any settlement of account or other matter whatsoever combine or consolidate all or any then existing accounts including accounts in the name of the Bank (whether current deposit loan or of any other nature whatsoever whether subject to notice or not and whether in Uganda Shillings or in any other currency) of the Guarantor alone or jointly with others where-so-ever situate and set-off or transfer any sum standing to the credit of any one or more such accounts in or towards satisfaction of any liabilities of the Guarantor to the Bank whether such liabilities be present, future, actual, contingent, primary, collateral, several or joint. Where such combination, set-off or transfer requires the conversion of one currency into another, such conversion shall be calculated at the then prevailing spot rate of exchange at the Bank (as conclusively determined by the Bank) for purchasing the currency in which the moneys, obligations or liabilities were due, owing or incurred with the existing currency.

4.2 Until the ultimate balance owing by the Customer to the Bank has been paid or satisfied in full the Bank shall have a lien on all property and assets of the Guarantor from time to time in the possession of and a charge over his/her stocks, shares and marketable or other securities from time to time registered in the name of the Bank or its nominees whether the same be held for safe custody or otherwise.

**5. POWERS OF THE BANK**

5.1 Any money received in connection with this Guarantee may be placed to the credit of a suspense account with a view to preserving the right of the Bank to prove for the whole of its claims against the customer or any other person liable or may be applied by the Bank in or towards satisfaction of such of the moneys, obligations or liabilities of the Customer hereby guaranteed as the Bank in its absolute discretion may from time to time conclusively determine.

5.2 Any release discharge or settlement between the Guarantor and the Bank shall be conditional upon no security disposition or payment to the Bank by the Customer, the Guarantor or any other person being void, set aside or ordered to be refunded pursuant to any enactment or law relating to bankruptcy liquidation or insolvency or for any reason whatever and if such condition shall not be fulfilled the Bank shall be entitled to enforce this Guarantee subsequently as if such release discharge or settlement had not occurred and any such payment had not been made.

5.3 The Bank shall be entitled to retain this Guarantee and any security held for the liability of the Guarantor hereunder after as well as before the payment discharge or satisfaction of all moneys obligations and liabilities that are or may become due owing or incurred to the Bank from the customer for such period as the Bank may determine.

**6. CURRENCY CLAUSES**

6.1 All sums payable by the Guarantor under this Guarantee shall be paid to the Bank in Uganda or otherwise as it may from time to time direct in full free of any present or future taxes, levies, duties, charges, fees or any present or future taxes levies duties charges fees or withholdings and without set-off or counterclaim or any restriction condition or deduction whatsoever. If the guarantor is compelled by law to make any deduction or withholding the Guarantor will promptly pay to the Bank such additional amount as will result in the net amount which would have been receivable had there been no deduction or withholding. Any additional amount paid under this sub-paragraph shall not be treated as interest but as agreed compensation.

6.2 Payment shall be in the currency in which the moneys obligations or liabilities of the customer were due owing or incurred [or (if that currency is other than Uganda Shillings) at the option of the Bank in such other currency being converted into shillings at the spot rate of exchange of the Bank (as conclusively determined by the Bank) for purchasing such currency with shillings prevailing on the date of actual payment and the Guarantor hereby agrees to indemnify the bank against the full shilling cost incurred by the Bank for such purchase].

6.3 No payment to the Bank (whether under any judgment or court order or otherwise) shall discharge the obligations or liability in respect of which it was made unless and until the Bank shall have received payment in full in the currency in which such obligation or liability was incurred [or which the Bank has elected to accept under clause 6.02] and to the extent that the amount of any such payment shall on actual conversion into such currency fall short of such obligation or liability actual or contingent expressed in that currency, the Bank shall have a further separate cause of action against the Guarantor to recover the amount of the shortfall.

6.4 If and to the extent that the Guarantor fails to pay the amount due on demand the Bank may in its absolute discretion without notice to the Guarantor purchase at any time thereafter so much of any currency as the Bank considers necessary or desirable to cover the obligations and liabilities of the customer in such currency hereby guaranteed at the then prevailing spot rate of exchange of the Bank (as conclusively determined by the Bank) for purchasing such currency with shilling and the Guarantor hereby agrees to indemnify the Bank against the full shilling cost incurred by the Bank for such purchase.

6.5 All moneys received or held by the Bank from the customer or under this Guarantee may from time to time after demand has been made by the Bank be converted into such other currency as the Bank considers necessary or desirable to cover the obligations and liabilities actual or contingent of the customer in exchange of the Bank (as conclusively determined by the Bank) for purchasing that other currency with the existing currency.

6.6 The Bank shall not be liable to the Guarantor for any loss resulting from any fluctuation in exchange rates before or after the exercise of the foregoing powers.

1. **IMMEDIATE RECOURSE**

7.1 The Guarantor waives any right it may have of first requiring the Bank (or any trustee or agent on its behalf) to proceed against or enforce any other rights or security or claim payment from any person before claiming from the Guarantor.

7.2 Until all amounts which may be or become payable by the Principal to the Bank have been irrevocably paid in full and unless the Bank otherwise directs in writing, the Guarantor shall not exercise any rights which it may have under any agreement or arrangement entered into with the Bank or any other person whatsoever including, without limitation:-

* + 1. to be indemnified by the Principal;
    2. to claim any contribution from any other Guarantor; or
    3. to take the benefit (in whole or in part and whether by any of subrogation or otherwise) of any rights of the Bank or of any other guarantee or security given to the Bank by or on behalf of the Principal.

1. **INDEPENDENT ADVICE**
   1. The Guarantor is hereby informed of his/her/its right to seek independent advice on the terms and conditions of the facility transaction from an independent person who shall include an Officer of the Government/Justice of the Peace/Advocate/Notary Public/Bank Manager/Minister of any religion authorized to celebrate marriages/licensed medical practitioner or any person as may be by Law authorized to give independent advise.
   2. By executing this document, the Guarantor hereby affirms that he/she/it has sought Independent advice and understands the contents of the Facility agreement and all the availed Facility documentation and the implications thereof, both financial and legal.
2. **MISCELLANEOUS**
   1. Any notice or demand for payment by the Bank hereunder shall without prejudice to any other effective mode of making the same be deemed to have been properly served on the Guarantor if served on the Guarantor or his personal representatives personally or delivered or sent by first class letter post or telex to the Guarantor or his personal representatives at his or their usual or last known place of abode or business. Any such notice or demand sent by first class letter post shall if posted before the last scheduled collection of letters from the place of posting on any day be deemed to have been served on the addressee at 10 am on the next business day following the day of posting notwithstanding that it be undelivered or returned undelivered and in proving such service it shall be sufficient to prove that the notice or demand was properly addressed and posted. Any notice or demand sent by telex on a business day shall be deemed to have been served at the time of despatch. In the case of the death of the Guarantor and until receipt by the Bank of notice in writing of the grant of representation to the estate of the deceased, any notice or demand sent by the Bank by first class letter post or telex as aforesaid addressed to the deceased or to his personal representatives at the usual or last known place of abode or business of the deceased shall for all purposes be deemed a sufficient service of notice or demand by the Bank on the deceased and his personal representatives and shall be as effectual as if the deceased were still living.
   2. No failure or delay by the Bank in exercising any right or remedy shall operate as a waiver thereof nor shall any single or partial exercise or waiver of any right or remedy preclude its further exercise or the exercise of any other right to remedy.
   3. Each of the provisions of this Guarantee is severable and distinct from the others and if at any time one or more of such provisions is or becomes invalid illegal or unenforceable, the validity legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.
   4. The headings to the clause are for convenience only and have no legal effect.
   5. This Guarantee is and will remain the property of the Bank.
3. **DEFINITIONS**
   1. In this Guarantee:
4. The expression *‘the Bank’* where the context admits shall include its successors in title and/or assigns and this Guarantee shall be enforceable notwithstanding any reconstruction reorganization change in the constitution of the Bank or its absorption in or amalgamation with any other person or the acquisition of all or part of its undertaking by any other person;
5. The expression *‘the Guarantor’* shall mean and include every person liable hereunder (including each of the partners present and future in a firm)] or any one or more of them and his/ their respective personal representatives and the receiver or other person lawfully acting on behalf of every such person;
6. The expression *‘the customer* shall include every one or more of the customers [(including each of the partners present and future in a firm)] and their respective personal representatives and every one or more of the persons from time to time carrying on business in the name of the customer or under the name in which the business of the customer may from time to time be continued;
7. The expression *‘this Guarantee’* shall be construed as including each separate or independent stipulation or agreement herein contained;
8. The expression *‘person’* shall include an individual firm company corporation and an unincorporated body of persons.
9. **JURISDICTION**
   1. This Guarantee shall be governed by and interpreted in accordance with the laws of Uganda.
   2. The Guarantor hereby irrevocably submits to the non-exclusive jurisdiction of the High Court of Uganda but this Guarantee may be enforced in any court of competent jurisdiction.

**IN WITNESS WHEREOF, THE GUARANTORS HAS HEREUNTO AFFIXED ITS HANDS THE DAY, MONTH AND YEAR FIRST HEREINABOVE WRITTEN**.

**SIGNED BY THE SAID:-**

**<<Name of Signatory>> << Signature>>**

**NAME USUAL SIGNATURE**

**IN THE PRESENCE OF**

Name: **<<NAME>>**  Occupation: **<<OCCUPATION>>**

Address: **<<ADDRESS>>**  Signature**<<SIGNATURE>>**

**SCHEDULE 1**

**INVENTORY OF ASSETS INDIVIDUALLY OWNED**

|  |  |  |
| --- | --- | --- |
| **No.** | **Type** | **Details** (Description) |
| 1. |  |  |
| 2. |  |  |
| 3. |  |  |
| 4. |  |  |
| 5. |  |  |
| 6. |  |  |
| 7. |  |  |
| 8. |  |  |
| 9. |  |  |

**DRAWN BY:**

The Legal Department of

Housing Finance Bank Ltd

P.O. Box 1539

**KAMPALA**