HIRE PURCHASE AGREEMENT

This Agreement is made this day of ,

Between

VUGA BODA YO LIMITED of P.O Box 7356, Kampala, Uganda (hereinafter referred to as the **"Owner"** on the one part)

And

,
National ID No. Mob. No. , (hereinafter referred to as the **"Hirer"** which expression shall where the context so allows include their successors and assigns in title) on the other part)

WHEREAS

A. The Hirer has approached the Owner to purchase the Motor bike on a hire purchase arrangement as per the terms and conditions in this agreement.

B. The Owner is willing to sell the Motor bike under a hire purchase arrangement.

NOW THEREFORE the parties hereto hereby agree as follows: -

1. Ownership and Delivery

1.1 The motor bike shall remain the property of the owner until the Hirer has made full payment of the hire purchase price.

1.2 The Owner shall deliver possession of the motor bike to the Hirer at the Owner's place of business or, at any other location agreed between the Parties to this Agreement, after the hirer has made the down-payment for the bike and complied with any other requirements as per this agreement.

2. Maintenance and Use

2.1 The Hirer shall take proper care of the Motor bike and keep it in good working condition and in good repair until full payment of the hire purchase price has been made.

2.2 The Hirer shall not modify, remove or replace any parts of the motor bike without the consent of the owner except for purposes of complying with clause 2.1 where reasonable wear and tear is expected.

2.3 The Hirer shall not remove, modify, replace or tamper with the Number Plate/ Registration Plate at any time during the subsistence of this agreement. The owner

reserves the right to impound the motor bike in case the hirer contravenes this clause and all the sums paid will be considered forfeited.

2.4 The Hirer shall ride or use the motor bike only within the working hours between 6:00 am (morning) and 12:00 am (midnight). There shall be no movement or use of the motor bike beyond the stated working hours. In case the Hirer contravenes this clause the Owner reserves the right to penalize the Hirer a sum of Ugx 10,000/- (Uganda shillings Ten Thousand) per night of breach of this clause.

2.5 The owner shall monitor the use of the motor bike through a GPS tracking device. The owner reserves the right to automatically switch off the engine of the motorbike in case the Hirer rides the bike beyond the working hours referred to in clause 2.4.

2.6 The Owner shall not be liable for any accidents, bodily injury, damage and costs arising out of the automatic switch off of the engine referred to in clause 2.5.

2.7 The Hirer shall not sell, transfer, assign or hire out the motor bike without the written consent of the owner until the entire hire purchase price has been paid. The owner reserves the right to invite the purchaser for a routine inspection of the motorbike.

2.8 The Hirer shall use the motor bike only within the geographical area of 60 (sixty) Kilometer radius from the heart of Kampala city as illustrated on the map in schedule 2. The Purchaser shall not exceed the geographical limit except with the written consent of the owner. Breach of this clause by the hirer shall attract a penalty of Ugx 30,000/= (Uganda shillings thirty thousand).

2.9 The Hirer shall ensure that he or she is contactable by Mobile phone, Whatsapp or at his or her physical address. If the Hirer for whatever reason is not contactable for a period of one (1) week or more, the owner shall have the right to impound the motor bike.

2.10 The Hirer shall not remove, switch off or tamper with the GPS tracking device installed on the motor bike.

2.11 The hirer warrants that he or she has the relevant skill, knowledge and license to ride the motor bike.

2.12 The Hirer shall immediately notify the owner in case the motor bike has been lost, stolen or has been involved in accident.

3. Consideration and payments

3.1 In consideration for delivery of the motor bike, the Hirer shall make a non-refundable down payment stated in schedule 1 of this agreement after which he or she shall be handed possession of the motor bike.

3.2 In consideration of delivery of the said vehicle to the hirer, the latter has paid in down payment a sum of Ugx
( )
the receipt where of the owner hereby acknowledges) and will punctually pay to the owner a sum of Ugx every week by way of rent for the hire of the said vehicle for a period of weeks, the first payment to be made on the day of _____ and each subsequent payment on the _____ of every successive week.

3.3 The Hirer shall make Equated Weekly Installment at an interest rate 33% per annum for the duration of this agreement. Default in payment of any installment shall attract a penalty of Ugx 10,000/= (Ten thousand shillings) per week of default.

3.4 All payments made are deemed to be non-refundable except otherwise agreed.

3.5 The Hirer has a duty to punctually make payments of the installments on or before the due dates stated in schedule 1 of this agreement failure of which the owner reserves the right to impound the motor bike in accordance with clause 4 of this agreement.

3.6 No payments shall be made in cash mode to any person. Payments shall be made by mobile money or any other form agreed by the parties.

4. Default and Enforcement

4.1 In case the Hirer fails to make the agreed payments for the motor bike in accordance with the terms of this agreement, the owner shall have the right impound the motor bike after a period of one (1) week of continuous default of payment of any installment.

4.2 The owner reserves the right to impound the motor bike without notice in case of breach of any other terms of this agreement and the Hirer shall be required to rectify the breach within a period of thirty (30) days.

4.3 In case the Motor bike has been impounded, the Hirer shall be required to pay a penalty of Ugx 100,000/= (One Hundred Thousand Uganda Shillings), plus any other costs incurred by the owner as a result of the impounding of the motor bike. The Hirer shall also pay costs of storage and demurrage as and when they arise in connection with the impounding of the motorbike.

4.4 The owner shall have the right to resale the motor bike without notice or recourse to court after a period of thirty (30) days from the date when the motor bike was impounded. The Hirer shall be deemed to have forfeited all the sums paid under the hire purchase agreement.

5. Guarantee and Indemnity

5.1 The Hirer shall be required to provide at least Two (2) guarantors who will execute personal guarantees to ensure performance of the terms of this agreement by the Hirer.

5.2 The Hirer undertakes to furnish the Guarantors true and correct information in accordance with clause 7 of this agreement.

6. Insurance

6.1 The motor bike shall be insured by the owner comprehensively in its name. The Hirer shall have the right to a claim which shall be limited the installments paid for the motor bike.

6.2 The Hirer's claim (if any) under this clause 6 shall be strictly limited to the installments already paid but not including the non-fundable down payment.

6.3 The Hirer shall forfeit his right to make an insurance claim in case he or she is already in breach of any other terms of this agreement at the time when the accident or theft of the motor bike took place.

6.4 The Owner shall only pay the Hirer as and when the owner has been paid by the insurance company.

7. Risk, loss and damage

7.1 The Hirer shall bear the entire risk of loss arising in connection with the possession, use, storage, maintenance, seizure and repair of the goods.

7.2 The Hirer undertakes to notify the owner immediately if the motor bike is stolen, lost, destroyed or damaged beyond repair failure of which the hirer shall bear the entire loss or costs of damage.

7.3 The Owner shall not be liable for any illegal activities carried by the Hirer as a consequence of the use of the motor bike. In case the motor bike is impounded by any government authority as a result of any illegal activities the owner reserves the right to rescind the contract and the hirer shall be considered as having forfeited the sums paid to the owner under the agreement.

8. Information

8.1 The Hirer shall furnish all the following information required by the owner before execution of this agreement;

I. Identity, (National Identity cards or passport)
II. Next of kin,

III. Current permanent residence,
IV. Active Mobile or Telephone contacts
V. Introduction letter from local authorities
VI. Sketch map leading to the residence and any other relevant information required from time to time.

8.2 The Hirer by this agreement declares that all the information provided shall be true and correct.

8.3 The owner shall carry out a verification to confirm if the information furnished is true and correct. Should any information be found to be untrue, the owner shall have the right to cancel the agreement and impound the motorbike.

9. Confidentiality

The Parties agree that the terms of this Agreement are confidential and agree to keep all Information that is not publicly available strictly secret and confidential, except to the extent that:

(a) Either Party is required by law to disclose it; or

(b) Such disclosure is required for the purposes of performing any duty and obligation under this Agreement, provided that where the Hirer makes such a disclosure, the Hirer acts in the best interests of the Owner.

10. Termination

10.1 The parties to this agreement may terminate it by giving a one (1) weeks' notice of termination.

10.2 The Owner may terminate this agreement by notice in case the hirer is in breach of any of the terms of this agreement.

10.3 This agreement will be taken to be terminated where the Hirer has not rectified a breach or default in payment within a period of thirty (30) days after the motor bike has been impounded.

In witness whereof, the Parties hereto have caused this contract to be signed in their respective names as of the day and year first above- mentioned.

Signed by the said
VUGA BODA YO LIMITED] _____
(Director)

In the presence of] _____
(Witness)

Signed by the said

_____] _____
(Hirer)

In the presence of

_____] _____
(Witness)

In the presence of

_____] _____
(Witness)

DRAWN BY:
Verma Jivram & Associates.
Advocates & Solicitors
Plot 88, Luthuli Ave
P.O Box 7595
Kampala, Uganda

SCHEDULE 1

ITEM	INSTALLMENT	SUMS	DATE OF PAYMENT
1.	DOWN PAYMENT		
2.	2ND INSTALLMENT		
3.	3RD INSTALLMENT		
4.			
5.			

SCHEDULE 2

MAP OF THE SIXTY (60) KILOMETRE RADIUS

SCHEDULE 3

Motorbike Details

Headings	Description
Brand	
Model	
Color	
Registration No.	
Engine No.	
Chassis No.	

SCHEDULE 4

Loan Details

Headings	Description
Asset Cost	
Cash Price	
Down Payment	
GPS Cost	
Interest Rate	
Weekly Installment	
Tenure	
Insurance Premium	
HP Price	
Penalty for late payment	
Penalty for impounding char	