**THE REPUBLIC OF UGANDA**

**IN THE MATTER OF THE CONTRACTS ACT 7 OF 2010**

**FACILITY AGREEMENT**

**THIS AGREEMENT** is made this **<<Date>>.**

***BETWEEN***

**<<Name of Bank>>,** a Public Limited liability Company with its principal place of business located at <<Address>>. A financial institution duly incorporated and licensed under the laws of Uganda to carry on the business of providing financial services as a commercial bank (hereinafter referred to as ***“the Bank”***), of the *ONE PART*;

***AND***

**<<Name of Borrower>> of <<Address>> (**herein-after referred to as ***“the Borrower”***), of the *OTHER PART*.

**WHEREAS**

1. The Borrower has vide a loan application form/ letter dated <<date of the loan application>> applied to the Bank for a loanfacility.
2. The Bank has considered the application of the Borrower and agreed to extend a facility on the terms and conditions set out herein.

**NOW THEREFORE THIS AGREEMENT witnesseth as follows**:

1. **FACILITY**

The facility extended to the Borrower is a **Demand** **Business Overdraft Facility** governed by the features of the product, the terms and conditions herein set out.

1. **PURPOSE**

The facility is granted for the purpose << *purpose of the loan*>>

1. **FACILITY AMOUNT**

The Bank shall advance to the Borrower a facility sum of being **UGX <<Amount in figures>> <<Amount in words>>** the Loan amount.

1. **INTEREST**

The rate of interest on the facility amount shall be **<<Percentage>> p.a,** that is, the Bank’s **UGX/USD** Prime Lending Rate **currently** <<Percentage>> **p.a plus a margin of <<Percentage>>variable**

1. **FACILITY PERIOD**
   1. The Overdraft Facility is available for a <<period of time**>>** the date of expiry being **<< Date>>**  or the twelve months anniversary from the date it is put in the Bank’s credit system.
   2. Notwithstanding the expiry date for the Overdraft facility, the facility shall be repayable on first demand by the Bank in writing, on default of repayment as stipulated in this Agreement or upon occurrence of an event of default as specified herein.

**\*For the avoidance of doubt, reference is hereby made to the *Loan Schedule* that shall by incorporation form part of this agreement and figures therein may vary based on the effective day of disbursement in the Bank’s Credit System**.

1. **OVERDRAFT REPAYMENT**
   1. The Overdraft facility shall fluctuate regularly in credit with sufficient funds to meet both principal and interest payment as and when they shall fall due.
   2. The Overdraft Facility shall be subject to review on the **<<Date>>**
   3. The Overdraft Facility may be terminated by the Bank on written notice to the Borrower, in which event the facility shall immediately be cancelled and become due and payable.
2. **SECURITY**

The security(ies) to be availed for the facility are:-

* 1. A *First/Further* Legal Mortgage over land and developments comprised in << Property description>>
  2. A fixed and floating Debenture over the Borrower’s current and future assets of **UGX. <<Amount in figures>> <<Amount in words>>.**
  3. Personal Guarantee Deeds by the Directors of the Borrower in respect of the **UGX. <<Amount in figures>> <<Amount in words>>** borrowing with interest as agreed herein.
  4. Business proceeds of the Borrower shall be channeled through the Borrower’s account held with the Bank throughout the duration of the loan facility.
  5. All Risks Insurance cover over property mortgaged with the Bank noted in the policy as a first loss payee.

1. **LOAN PROCESSING FEES**

The Borrower shall, as applicable, be required to pay the following fees payable prior to disbursement of the Loan amount:

* 1. **Statutory fees;**

1. Stamp duty on Mortgage of <<Percentage>>. of loan amount.
2. Mortgage registration fees of UGX <<Amount>>.
3. Stamp duty on document registration (statutory declarations/deeds of assignment/loan agreements etc) at UGX <<Amount>> per copy.
4. Stamp duty on registration of Personal Guarantees of UGX <<Amount>>
5. Stamp duty on registration of Debenture deed of UGX <<Amount>>
6. Bank charges of UGX <<Amount>>
   1. **Bank fees;**
7. Application Fees of UGX <<Amount>>
8. Commitment Fee of <<Percentage>> of the Facility amount.
   1. **Other fees;**
9. Security perfection fees of UGX<<Amount>>
10. Upcountry fees of UGX <<Amount>>
    1. Any other fees per the Bank’s tariff guide may apply.
11. **OTHER TERMS AND CONDITIONS**
    1. The General Terms and Conditions are hereby incorporated and shall be part and parcel of this facility agreement as one document.
    2. Other terms specific to this facility and or product features as may from time to time be displayed at the Bank’s branches, website, and any other delivery channels shall be incorporated herein.
12. **INCORPORATION OF EXHIBITS, ANNEXES AND SCHEDULES**

The Annexes, Schedules and other attachments identified in this Agreement are incorporated herein by reference and shall form part of and be read together with this Agreement.

1. **EXTENT OF LIABILITY;**

The Bank’s liability under this transaction is limited to credit financing per the terms and conditions herein stipulated. The financing by the Bank does not in any way exclude the Borrower(s) obligation to conduct their personal due diligence and to satisfy him or herself of the primary and secondary motivations for the borrowing including but not limited to fulfilment of purpose. For the avoidance of doubt, the Bank shall not be held responsible for acts of third parties, acts of God, nature/quality of works, any workmanship, representations in title and ownership, tax liabilities directly or incidental to the transaction, among others.

1. **INDEPENDENT ADVICE**
   1. The Borrower is hereby informed of their right to seek independent advice on the terms and conditions of the loan 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 authorised to celebrate marriages/licensed medical practitioner.
   2. By executing this facility agreement, the Borrower 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.

**IN WITNESS WHEREOF, THE PARTIES HAVE HEREUNTO AFFIXED THEIR RESPECTIVE MARK AS EVIDENCE THAT THEY HAVE UNDERSTOOD AND ACCEPTED THE TERMS;**

**THE <<BANK>>;**

**<<Name of 1st signatory>.>**  **<<Designation>>**  **<<Signature>>.**

NAME DESIGNATION SIGNATURE

**<< Name of 2nd signatory >>** **<<Designation>>. <<Signature>>**

NAME DESIGNATION SIGNATURE

**THE <<BORROWER>>;**

**<< Name of 1st signatory >>**  **<<Designation>>**  **<<Signature>>**

NAME DESIGNATION SIGNATURE

**<< Name of 2nd signatory >>**  **<<Designation>>**   **<<Signature>>**

NAME DESIGNATION SIGNATURE

**<<Common Seal>>**

COMMON SEAL

**INDEPENDENT PERSON;**

**<<Name of Independent Person>>** **<< Signature>>**

NAME SIGNATURE

In the presence of:

Name: **<<Name of Witness>>**  Occupation: **<<Occupation>>**

Address: **<<Address>>** Signature: **<<Signature>>**

**DRAWN BY**

<<ADDRESS OF BANK>>