

CHATELS TRANSFER INSTRUMENT

1) JOE SCOTT of P. O. Box 1234-00100, NAIROBI in the Republic of Kenya (called “the Borrower” which expression shall where the context so admits, include their personal representatives and assignees) being the owner of the Chattel mentioned in the Schedule hereto (hereinafter called “the Equipment”) in consideration of the sum of **Kenya Shillings Two Million (Kshs. 2,000,000/-)** and advanced to her by BANK LIMITED a Limited Liability Company incorporated in the said Republic and having its registered office at Nairobi aforesaid and of Post Office Box Number 49584-00100, Nairobi aforesaid (hereinafter called 'the Lender' which expression shall where the context so admits, include its successors and assignees) HEREBY ASSIGNS AND TRANSFERS the Chattel as mentioned in the Schedule hereto annexed on Page 5 to the Lender by way of Mortgage to secure the payment of the said sum of **Kenya Shillings Two Million (Kshs. 2,000,000/-)**, TOGETHER with interest thereon at the rate of Fifteen per centum (15%) per annum until payment in full but payable on demand. In the event of failure by the Borrower to pay on demand, the moneys then due hereunder shall forthwith become payable in full and until payment, shall attract interest at a rate to compensate the Bank for the cost of funding the default and such rate to be determined at the sole discretion of the Bank.

2) The Borrower hereby covenants with the Lender that the Borrower shall at all times during the continuance of this Instrument :-

- a) Keep and maintain the Chattel in good order and condition (fair wear and tear only excepted) AND will be fully responsible for any loss thereof or damage thereto, however occasioned;

Keep the Chattel comprehensively insured in the name of the Borrower and the Lender AND will if required by the Lender, deposit with the Lender a copy of the relevant Insurance Policy and of receipt for any premium payable thereunder;

Punctually pay all licences, duties, fees and rent payable in respect of the Chattel as and when the same fall due,

Not sell let assign or otherwise, dispose off the Chattel or any component part thereof.

3) Any Insurance effected by the Borrower under the provisions of Clause 2 (b) shall vest in the Lender who shall be entitled to the full benefit thereof, including all claims thereunder which may at any time be outstanding.

Any moneys received by virtue of such Insurance shall at the discretion of the Lender either be

applied in replacing or restoring any loss or damage in respect of which the same shall be received or in or towards liquidation of the amount for the time being due to Lender hereunder.

4) If any time during the continuance of this Instrument, default is made by the Borrower in payment of any instalment of principal money and interest on the day on which the same ought to be paid in accordance with the terms hereof or if the Borrower shall commit a breach of or shall fail to observe or perform any of the other conditions herein expressed or implied or if the Borrower shall die or shall commit any act of bankruptcy or shall have a receiving order made against him or shall compound or negotiate for any composition with his creditors or if at any time execution is levied against any of the goods of the Borrower and such execution is not stayed or satisfied within Ten (10) days, then and in every and any such case, the Lender or its agents may immediately thereupon or at any time thereafter without any previous or further notice to or concurrence on the part of the Borrower and notwithstanding any subsequent acceptance of any payment of principal money and interest due on this security enter into and upon any lands or premises whereon or wherein the equipment for the time being may be and take possession thereof and sell or dispose of the same by private sale or public auction subject to such stipulations as the Lender may think fit, including without prejudice to the generality of the foregoing power to allow time for the payment of purchase moneys or to buy in the Chattel at such auction and to rescind or vary the terms of any Contract or Sale and to resell without being answerable for any loss or expense occasioned thereby and to execute all such Transfer Deeds, Assurances or other documents and do all such things for giving effect to any such Sale as may be necessary or proper. The receipt of the Lender or its agents shall be a sufficient discharge to any purchaser at such Sale for any of the purchase moneys and upon any Sale purporting to be made in exercise of the powers herein expressed or implied no purchaser shall be bound to enquire as to the propriety or regularity of any

such sale or be affected by notice express or constructive that any such Sale is improper or irregular. Any deficiency between the aforesaid purchase price and the sum due to the Lender hereunder at the time of such Sale together with all expenses pertaining to the same shall be made good by the Borrower and be recoverable by the Lender as liquidated damages but any increase as aforesaid shall belong to the Borrower.

5) No relaxation forbearance delay or indulgence by the Lender in enforcing any of the terms and conditions of this Instrument nor the granting of time by the Lender to the Borrower shall prejudice affect or restrict the rights and powers of the Lender hereunder nor shall any waiver of any breach thereof operate as a waiver of any subsequent breach thereof.

6) PROVIDED ALWAYS AND IT IS HEREBY AGREED AND DECLARED that the terms and conditions contained in this Instrument shall be in addition to and not in substitution for the terms and

conditions implied herein by virtue of Section 42 of the Chattels Transfer Act, except in so far as such implied terms and conditions are inconsistent with the terms and conditions hereof in which case the terms and conditions hereof shall prevail.

- 7) Upon the final balance of the said principal sum having been paid off by the Borrower together with all interest due thereon and upon payment by the Borrower of all costs, charges and expenses incurred by the Lender in relation to this Instrument, the Lender shall forthwith at the cost of the Borrower, execute a Memorandum of Satisfaction in respect of this Instrument and cause the same to be registered in accordance with the Chattels Transfer Act.
- 8) Any notice required hereunder, shall be sufficiently served on the Borrower if delivered to him personally or if posted to his last known address in Kenya by prepaid registered post and in such latter case, such notice shall be deemed to have been duly served Four (4) days after posting.

IN WITNESS WHEREOF the Borrower has hereunto subscribed his name this _____ day of _____ Two thousand and Four.

SCHEDULE

The Chattel is the Motor-Vehicle more specifically described as follows;

Registration No.	Make	Colour	Chassis Number	Engine Number
KAM012B	Toyota Landcruiser	Blue	KZJ95-0046565	DCZ-0449216

SIGNED by the Borrower the said
MWANYA MIGADDE in the
presence of:-

Advocate:

IN THE HIGH COURT OF KENYA.
IN THE MATTER OF THE CHATTELS
TRANSFER ACT (AFFIDAVIT OF DUE
EXECUTION)

I, JOHN SCOTT of Post Office Box Number 1234, Nairobi hereby MAKE OATH and state as follows:-

1. **THAT** the paper writing hereto annexed and marked "A" is a true copy of an Instrument under the above-mentioned Act, and of every Schedule or Inventory thereon endorsed or thereto annexed or therein referred to and of every attestation of execution thereof, as made and given and executed by MWANYA MIGADDE.
2. **THAT** the said Instrument was made and given by the said MWANYA MIGADDE on the _____ Day of _____ Two thousand and Four .
3. **THAT** I was present and witnessed the execution of the said Instrument by MWANYA MIGADDE on the _____ Day of _____ Two thousand and Four at Nairobi.
4. **THAT** the said MWANYA MIGADDE is a Kenyan and resides at Nairobi in the Republic of Kenya and he is a Businessman.

5. **THAT** the name subscribed to the said Instrument as that of the witness in whose presence the said Instrument was executed is in the proper handwriting of me, this deponent.

6. **THAT** I am an Advocate of the High Court of Kenya and reside at Nairobi aforesaid.

SWORN at NAIROBI by the said)

JOHN SCOTT)

This _____ day of _____)

2004.)

BEFORE ME)

)

COMMISSIONER FOR OATHS)