

LOAN AGREEMENT

**THIS LOAN AGREEMENT MADE THIS
DAY OF 1998**

BETWEEN

**ADVANCE LIMITED of Post Office Box 40863
NAIROBI**

AND

**SPICK, SPAN & CO. ADVOCATES of Post
Office Box 98765 NAIROBI**

**DRAWN BY: -
SPICK, SPAN & CO.
ADVOCATES,
P O BOX 98765
NAIROBI**

THIS LOAN AGREEMENT MADE THIS DAY OF 1998

BETWEEN

ADVANCE LIMITED of Post Office Box 1234 Nairobi hereinafter referred to as the "lender" (which expression shall where the context so admit include its successors and assigns) of the one part.

AND

SPICK, SPAN & CO. ADVOCATES of Post Office Box 98765 Nairobi hereinafter referred to as the "borrower" (which expression shall where the

context so admit include the successors and assigns) of the other part.

WHEREAS ADVANCE LIMITED is a liability company incorporated in Kenya dealing with the business of insurance premium financing.

WHEREAS SPICK, SPAN & CO. ADVOCATES is legal firm has requested **ADVANCE LIMITED** for a loan of 850,000.00 (Eight hundred and Fifty Thousand) and **ADVANCE LIMITED** is desirous of advancing the said loan of Kshs. 850,000.00 very expressly for 2 Years.

NOW THIS AGREEMENT WITNESSETH as follows.

1. **THAT** in consideration of the sum of Kshs. 850,000.00 (Kenya Shillings Eight Hundred and Fifty Thousand) on this day above mentioned lent to the Borrower by the Lender (receipt of which sum the Borrower hereby acknowledges) and the Borrower hereby covenants with the lender to repay them the said sum together with interest totalling to Kshs. 1,113,500.00 for a maximum period of 2 Years.

2. **THAT** Lender shall charge interest at a rate of 15.5% per annum (Fifteen point five per annum) for the said in 1 above calculated per month amounting to Kshs.263, 500.00 (Kenya Shillings Two Hundred Sixty Three Thousand Five Hundred only).

3. **THAT** the Borrower shall pay to the lender in 24 (Twenty Four) consecutive monthly instalments of Kshs.46, 395.85 to the lender commencing on the 1st day of August 1998 and on each consecutive 1st day of the month until 1st day of July 2000.

4. **THAT** if the Borrower becomes bankrupt or makes any arrangement with his or their creditors or any of the said instalments of principal or any part thereof or any interest payable under this agreement is in arrears for 20 days after the same has become payable as aforesaid then the whole of the said sum of **Kshs.1,113,500.00** or of such part thereof as is for the time being unpaid shall thereupon immediately become due and payable with interest thereon.

5. **THAT** the borrower further undertakes as follows: -

(i) To deposit the logbook and/or title documents relating to Motor Vehicle KAAA 123 as well as a signed transfer form as security for the said advanced amount.

(ii) To issue the said Motor Vehicle comprehensively with Alico Insurance Company Limited.

(iii) To give post dated cheques of the entire 24 payments on the signing of this agreement.

6. **THAT** on default of the one instalment when it falls due the Borrower shall be liable to pay the entire amount owing stated in paragraph 3 of this agreement and the lender will be at liberty to recover the outstanding amount by the sale of the said Motor Vehicle whereby the borrower will pay the balance in the event of a short fall.

7. **THAT** In the event that the borrower is desirous of redeeming the amount outstanding before the final date the lender shall reduce all interest payable on such balance from the total amount and only charge interest on a pro-rata rate or the date of redemption.

8. **THAT** once the loan is repaid either by payment in full as detailed in paragraph 3 above or redeemed as detailed in paragraph 7 above the lender

shall release to the borrower all the security documents relating to motor vehicle KAAA 123 forthwith, as stated in paragraph 5 above.

SEALED with the Common Seal of)
ADVANCE LIMITED)
in the presence of: -)

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MANAGING DIRECTOR)

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DIRECTOR)

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SEALED with the Common Seal of: -)
SPICK, SPAN & CO. ADVOCATES)
in the presence of: -)

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PARTNER)

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PARTNER)
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