**<<Name of Bank>>**

**GENERAL TERMS AND CONDITIONS**

**FOR**

**THE FINANCE LEASE AGREEMENT**

1. **DEFINITION AND INTERPRETATION**

**“Agreement”** means the finance lease agreement executed between the Lessee and the Lessor **( <<Bank>>)**

**“Asset”** means the equipment specified in Finance lease agreement or any of it together with all parts, replacements and renewals thereof and all additions which become the property of the lessor and accessories thereto and wheresoever the context admits includes each item comprised in the equipment.

**“Business day”** means any day other than a Saturday or Sunday on which Banks are generally open for business in Uganda

**“Certificate of Acceptance”** means the certificate in the form attached at Annex 1, given or to be given by the lessee to the lessor.

**“Commencement Date”** means the date of deemed delivery of the Equipment to the lessee

**“Corporation Tax”** means corporation tax chargeable in the context of the scheme of taxation applicable in Uganda.

**“Initial Period”** means the period from the commencement date to the first rental payment date

**“Lease period”** means the aggregate of the initial period, the primary period and the secondary period subject any earlier termination pursuant to this Agreement.

**“Location”** means in relation to the asset, (address at which equipment is to be kept or based in the case of asset which is not kept permanently at one location

**“Rental** “means any of the rentals payable on the asset and any amount payable by way of additional rental.

**“Supplier** “means the person specified as the supplier for asset

**“Supply Contract”** means any contract for the supply of asset by the supplier

**“Tax”** includes all taxes ,charges, imposts, duties, levies or fees of any kind whatsoever payable at the instance of or imposed by any governmental, fiscal or taxing authority whatsoever whether in Uganda or elsewhere together with any penalties, additions, fines or interest relating thereto and Taxes and Taxation and cognate expression shall be construed accordingly.

**“Termination Event”** means any event specified in the Agreement and or these terms and conditions as an event upon which this agreement can be terminated.

**“Value Added Tax”** means value added Tax as provided for in the VAT Act Cap……….and legislation supplemental thereto or any similar or equivalent tax.

1. **SELECTION AND DELIVERY OF THE ASSET**
2. The Lessee shall be responsible for the identification and selection the asset, Supplier of the asset and approval the Supply Contract.
3. The Lessor shall purchase the asset selected by the Lessee in clause 2.1
4. The Lessee shall, at its own cost, procure and take delivery of the asset from the Lessor or supplier and shall hold the asset on behalf of the Lessor for the duration of the agreement. The supplier shall not act as the Lessor’s agent, except for the purpose of delivery.
5. The Lessor shall be deemed to have delivered the asset to the Lessee when the lessee executes the “Authority to Release Asset” form.
6. Upon delivery of the asset to the Lessee, the Lessee shall inspect the asset for defects and damage before accepting them.
7. The Lessee shall acknowledge receipt of the asset by furnishing the lessor with a certificate of acceptance.
8. Lessee represents that Lessee has selected the asset and acknowledges Lessor has made and makes no representations or warranties of any kind or nature, directly or indirectly, expressed or implied, as to any matter whatsoever, including the suitability of the asset, its durability, its condition, and/or its quality and, as between Lessee and Lessor, or Lessor’s assignee. Lessee leases the asset “As-Is”
9. Lessor also disclaims any warranty of merchantability or fitness for use or purpose whether arising by operation of law or otherwise. Lessor shall not be liable to Lessee or other party for any loss, damage or expense of any kind or nature caused directly or indirectly by any Equipment however arising, or the use or maintenance thereof or the failure of operation thereof, or the repairs, service or adjustment thereto.
10. No representation or warranty as to the asset or any other matter by the Supplier or others shall be binding on the Lessor nor shall the breach of such relieve Lessee of, or in any way affect, any of Lessee’s obligations to Lessor. If the asset is not satisfactory for any reason, Lessee shall make any claim on account thereof solely against the Vendor and Lessee shall nevertheless pay Lessor all rent payable under this Lease.
11. **PAYMENT AND INTEREST**
12. The Lessee shall pay the Lessor all the amounts due in terms of the agreement, on the due date, without any deductions, withholdings or set-off unless required by Law.
13. Payments must be made at the address chosen by the Lessor. If any taxes (except VAT) or amounts in respect of taxes must be deducted, or any other deduction must be made, from any amounts payable or paid by the Lessee, the Lessee shall pay such additional amounts as may be necessary to ensure that the Lessor receives a net amount equal to the full amount which Lessor would have received had payment not been made subject to such deduction.
14. The Lessee may not defer, delay or withhold any payments due to the Lessor, arising out of any claim that the Lessee may have against the Lessor.
15. Where the Lessor cancels the agreement and the Lessee disputes the Lessor’s right to cancel the agreement and remains in possession of the asset, the Lessee must continue making all payments that become due to the Lessor as if the Lessor had not cancelled the agreement.
16. The Lessor’s acceptance of these payments shall not in any way affect the cancellation of this agreement or any other claim that the Lessor may have against Lessee. Any payments have been made after the cancellation shall be kept by the Lessor as compensation for its losses arising out of the Lessee not returning the asset to the Lessor after the Lessor cancelled the agreement.
17. Where the Lessee does not make a payment of any amount on or before the date on which it is due, the Lessee shall be charged interest, calculated daily on the accrued arrears, on the outstanding amount.
18. The Lessee shall and hereby authorizes the Lessor to draw against its bank account, any amount due arising from the terms of the agreement.
19. The Lessee agrees that it shall promptly pay to or reimburse the Lessor for all statutory taxes, whether income tax, value added tax, import taxes or excise duties incurred by the Lessor arising out of its acquisition of the asset, all delivery costs, legal and professional fees, stamp duty, insurance and disbursements including any bank charges or expenses incurred by the Lessor in connection with the establishment of letters of credit and the leasing facilities provided or any other related or consequential charges that may be levied on or in connection with the lease of the Vehicle or at any time after entry into this Agreement.
20. Where payment falls due on a date, which is not a business day (being a day which is a Saturday, Sunday or official public holiday in Uganda), such payment shall be made on the preceding business day.
21. The Lessor reserves the right to alter the rate and method of calculation of the interest indicated in the Facility letter and the Schedule to this Lease at any time. If the Lessor does so, written advice of the amendment and its effective date shall be sent to the Lessee within a reasonable time.
22. Interest payable in terms of the Lease shall:
23. be calculated on the basis of a 365 day year, irrespective of whether or not the year in question is a leap year;
24. be calculated on the daily balance owing under the agreement, notwithstanding that such balance may have been increased by the debiting of interest to such balance;
25. accrue daily;
26. be debited from Lessee’s account with the Lessor, monthly in arrears; and
27. be compounded monthly.
28. All payments made by the Lessor before delivery of the asset shall attract interest at the Lessor’s prime rate. The Lessee shall either pay this interest to the Lessor at the commencement of the Lease or it shall be added to the cost of the asset.
29. **OWNERSHIP OF THE ASSET**
30. The Lessor shall at all times retain title to the asset while the lessee shall have the economic title for the asset.
31. All documents of title and evidence of delivery shall be delivered to Lessor. The Lessee shall at Lessee's expense, cause any statement or other instrument in respect to the asset to indicate the interest of Lessor. The Lessor shall engrave the asset as further evidence of ownership of the asset, during the term of the lease.
32. The Lessee shall not attach the asset to any movable or immovable property or allow the asset to be attached so that the asset becomes part of the property so that it cannot be separated or identified separately.
33. Where the Lessee stores the asset on premises/property that the Lessee does not own, the Lessee shall immediately inform the Lessor in writing of the name and address of the owner of the premises/property.
34. The Lessee shall inform the owner of the premises/property that the Lessor owns the asset that has been stored on the premises and provide proof of such information to the Lessor upon request.
35. Where the asset is attached to any property, the Lessee shall procure for Lessor, the landlord's or mortgagees' waiver or other similar documents as Lessor may reasonably request.
36. The Lessee shall not create, incur, assume or suffer to exist any mortgage, lien, pledge or other encumbrance or attachment of any kind whatsoever upon, affecting or with respect to the asset or the Lease or any of Lessor's interests in the agreement.
37. Lessee shall at its expense, protect and defend Lessor's title against all persons claiming against or through Lessee, at all times keep the asset free from legal process or encumbrance whatsoever and, shall give Lessor immediate notice thereof and shall indemnify Lessor from any loss caused thereby.
38. In the event of any breach of the above clause by the Lessee, the Lessor shall be entitled, but shall not be bound, to pay to any third party such sum as is necessary to procure the release of the asset from any charge, encumbrance or lien and shall be entitled to recover such sum from the Lessee.
39. Provided Lessee is not in default hereunder, Lessee shall quietly use and enjoy the Asset subject to the terms of the agreement. However, the Lessor or its duly authorised representative shall inspect the asset at all reasonable times.
40. Where any person claims to be the owner or to have greater rights to possess the asset than the Lessor, the Lessee agrees that the amounts already paid are payments for the Lessee’s use and enjoyment of the asset until the date of repossession, regardless of whether the Lessee in fact used and enjoyed them.
41. **RISK**
42. The Lessee shall bear all the risk in the asset and of the use from the date of signing this Agreement or from the date it takes delivery of the asset whichever date is earlier, until the asset is returned to the Lessor.
43. Lessee shall bear the entire risk and be responsible for loss, theft, damage or destruction of the asset from any cause whatsoever after taking possession of the asset.
44. Lessee shall notify Lessor immediately if the asset is lost, destroyed, stolen, involved in an accident or taken by any other person than the Lessor within 48 hours of occurrence.
45. **USE**
46. The Lessee by virtue of the agreement has the right to use the asset pursuant to the specifications of the manufacturer of the assets the terms and conditions of the agreement.
47. The Lessee shall use the asset solely for business purposes; shall not make any modification, alteration or addition to the asset without the written consent of Lessor, which shall not be unreasonably withheld.
48. Lessee shall use the asset in the regular course of its business, within its normal operating capacity, without abuse, and shall comply with all laws, ordinances, regulations, requirements and rules with respect to the use, maintenance and operation of the asset.
49. The Lessee shall not do anything that may prejudice the Lessor’s rights in respect of the
50. Asset, including any warranty or guarantee given by the manufacturer or supplier.
51. The asset shall be placed at the location provided for in the agreement.
52. The Lessee shall not remove the asset from Uganda/ the location described in the agreement without the Lessor’s written consent. The Lessor’s consent may be conditional.
53. Where that Lessee takes the asset beyond the borders of Uganda or to a location other than one specified in the agreement without the Lessor’s permission, the Lessee shall indemnify the Lessor against any liability that may arise directly or indirectly as a result of the removal of the asset from the agreed location/ Jurisdiction.
54. The Lessee shall not remove or change any name, identification number, trademark or any other mark on the asset or any part thereof.
55. The Lessee shall be responsible for the security of the asset at all times.
56. The Lessee shall not use the asset or permit the asset to be used for any illegal purpose or in
57. Contravention of any law and will not to do anything, which could reasonably be expected to result in the confiscation/seizure of the asset, or to be taken in execution, impounded or otherwise taken from the possession of the Lessee.
58. **MAINTENANCE AND REPAIR**
59. The Lessee shall maintain the asset in good operating condition, repair and appearance, and protect the same from deterioration other than normal wear and tear.
60. The Lessee shall effect periodic servicing, maintenance, overhauls, replacements and repairs by suitably qualified persons and comply with all manufacturer's specifications and mandatory operational directives.
61. The Lessee shall on request submit to the Lessor evidence to show compliance with the above obligations. However, the Lessor shall not be deemed to be responsible for the maintenance and repair of the asset.
62. All parts and accessories that are replaced or added to the asset shall become the Lessor’s property and the Lessee shall not be compensated for them.
63. **INSURANCE**
64. The Lessee shall insure the asset for all risks and for third party claims until the end of the agreement with a licensed insurer of the Lessor’s choice.
65. The Lessee shall insure the asset with a licensed insurer of the Lessor’s choice and ensure that the Lessor or its assignee is noted as the first loss payee all insurance policies taken out by the Lessor.
66. The Lessee shall until the end of the agreement keep the asset insured against all risks of loss, third party claims or damage from any cause whatsoever for not less than the market value thereof. The amount of such insurance shall be sufficient so that neither Lessor nor Lessee will be considered a co-insurer.
67. The Lessee shall insurer the asset against any other risk recommended by the Lessor in the agreement.
68. The Lessee shall pay the premiums for such insurance on their due date and upon request deliver to Lessor satisfactory evidence of insurance coverage required the agreement.
69. The proceeds of such insurance payable, as a result of loss or damage to any item of Equipment, shall be applied to satisfy Lessee's obligation as set forth in Paragraph 9 below.
70. Lessee hereby irrevocably appoints Lessor as Lessee's attorney, to make a claim for, receive payment of and execute and endorse all documents, cheques or drafts, received in payment for loss or damage under any such insurance policy.
71. The Lessee shall comply with the terms, conditions and warranties of the insurance policy, and shall deliver the policy and any renewals thereof to the Lessor.
72. The Lessee hereby cedes to the Lessor, as security for the due performance of the Lessee’s obligations in the agreement, all of the Lessee's rights, interest and benefits in any insurance policies effected as required by this agreement.
73. **DAMAGE /LOSS OR DESTRUCTION OF THE ASSET**
74. Where the asset is damaged, destroyed or lost, the Lessee must immediately inform the Lessor in writing within 48 hours and must thereafter claim from the insurance company asking the insurance company to compensate the Lessor. All correspondence by the Lessee to the insurance company in respect of the asset shall be copied to the Lessor.
75. Where the asset is damaged, but capable of economic repair, the Lessor may require the Lessee to compensate the Lessor for any depreciation in the market value, or require the Lessee to repair the asset at its own cost and to continue paying the amounts due to the Lessor in the agreement.
76. Where the Lessor is of the opinion that the damaged asset cannot be repaired this shall be regarded as a breach of this agreement under paragraph 11 hereof.
77. The Lessee shall pay all amounts due at the time and in the manner provided in paragraph 3 above, and continue to pay the same on the occurrence and during the subsistence of:
78. Any accident involving the asset, whether such accident was of the Lessee’s making or otherwise, or
79. Any event or effect that was not or could not have been anticipated or controlled by the parties.
80. In the event of loss, damage or destruction of any item of asset, Lessee at its expense (except to the extent of any proceeds of insurance provided by Lessee which shall have been received by Lessor as a result of such loss, damage or destruction), and at Lessor’s option, shall either
81. Repair such item, returning it to its previous condition, unless damaged beyond repair; or
82. Pay Lessor all accrued and unpaid rental payments and late charges, plus an amount (the “Loss Amount”) equal to (i) the value of all rental payments to become due during the remaining term of this lease and the fair market value of the Equipment, as estimated by Lessor in its sole reasonable discretion; or
83. Replace such item with a like item acceptable to Lessor, in good condition and of equivalent value, which shall become asset of Lessor, included within the term “asset” as used herein, and leased from Lessor herewith for the balance of the full term of this Lease.
84. **ASSIGNMENT**
85. The Lessor may, upon prior written notice of at least 7 (seven) days to the Lessee, transfer all its rights, duties and/or ownership and interest in the asset to any person. If the Lessor does so then any reference in the agreement to the Lessor shall apply to whomsoever the Lessor transfers its rights, duties, ownership and interest.
86. The lessee agrees that it will not assert against any assignee of the lessor any defense, counterclaim or offset that the lessee may have against the lessor.
87. Any assignee of lessor shall have all of the rights, but none of the obligations, of lessor under the agreement.
88. The lessee acknowledges that any assignment or transfer by lessor shall not materially change lessee's duties or obligations under this lease nor materially increase the burdens or risks imposed on lessee.
89. The lessee shall not assign or in any way dispose of all or any part of its rights or obligations under this lease or enter into any sublease of all or any part of the lease asset without the prior written consent of lessor.
90. **BREACH**
91. The Lessee shall be in breach of this agreement if the Lessee:-
92. Does not pay, when due any amount that becomes due to the Lessor under the agreement.
93. Does not comply with any term of the agreement, or any other agreement which exists between the Lessee and the Lessor as a result of the Lease.(all of which are agreed to be material); or
94. Commits an act of bankruptcy as defined in the Bankruptcy Act, Cap 67 of the Laws of Uganda or is adjudged bankrupt by a court of competent jurisdiction.; or
95. has a court judgment against the Lessee and the Lessee does not pay the amount of the judgment within seven (7) days, unless the Lessee is seeking and has sufficient grounds to apply to court to remove the judgment; or
96. Other than in the ordinary course of its business shall sell, transfer, lease or otherwise dispose of the whole or any substantial part of its undertaking or assets;
97. Is in breach of any loan repayment obligation with any of its creditors
98. Compromises (i.e. asks or agrees with a creditor to delay any payment or pays less than is due) or delays any payments owing by the Lessee to any of its creditors; or
99. There is a change in the Lessee’s shareholders or members; or
100. Is provisionally or finally liquidated or sequestrated or placed under judicial management; or
101. Generally does anything which may harm the Lessor’s rights or cause the Lessor to suffer any loss or if the Lessor’s rights under any security given are lessened, lost or harmed in any way.
102. Should any one of the above events happen or should the asset be lost destroyed or damaged, the Lessor may, if it chooses and without harming any of the other rights it may have, exercise any of the following options:-
103. If the proceeds of the asset, referred to in clause 11(e), are less than the amounts outstanding, which includes amounts presently outstanding and amounts which would have become due in the future plus expenses incurred by the Lessor in the repossession, sale, transportation, valuation or storage of the asset, or any other charges (including, without limitation, any tax which may be payable), the Lessee shall pay to the Lessor the amount of the shortfall thus arising, within 14 days of demand by the Lessor; or
104. If the proceeds of the asset, referred to in clause 11(e), are more than the amounts outstanding, which includes amounts presently outstanding and amounts which would have become due in the future plus expenses incurred by the Lessor in the repossession, sale, transportation, valuation or storage of the asset, or any other charges (including, without limitation, any tax which may be payable), the Lessor shall pay the excess to the Lessee within 21 days of the Lessor receiving such proceeds.
105. If the asset are not recovered, their value shall be deemed nil.
106. After 14 days’ written notice demand from the Lessee immediate payment of all amounts outstanding which includes amounts presently outstanding and amounts which would have become due in the future plus expenses incurred by the Lessor in the repossession, sale, transportation, valuation or storage of the asset, or any other charges.
107. If the Lessee does not fulfill any duty in terms of this agreement the Lessor may, but does not have to, fulfill the duty on behalf of the Lessee and claim the cost of doing so from the Lessee.
108. **INDEMNITY**
109. The Lessee hereby indemnifies the Lessor, its agents servants, successors and assignees against all liability, loss, actions, claims, demands, proceedings (whether criminal or civil), costs, legal expenses, (on a full indemnity basis) insurance premiums and calls, damages or other sanctions arising out of the ownership, selection, possession, leasing, operation, control use, condition, maintenance, delivery and return of the asset arising directly or indirectly from the Lessee’s failure or alleged failure to carry out its duties under the agreement or by reason of any loss injury or damage suffered by any person (including, without limitation, the Lessor)
110. The indemnities and obligations herein provided shall continue in full force and effect notwithstanding the termination of the Lease.
111. **JURISDICTION AND LAW APPLICABLE**
112. This agreement shall be governed and construed according to the Laws of the Republic of Uganda.
113. The Courts of Uganda shall have exclusive jurisdiction to resolve any disputes that may arise concerning the agreement.
114. **SET-OFF**
115. The Lessor may at any time before or after the agreement has been terminated, take any money paid by Lessee towards any debt that the Lessee has with the Lessor and apply the same towards another debt the Lessee may have with the Lessor.
116. The Lessee gives up its right to identify the debt or account to which any payment will be made.
117. **NOTICE**
118. The parties choose the addresses set out in the Schedule as the street addresses at which the Lessee or Lessor, as the case may be, shall accept delivery of legal and other notices. Should either party wish to change its address, the other party must be notified in writing. The notice must be hand delivered or sent by registered post.
119. Where notice has been sent to the Lessee by hand, the Lessee shall be deemed to have received it on the date of delivery.
120. Where there is no delivery of post to the Lessee’s chosen address, and then the Lessor is allowed to send the notices to Lessee’s postal box.
121. Where notice is sent by registered post, the Lessee is deemed to have received it seven days after posting.
122. **VARIATION IN PAYMENTS**
123. In the event of any variation in the base lending rate charged by the Lessor from time to time, the Lessor shall upon proving the Lessee with written notice thereof forthwith vary the payments due in terms of the Schedule and the payments so varied shall thereupon automatically be substituted in the Schedule.
124. If the financial requirements, including capital and liquidity requirement for financial institutions as provided for in the Financial Institutions Act, 2004 or any similar statute or statutory instrument should be increased at any time during this agreement, the Lessor shall be entitled to increase the payments payable in terms hereof in proportion to such increases. A certificate signed by the Lessor’s auditors shall be conclusive proof of the increase referred to in this clause.
125. Should there be any changes in taxation laws, the Lessor may, with immediate effect, increase payments due by the Lessee under this agreement by an amount equal to the additional tax payable by the Lessor.
126. **NON-VARIATION AND INDULGENCE**
127. The agreement and its schedule constitute the agreement between the Lessee and the Lessor and no changes shall be made to it unless these changes are in writing and signed by the Lessee and the Lessor.
128. Any agreement to change the agreement in any way or any agreement not to enforce any rights or any agreement by the parties to cancel this agreement must in writing and signed by both parties.
129. Where the Lessor does not insist that the Lessee adhere to any term of this agreement strictly at any stage, the Lessee may not assume that the said or any other terms have been altered.
130. **GENERAL CLAUSES**
131. A certificate signed by any Manager of the Lessor (whose position as Manager need not be proved) showing any amount owing by the Lessee in terms of this agreement shall be sufficient proof of any amount due and for all purposes unless the contrary is proved.
132. If more than one Lessee signs the agreement, they will be jointly and severally liable for the performance of the obligations of the agreement. If this agreement is not signed by all the Lessees who are named in the agreement or by all the partners in the case of a partnership, the agreement shall be binding on all both those that have signed and not signed
133. Headings of clauses in the agreement are for information purposes only and shall not be taken into account in the interpretation of this agreement.
134. Where the singular is used, this shall include the plural, where "he" has been used, this shall include "she" and "it" and where "Lessee" has been used this refers to the "the Lessee" as reflected on the Schedule.
135. The Lessee shall pay all stamp duty, taxes, license fees and other fiscal charges connected directly or indirectly with the Lease. These amounts may be included in the principal debt payable by the lessee.
136. The principal debt may vary from the amounts in the Schedule, if the Lessor pays any amount (including but not limited to insurance premium as contemplated in clause 8) which is allowed to be included as part of the principal sum. The Lessee agrees that such amounts may be included in the principal debt and such additional amount/s shall accrue interest at the rate on arrears set out in the agreement.
137. If a competent court finds any terms of this contract to be unenforceable, that term shall be deleted and the remaining terms shall remain enforceable.
138. No right or remedy conferred upon or reserved to the Lessor by this agreement shall be exclusive of any other right or remedy herein contained or provided by law, and all such rights and remedies shall be cumulative and may be exercised as often as and in such order as may be deemed expedient by the Lessor and the exercise or beginning of the exercise of any power or remedy shall not be construed to be a waiver of the right to exercise at the same time or thereafter any other power or remedy.
139. The Lessee shall provide such information as the Lessor may reasonably request from time to time.
140. Both parties shall act in bona fide and good faith towards each other in performance of the agreement.
141. All Parties shall keep all information confidential received at during or after this agreement that affects or concerns the other’s business except under Compulsion of Law or by a valid Court order from a Court of competent jurisdiction.
142. **CONSENT TO DISCLOSURE**
143. The Lessee authorises the Lessor to:
144. Make enquiries about the Lessee’s credit record with any credit reference agency or bureau and any other party to confirm/verify the information provided by it.
145. Provide regular updates regarding the conduct of Lessee’s account(s) to the credit reference agencies or bureau and allowing the credit reference agencies or bureau to in turn make the record and details available to other credit grantors.
146. List the Lessee’s details with any credit reference agency or bureau should it default on its repayment obligations to Lessor.
147. **WARRANTIES, REPRESENTATIONS AND UNDERTAKINGS**
148. The Lessee represents and warrants to the Lessor that it has the legal capacity and power to enter into and perform its obligations in terms of this agreement and has taken all necessary actions (whether corporate, internal or otherwise) to authorize its entry into and performance of this agreement.
149. The Lessee acknowledges that the Lessor is not aware of the purpose for which the asset will be used, nor has the Lessor given any warranties, guarantees or undertaking of whatsoever nature as to the quality of the asset or their fitness for the purpose for which they are leased, nor has anyone on the Lessor’s behalf given any such warranties, guarantees or undertakings.
150. The Lessee further confirms and acknowledges that this agreement is a full payout non- cancellable agreement and that it does not have the right to surrender the asset during the tenure of this agreement.
151. The Lessee undertakes to comply with all applicable laws.
152. Each warranty, representation or undertaking shall be deemed to be material.
153. **EXCLUSION OF LIABILITY**

The Lessor and the Lessee agree that the Lessor will have no liability for:-

(a) The merchantable quality or fitness for purpose of the leased Equipment

(b) Any obligation, liability, right, claim or remedy in tort whether or not arising from the Lessor's negligence actual or imputed; or

(c) Any injury, death, loss, damage to a third party,

(d) Any damage to another vehicle, or

(e) Any other direct, incidental or consequential damages; and the Lessee shall indemnify the Lessor from and against all claims, costs, expenses, liability and damage related to or resulting from any of the above occurrences.

1. **EARLY REPAYMENT**
2. This agreement will continue until the expiry date stated in the Schedule. The Lessor may allow the early payment of the full amount on any condition that the Lessor may impose.
3. Full repayment of the Facility earlier than as set out in the Facility Letter and the Schedule to this Lease or early reductions thereof may be made by the Lessee upon not less than three (3) month’s written notice (or any such shorter notice period as the Lessor may agree to in writing) of the Lessor’s intention to make such payment or such reduction.
4. In the event of full repayment of facilities earlier than set out in clause the Facility Letter and the Schedule to this Lease or early reductions thereof, the Lessee shall be liable to pay any costs and losses incurred by the Lessor in connection with such payment or such reduction.
5. **FORCE MAJEURE.**
6. It is expressly agreed that neither Party shall be liable for any default, delay or lapse (other than failure to make payments due) occurring due to reasons of Force Majeure including war, tempest, terrorist strikes, change of law or any act of God.
7. Each Party shall notify the other within thirty (30) days of the occurrence of a Force Majeure. If any Force Majeure occurs and results in a delay or failure in performance, the Parties agree to resume performance once the Force Majeure ceases with an option for the injured Party to extend the performance date up to the length of time the Force Majeure endured.

In witness whereof the parties hereto affix their respective and or mark;

**The common seal of the lessor, housing finance bank limited is hereunto affixed in the presence of:**

**<<Name>>. <<Designation>> <<Signature>>**

**Name In Latin Character Designation Usual Signature**

**<<Name>>. <<Designated>> <<Signature>>**

**Name In Latin Character Designation Usual Signature**

**Signed the Said “The Leassee”**

**Name <<Name>> Signature <<Signature>>**

**Name <<Name>> Signature<<Signature>>**

In The Presence Of:

Name: ----------------------------------------- Occupation: ----------------------------------

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