**OPENING OF CREDIT WITH CONSTITUTION OF MORTGAGE**

**(WITHOUT GUARANTOR/S)**

**Between the undersigned:**

**Guaranty Trust Bank (Rwanda) plc**, a company with a share capital worth Ten Billion Nine Hundred Ninety Four Million Eight Hundred Eighty One Thousand Seven Hundred Sixty Two Rwandan Francs (RWF10,994,881,762) whose head office is established in Kigali, KN 2 ave 1370, Company code: 100003180 represented by Joel Gatanazi and Louis Hategekimana N.., respectively Head, Business Division and Head, Legal and Company Secretary; acting in accordance with the powers that have been conferred upon them by the Board of directors. Contracting in first part and on behalf of the creditor hereinafter called: **“The Bank”;**

And

**………………,** with Company Code: ………………., Kigali-Rwanda; officially represented by …………………, holder of ID card number : ………………………., the company having its principal place of business at Kigali – Rwanda; contracting in second part as the debtor,hereinafter called **“The Customer and owner of the mortgaged property**;

**Chapter I : Opening of credit**

1. **Amount and use**

The Bank approved and the customer accepted a credit facility totaling **………………….. Rwandan Francs (Rwf…………..).**

The various use of the credit will be subject to the agreements between the parties. These will be affected by written correspondence or all other forms of proof. In any event “the specifications, of the terms and conditions of the openings of credit” of the Bank are part and parcel of the present agreement.

The Bank will be able to impute on the opening of credit all that the customer must currently, or could owe him in the future to some title and for some reason that it is.

The imputation on the credit on the customer as well as the sums due of these debts on her accounts does not give him a right to novation so all rights and guarantees attached to the original debt will continue to subsist.

The rates of the interests and commissions applicable to the present opening of credit will be determined by particular agreements between the parties, by way of correspondence or otherwise.

1. **DURATION AND TERMINATION**

The mortgaged property herein shall remain perfected in favor of GT Bank (Rwanda) plc till the credit facility is fully repaid by the customer and shall remain perfected a for a maximum period for **15 years** effective from the date of mortgage registration at Rwanda Development Board which comes first. However, in event of default, the Bank will also have a right to terminate the present mortgage after a notice of thirty days addressed to the customer by registered letter as received or by letter to the customer duly acknowledge.

In addition, the Bank will have the right at all times to terminate the present opening of credit, by right, without notices, or warning, or formality. In any way, and to require the immediate repayment of the sums whose customer would be owing to the debtor:

a) In any case indicate in writing between the parties;

b) In case of inaccuracy of the declarations made by the customer or no execution of the obligations taken by him.

c) If the right of property of the customer on the assets here below doesn’t constitute an exclusive, complete and exempt right free from any danger or threat of eviction;

d) If the mortgage here below conferred to the Bank is not incontestable or does not occupy the rank in conformity with what will be declared farther;

e) In case of seizure, forced expropriation or because of public use opposition to transfer or all procedure of execution on the mortgaged goods assets;

f) In case of total or partial alienation of these assets, of concession of option to purchase on these assets, in case of depreciation attributed or not to the owners of these assets, or of total or partial destruction of these assets;

g) In case of modification of the nature or the destination of goods mortgaged;

h) In case of death, bankruptcy, collapse or total or partial inability of the customer or of demand of concordat or reprieve formulated by him or of seizure on her charge; or if any document carrying her signature is protested;

j) In the case where the Bank would lose or would be exposed to loss, for some reason of safety guaranteeing the customers obligations;

k) If a guarantor or a surety gets in one condition enumerated in b, c, d, e, f, g, h, I, j above;

The bank doesn’t lose the right by no means to denounce the credit without notice when it allows an operation on this credit even though it had knowledge of the event permitting to terminate the credit.

It is at all times permissible to the customer to accelerate the repayments of the credits to term. The Bank reserves the right to effect recovers from any deposits even overdue payments.

The remaining debtor of the account on the date of the cessation of the credit, containing the principal, the interests, commissions and accessories, will be payable without the Bank sending a demand note detailing nature of the claim and the amount.

Has to make note previously in an authentic title the realization of the credit and the amount of the debt. Until full repayment, this remaining balance will be interest-bearing at the rate applied by the Bank on the day of the denunciation of the credit.

**3. Use of the credit**

The use of the credit, the advances, made the agreed operations, the existence and the amount of the credit of the Bank will be sufficiently proved by the presentation of the various bank documents.

**Chapter II: Execution of mortgage**

**1. Identification**

For the safety and guarantee of the repayment of all sums in principal, interests, commissions, outlays and expenses currently or in the future owing towards the bank, arising from the use of this credit opening that is granted to him in accordance with terms of the chapter I of this contract, the customer declare expressly to execute a mortgage in favor of the bank which the land will be the building there on or with the building which will be erected thereon in future or which will be attached there by destination or incorporation:

* The property which is intended exclusively as Residential, plot nº ………… with UPI: …………….. located at …………… Village, Rudashya Cell, Ndera Sector, Gasabo District according to AMASEZERANO Y’UBUKODE BURAMBYE No. ………………….

The mortgaged plots will not be alienated, mortgage, leased or given in rent for the rent less than the normal one without authorization in writing by the bank.

**2. Registration of mortgage**

By the present contract, the customer authorizes the bank to apply on its behalf for the registration of the mortgage itgranted to the plots described above. Consequently, the customer authorizes the bank to debit its account the amount for mortgage registration and deregistration fees.

* The principal sum of **……………………. Rwandan Francs (Rwf………………);**
* The Open Market Value is **…………………………… Rwandan Francs** (**Rwf…………….).**

**The Customer authorizes Guaranty Trust Bank (Rwanda) plc to report his/her/its credit history to credit reference bureau and to request credit reference reports. She/he/it understands that he has the right to obtain a free copy of his/her credit report from the bureau and to dispute errors. In addition, the customer authorizes the bank to publish through the media its names and photos in case of default.**

The customer accepts pledges to submit to the Bank all the relevant certificates of the above described properties.

1. **Mortgage situation**

The customer hereby declared that the assets given for mortgage are her exclusive property and are free from any encumbrances or charges or any other official claim from the state.

**4. Insurances**

The above-mentioned property, that the mortgage commits shall be maintained in state of perfect repair, must be insured by a company accepted by the bank, against the risks of fire, of thunder, explosions, storms, earthquake, tornados, damages of electricity and water to the tune of their construction.

The value mortgage commits to maintain and to renew these insurances and to pay regularly all fees and expenses which be indicated by production of receipts thereof.

He commits besides:

* To notify to the insurers, through the intermediary of the Bank, the mortgage registrant last taken in favor, and to transfer the profit of the subscribed polices, to the tune of the amount due.
* To submit to the bank the said insurance policies

The bank will be with or without exercising the rights its rights subscribe for any insurance policies it deems necessary and put the responsibility on the customer commit his/her/its responsibility, to subscribe for the account, to the expenses and under the customer’s responsibility, the insurances that it judges necessary.

In case of death, the heirs or successors in title shall take all responsibilities and obligations stipulated in this article.

In any case the Bank will have the right to pay for any expenses and fees which fall due on the account of the customer.

At the time of the termination of mortgage, the Bank will have the right to cancel all the insurances that would have been subscribed by it, without and without responsibility taking informing the customer about any responsibility arising there from.

**5. Assignment of rents**

a) The customer agrees to submit to the bank all rents arising out of the mortgage premises at the moment or in future.

b) As a guarantee to it loan towards the Bank, the guarantor declares to give up and to send to the bank which accepts, all rents that will be due to him or will be due to him in future from the mortgage buildings. This transfer will be able to exercises since denunciations possible of the credit.

On presentation of a copy of this it, the bank will be able to make a simple note on the receipt and without intervention of the customer, and of the guarantor, the rents due to the amount and when payable the net balance of the rent will be credited on the customer’s account.

c). Expenses

Any mortgage any payment orders in respect of this loan shall be enforced. It will be transferable by dated endorsement and signed. Mention of this clause will be entered during the registration of the mortgage.

If he terminates the credit, the net earnings will remain affected to the reduction of the loan to the Bank on the customer, without however that this affectation carries away, in some measure that it is, novation of the obligations of this last.

He/it is expressly sensible that the present transfer won’t be able to stop producing his/her/its effects that of the bank writes in return for the agreement.

The customer submits to the bank all documents related the rents and as a copy of the lease agreement. The customer agrees to give to the bank all other documents that will indicate the rents assigned to the bank.

The bank doesn’t assume another obligation that to require at the time of their payability, the payment of the rents given up.

d). Choice of domicile

For the execution of the present and all their continuations, the domicile of the bank shall be:

Head office : KN 2, ave 1370, Kigali City ;

By the customer, the place where he/she/it ordinarily resides.

**6. Judicial recovery**

In case of default of repayment by the debtor, the borrower/owners of property give unconditional and irrevocable written consent in favor of Guaranty Trust Bank (Rwanda) plc reserves the right to use any of the below remedies:

a) Manage the property subject to the mortgage granted to it by the defaulter;
b) Selling the mortgage quoted in the preceding paragraph through auction; in the event of a default to repay the credit facility of **Rwf………………….** in accordance with the terms and conditions agreed upon between the Bank and Borrower in order to recover its entire loan plus accrued interest and other ancillary cost incurred in the process of recovering the granted loan.
c) Letting the mortgage;
d) Taking over of the mortgage granted the debtor.

**PROCEDURE**

1. Mortgage Management
- A notice must be sent to the debtor 30 days before the commencement of the action with information copy to the Registrar General;

- A Minutes setting up the state of building and detailing the proposed management actions by the bank must be established and signed by the executive secretary of the cell location of the building;

2. The letting of the building
- A notice must be sent to the debtor 30 days before the commencement of the action with information copy to the Registrar General;

- An application to vacate the premises should be addressed to the debtor by the bank two days before the expiry of the notice referred to in the preceding paragraph;

- A steady minutes in the hiring of the mortgage and specifying the use and treatment of funds received by the bank as rent must be established by the Executive Secretary of the cell location of the building and signed jointly by said authority and the bank;
- Indicate the probable date of the end of the lease in place by the bank;
3. Selling the Mortgage
- A notice must be sent to the debtor 30 days before the commencement of the action with information copy to the Registrar General;
- A letter of request for appointment of a receiver in charge of selling the mortgage addressed to the Registrar General;

4. Taking over the mortgage by the bank
- A notice must be sent to the debtor 30 days before the commencement of the action with information copy to the Registrar General;

- A starting price for the property made by the values recognized by National Bank of Rwanda.

In case of non-payment, the customer and/or the guarantor will agree to pursue on behalf of the bank by all means right and necessary to recover all sums to due to the bank unless the does not prefer to do it well aware that such a possibility would not a source of grievance of how it has led off the way whose pursuits would have been led.

All expenses, including lawyers’ fees, caused by the suits, would be, in any case be supported exclusively either by the customer.

The customer declares not to have consented to the assignment of any rent and not to have taken any other obligation likely to present or restrict the effect of the present assignment and hereby prohibits himself from having such consequence.

The customer gives all powers in the Bank to make effect service of the present assignment.

Where all service of summons, instruments, judgments, the bank nevertheless reserving the right to effect service at her actual place of domicile.

Any disputes arising from the interpretation and execution of this agreement will be in the courts having the relevant jurisdiction in Kigali.

The parties reserve the right however to bring suits in any other competent jurisdiction.

Done at Kigali, on ………………………

**Guaranty Trust Bank (Rwanda) plc**

**Joel Gatanazi Louis Hategekimana N.**

Head, Business Division Head, Legal and Company Secretary

**The Customer and owner of the mortgaged property**

……………………………

Represented by ……………..

1. NOTARIZED ACT NUMBER ONE THOUSAND TWO HUNDRED TWENTY (1220)--------------------VOLUME XVIII --------------------------------------------------------------------------------------------------------------------The year Two Thousand and Twenty One ---------------------------------------------------------------------------------The First day of the Month of June ------------------------------------------------------------------------------------------
2. I, Rutikanga Sixbert, Private Notary, hereby certify that this instrument, whose terms are reproduced herein, has been presented to us this day:
3. Badiel Rubangutsangabo employee of Guaranty Trust Bank (Rwanda) plc, resident in Kigali city witness to this instrument.
4.
5. The parties hereby accept the terms and conditions in this agreement. In agreement with that, the present act has been signed by the parties as indicated above, the witness and Notary, and sealed with the seal of the Private Notary.

---------------------------------------------------------**THE WITNESS** --------------------------------------------------------

…………………………

------------------------------------------------------------**THE NOTARY**---------------------------------------------------------

Rutikanga Sixbert

--------------------------------------------------------**RIGHT DISCERNED**-----------------------------------------------------Fees: Eleven Thousand Seven Hundred Rwandan Francs. Recorded by us, Rutikanga Sixbert, Private Notary, the deed number: 1221 and volume XVIII issued by the private notary on 01st June, 2021, the notary fee was paid according to bank cash deposit slip number: 81588 of 01st June, 2021 paid through Guaranty Trust Bank (Rwanda) plc.

------------------------------------------------------------**THE NOTARY**---------------------------------------------------------

 Rutikanga Sixbert

For authentic expedition whose cost in Eleven Thousand Seven Hundred Rwandan Francs (Rwf11,700), the notary fee was paid according to bank cash deposit slip number: 81588 of 01st June, 2021 paid through Guaranty Trust Bank (Rwanda) plc.

 -----------------------------------------------------------**THE NOTARY**---------------------------------------------------------

Rutikanga Sixbert