
RENTAL AGREEMENT

REF NO: VAELL-BT

This Agreement is made on this day of

BETWEEN

1. **VEHICLE AND EQUIPMENT LEASING LIMITED** (“the **Owner**”) of Company Registration Number 125885 and P. O. Box 4977-00200 Nairobi, which expression shall where the context so admits include its subsidiaries, successors and assigns on the one part;

AND

2.(**RENTER**) of Company Registration Number
and P.O. Box(hereinafter called the “the **Renter**” which expression shall where the context so admits include its subsidiaries, successors and assigns of the other part;

NOW, THEREFORE, in consideration of the recitals and mutual agreement set forth herein, and attending to be legally bound hereby, the parties agree as follows:

1. Definitions

In this Agreement, unless the context otherwise requires:

- 1.1 “**Agreement**”, “**this Agreement**”, “**hereto**”, “**herein**”, “**hereby**”, “**hereunder**” and similar expressions refer to this Rental Agreement and includes any and every instrument or Schedule supplemental of the Agreement;
- 1.2 “**Business Day**” means a day other than Saturday, Sunday and public holidays recognized in Kenya.
- 1.3 “**Commencement Date**” means the commencement date specified in the applicable Schedule 2 or respective date as communicated in writing by the Owner for the performance of the contract.
- 1.4 “**Confidential Information**” means all proprietary and confidential information or personal data disclosed in connection with this Agreement, be it commercial, financial, technical or otherwise (whether oral or in writing) and material which by its very nature should be treated as secret and confidential, and which the Parties desire to protect against unrestricted disclosure.
- 1.5 “**Default**” means a failure by a Party to perform its obligations under this Agreement.
- 1.6 “**Driver/Operator**” means the person appointed or authorised to operate or handle the Vehicle by the Owner and approved by the owner.

- 1.7 **"Effective Date"** means date as of when this Agreement was executed by both parties to the Agreement.
- 1.8 **"Parties"** means **VEHICLE AND EQUIPMENT LIMITED** and **BOLT TECHNOLOGY OU**
- 1.9 **"Rental Term"** the duration for which the Vehicle shall be rented to the Renter in accordance with the Schedule 2 as shall be amended in writing from time to time by the Parties.
- 1.10 **"Schedule"** means all schedules attached to this Agreement in the prescribed form.
- 1.11 **"Territory"** means the area/location/region authorized by the owner where the Vehicle rented under this agreement shall be utilized by the renter.
- 1.12 **"VAT"** means Value Added Tax as defined in the Value Added Tax Act No. 35 of 2013 and any exemptions thereto.
- 1.13 **"Vehicle"** includes any vehicle, equipment, machinery and/or technology as described in the Schedule 1.

2. Interpretation

In this Agreement:

- 2.1 Pronouns in the masculine, feminine, or neuter genders shall be construed to state and include any other gender.
- 2.2 Words importing the singular include the plural and vice versa, and words importing gender include all genders.
- 2.3 Any reference to a person includes a natural person, corporate or unincorporated body (whether or not having separate legal personality).
- 2.4 Any reference to a statute or statutory provision is a reference to it and its subsidiary legislation as amended, extended or re-enacted from time to time, whether before or after the date of this Agreement.
- 2.5 Clause headings have been inserted for convenience only and shall not be taken into account in its interpretation.

3. Agreement to Rent

- 3.1 This Agreement shall remain in full force and effect from the Effective Date.
- 3.2 The Owner agrees to let to the Renter and the Renter agrees to rent from the Owner, the Vehicle specified in the Schedule 1 on the terms and conditions specified herein.
- 3.3 The Commencement Date of the Rental Term for each Vehicle unit shall be specified in the applicable clause 1.10 to the date of expiry specified therein unless so extended in accordance with clause 3.6.
- 3.4 Acceptance of the Vehicle by the renter shall be conclusive evidence that the renter has inspected the Vehicle and is satisfied as to the condition, status and function of the Vehicle. It shall also be an acknowledgement by the renter that the Vehicle is suitable for the intended use. Such acceptance shall be signified by execution of the delivery note by the renter.
- 3.5 The renter hereby confirms that payment of the rentals shall be absolute after acceptance of the Vehicle and not subject to any set-off or deductions on the basis of the condition, status or function of the Vehicle.

- 3.6 Any variation or extension to the Rental Term shall be made expressly in writing and duly signed by the Parties. If the renter continues to use or have possession of the Vehicle after expiry of the term, the owner shall be entitled to charge the renter the rental rates as per the terms of this agreement.
- 3.7 The parties herein agree that the renter Must obtain the owners approval prior to changing the territory of the Vehicle(s).

4. Rental of the Vehicle

- 4.1 A request from the Renter to rent the Vehicle from the Owner will be performed when the Renter delivers to the Owner a completed and signed Rental agreement addressed to the Owner in respect of the Vehicle. The Rental agreement must be duly signed and witnessed by the Renter's Authorised Signatories then stamped and/or sealed with the renter's official stamp/seal. In some instances, due to factors we need not disclose, we may not be able to accept your request to rent the Vehicle.
- 4.2 Performance of the Owners' rental obligations are subject to the Owners' acceptance of the Renter's credit and shall additionally be based on the availability of the desired asset intended for rent. Until both these requirements are confirmed by the Owner, and a copy of the signed Rental agreement and rental schedule(s) returned to the Renter, the Owner shall not be under any liability under this Agreement.

Payment

- 4.3 The Renter shall pay to the Owner the monthly rental amount monthly in arrears as specified in the Schedule 2 including the applicable taxes payable free from any deductions or set-offs
- 4.4 All payments due under this agreement shall unless otherwise agreed be paid via banker's cheque, direct bank deposit and RTGS only. No other payment mode shall be accepted unless authorized by the owner herein in writing.
- 4.5 Should the Vehicle be used for more than the period specified in the Schedule, the Renter and the Owner shall extend the period of Rental per written agreement under the same rate.
- 4.6 The owners agrees that if the Renter punctually pays the Monthly instalments, all sums due under this Agreement and strictly observes and performs all the terms conditions and obligations on his part contained in this Agreement, the Renter will enjoy quiet possession of the Asset,
- 4.7 The time of payment shall be of essence in the performance of this Agreement and the Renter's failure to pay any sum within seven (7) days of the same becoming due shall be deemed to be default of the terms of this agreement

5. Ownership of Vehicle

- 5.1 The Renter agrees that it does not have any rights of ownership of the rented Vehicle.
- 5.2 The Vehicle, whether directly owned by the Owner or leased/ rented from another party, shall at all times be deemed to be the property of the Owner herein.
- 5.3 All or any of the rights, benefits and liabilities of the Owner under this Agreement and/or the property in the Vehicle may be assigned, transferred, charge, pledged or otherwise disposed of either in whole or in part by the Owner giving **7 days notice** to the Renter provided that such assignment , transfer ,charge or pledge shall not affect the rights of the Renter under this agreement
- 5.4 The Renter shall not do or omit, or cause to be done any act or omission that would cause the Vehicle to be seized or taken in execution under any legal process.

- 5.5 The Renter shall not, without the previous written consent of the Owner, permit the Vehicle to pass out of the Renter's custody. The Renter is required to seek the Owner's prior written consent to remove the Vehicle from Kenya. The Renter is further restricted from utilising any Vehicle at a location or site that was not previously agreed to by the Owner, without the Owner's prior written consent.

6. Renter's Obligations

The Renter shall:

- 6.1 Allow the owner to visit and inspect the site and territory (*where necessary*) prior to commencement and/or delivery of the Vehicle
- 6.2 . The owner shall cater for their own cost for the site visit.
- 6.3 Not permit the Vehicle to be overloaded or used for any purpose or in any manner for which it is not designed and/or used to ferry illegal goods, the vehicle will be used in skilful and proper manner.
- 6.4 Not permit the Vehicle to be removed from the Republic of Kenya for any reason whatsoever without the express and written authorization of the owner, which must be duly executed by the authorized signatory and sealed with the official company seal.
- 6.5 Ensure that the Vehicle shall be operated by competent and authorised persons only.
- 6.6 The renter shall furnish the owner with the following documentation:
- i. Title/Lease/agreement of the premises where the Vehicle will be stored
- 6.7 Be responsible for the safety and security of the Vehicle while under their possession and/or control. The renter hereby agrees to indemnify the owner against any loss occasioned by their non-adherence of this provision.
- 6.8 Bear all liability arising from the operation of the Vehicle at all material times it is under the Renter's possession, the Renter shall indemnify the Owner of such liability.

7. Service and Maintenance

- 7.1. The Renter shall take good and proper care of the Vehicle in its operation, use, and storage and shall use and operate the Vehicle within its rated capacity.
- 7.2. The Renter shall ensure the following measures are taken on a daily basis:
- a. General routine checks of the Vehicle;
 - b. Check and maintain required oil levels in the crank-case gearbox and other parts of the Vehicle;
 - c. Check and maintain the electrolyte levels in the batteries and coolant in the cooling system of the Vehicle for the proper maintenance thereof; and
 - d. Where the Vehicle is battery-powered – to maintain acid levels in the batteries and to recharge the same in accordance with the recommendations of the battery and the charger manufacturers.
 - e. Check and maintain the manufacturer's recommended air pressure in the pneumatic tyres fitted to the Vehicle (where applicable) and properly repair any punctures or other fractures to the pneumatic tyres fitted to the Vehicle.
- 7.3. Deliver the vehicle to the owner for routine service and maintenance in line with the manufacturer's internal recommendations and within the terms as agreed with the Owner in the Preventive Maintenance schedule of Service and Maintenance agreement.

- 7.4. To undertake the repairs , replacements and maintenance that falls outside of the routine service and maintenance as agreed with the Owner and where the Renter opts to have the same done by the Owner to give approval to the Owner to effect the same as shall be required from time to time.
- 7.5. Be responsible for the cost of service, repairs and/or replacement of the Vehicle and/or its parts for damage caused by the Renter or the Renter's employees and/or agents.

8. Insurance

- 8.1. The Owner shall procure comprehensive Insurance for the Vehicle against any risk and maintain a valid road licence/Inspection certificate (where applicable).
- 8.2. The renter shall abide by the terms and conditions of the policy and not to prejudice our rights there under.
- 8.3. The Renter shall indemnify the Owner against any loss that may be incurred as a result of the Renters Non-compliance with the terms and conditions of the Insurance policy.
- 8.4. In the event of an accident the Renter shall immediately give notice in writing to the Owner of the occurrence of such accident and obtain the documents required by the insurer to for purposes of processing and confirmation of the insurance claim including but not limited to Police Abstract and statement detailing the circumstances of the occurrence of the accident , map of the accident scene, Identification Card, Licence of the Driver of the vehicle ,Duly filled claim form.

9. Loss of or Damage to the Vehicle

- 9.1. The Renter shall bear all risks of loss and damage to the Vehicle where such loss and damage is as a result of the Renter's negligent acts or omissions or wilful default of its obligations.
- 9.2. The Renter shall further bear all risk and loss arising from any accidents to the Vehicle and/or the operators of the Vehicle caused by the Renter and/or its servants, agents and representatives or caused while the Vehicle is in the renter's possession and/or care.
- 9.3. Until such liability is satisfied, the rental of the Vehicle will be deemed to be ongoing.

10. Further Obligations of the Renter

The Renter shall not, without the previous written consent the Owner:

- 10.1 Make any alteration to the Vehicle and in particular shall not remove, deface or alter the Owner's identification plate or the accessories affixed to the Vehicle.
- 10.2 Sell, assign, sub-let, transfer, charge, pledge or create any lien over the Vehicle or any part thereof of this Agreement or any interest therein.

11. Overdue Payments

- 11.1. In respect of any amount due but unpaid by the Owner, the Renter must pay on demand, interest on the sums payable. The applicable overdue rate shall be 3% (three Per cent) per month on the outstanding balance which rate shall continue to accrue until payment of the overdue amounts in full.
- 11.2. The Renter and Owner acknowledge that this agreements is for all intends and purposes a Security Agreement as defined under the Moveable Properties Security Rights Act of 2017 and the Renter herein has authorized the creation of security in the receivables under this agreement as collateral for the full value of the rental transaction and such other amounts owed under this agreement and which right shall only extinguish upon discharge of all the renters Payment obligations herein.

12. Termination of Rentals

- 12.1 The Rental Term of each Vehicle shall terminate at the date of expiry specified in the Rental agreement.
- 12.2 The Owner may give the Renter **21 days' Notice** terminating the renting of Vehicle then being rented under this Agreement, or in the Owner's sole discretion with respect to the Vehicle being rented in terms of a particular Rental agreement, if there is a default of the Renter's obligations under this Agreement and/or where there is a breach of the terms herein.
- 12.3 Where the renting of any Vehicle is terminated under clause 12.2 due to the Renter's Default the Renter must immediately:
- a. Make the Vehicle available for inspection and collection by the Owner from the Renter's business premises ensuring that the return conditions are met;
 - b. Return the Vehicle to the Owner at a specified place;
 - c. Pay all amounts due or owed to the Owner until such date of termination; and
 - d. Pay a penalty of 50% of the remaining rentals from the date of termination to date of expiry of the Rental Term ; provided that where the events leading to termination were not reasonably foreseeable by the parties at the point of execution of this agreement and delivery of the vehicle , and where termination was not as a result of the renters default under this agreement the renter shall not be liable to pay the penalty so provided.
- 12.4 The owner hereby reserves the right to repossess the Vehicle from the renter's possession at any time during the subsistence of this agreement for any breach of any of the obligations contained in this agreement or the rental schedule. The renter shall bear the entire cost of the said repossession including the costs incidental to the repossession as shall be advised by the owner.
- 12.5 Any termination of this Agreement or any payments by the Renter does not affect any other rights (legal and/or equitable) the Owner may have under this Agreement or otherwise.

13. Return of Vehicle

- 13.1 At the expiration or earlier termination of the renting of the Vehicle the Renter will at its own expense deliver the Vehicle in good working order, which includes, but is not limited to:
- 13.1.1. No abnormal leaks of engine/ transmission and other fluids used by the machinery
 - 13.1.2. Tires (where applicable) with at least 45% tread
 - 13.1.3. Electrical connections and gadgets in fine working order and with sound connections
 - 13.1.4. Engine in good working order
 - 13.1.5. Repair of all dents, holes and damages
- 13.2 The owner shall conduct end of term inspection one month before expiry of the lease to confirm compliance with the return conditions under this clause 13
- 13.3 In the event the Vehicle does not meet the above return conditions during the inspection provided under clause 13.2, the renter shall be required to service and repair the Vehicle at their own cost, to meet the return conditions therein. The rental for the Vehicle shall continue until the Vehicle meets the return conditions under the same terms and conditions contained in the rental agreement and rental schedule.

- 13.4 In the event the owner repossesses the Vehicle for breach by the renter, the renter shall still be liable to repair the Vehicle to meet the return conditions. The owner may undertake such repairs and invoice the renter for the costs which shall include an administration fee of 3% of the expense incurred.
- 13.5 It is not expected of the Renter to repair Vehicle which is originally received with any of the above or other defects.
- 13.6 Should any of the above be in doubt or where the Owner will not have a certified technician to check the machinery then the local dealer will provide the confirmation necessary. During the term, the Vehicle should be maintained as close as possible to the return conditions.
- 13.7 Monthly or bi-monthly inspections may be carried out to identify discrepancies to return conditions above, which should be rectified immediately to avoid breach of terms.

14. **Miscellaneous**

- 14.1 Any terms of this Agreement or a Schedule attached herein shall not be varied unless upon mutual consent of the parties hereto, including a variation of the Rental Term or of the Vehicle rented.
- 14.2 This Agreement constitutes the whole agreement between the parties with regard to the subject matter hereof, and the Renter waives the right to rely on any alleged express provision not contained herein.
- 14.3 No relaxation or indulgence which the Owner may grant you shall be deemed to be a waiver of any of the Owner's rights in terms of this Agreement.

15. **Notices**

- 15.1 Notices may be hand delivered, sent by pre-paid registered mail or through the use of Electronic mail (e-mail). Any notice required to be given by one party to the other hereunder shall be given by sending the same by email or registered mail posted to the respective address specified in this Agreement or by leaving the same at the address party's business address.
- 15.2 Any notice so posted shall be deemed to have been given on the day following the day of posting and in proving such service it shall be sufficient to prove that the envelope containing that notice was properly addressed and posted except in the case of a notice or breakdown due to the development of an inherent fault or fair wear and tear to be given by the Renter to the Owner under this Agreement.
- 15.3 Notices sent by facsimile or E-mail will be taken to be received on production of a transmission report from the transmitting machine indicating a successful transmission of the facsimile or E-mail, whereas notices delivered by hand will be taken to have been received by close of business on the day of delivery.

16. **Dispute Resolution**

- 16.1 The Parties herein shall use their best efforts to negotiate in good faith and settle amicably any dispute that may arise out of, or relating to this Agreement. These negotiations shall be effected through a written notice to all parties involved, on the intent to negotiate, at least seven (7) days prior to the actual negotiations commencing, and will be conducted by the offices under which the Agreement was executed.
- 16.2 Any dispute difference or question which may arise at any time between the Parties upon the construction of this Agreement or on the rights and liabilities of the Parties with respect thereto

which has not been resolved by negotiation under Clause 16.1 above shall be referred to the decision of a single arbitrator to be agreed upon between the Parties or in default of agreement, within fourteen (14) days to be appointed at the request of either of them by the Chairperson of the arbitration for the time being of the Chartered Institute of Arbitrators (Kenya Branch) in accordance with and subject to the provisions of the Arbitration Act or any statutory modification or re-enactment thereof for the time being in force.

17. Confidentiality

The parties herein agree and commit not to divulge any information that may be considered confidential under this Agreement to any third party, unless the same is in the normal course of fulfilling each other's obligations under this Agreement.

18. Severance

If any of the provisions of this Agreement is or becomes illegal, invalid or unenforceable in any respect under any law, neither the legality, validity or enforceability of such provision, or the remaining provisions shall be in any way affected or impaired. This Agreement shall be construed and be enforced as if such invalid or unenforceable provision was omitted *ab initio*.

19. Independent Legal Advice

The renter hereby confirms and acknowledges that they have procured independent legal advice on the terms and conditions contained in this agreement. The renter further agrees to be bound by the said terms and conditions herein.

20. Governing Law

This Agreement shall be construed according to the Laws of Kenya.

IN WITNESS WHEREOF the Parties have duly executed this Agreement to be effective as of the Effective Date as provided for in this Agreement.

VEHICLE AND EQUIPMENT LEASING LIMITED

Witnessed by

Signature

Signature

Name of signatory

Witness

Designation

Date of Execution

Signed by:

BOLT TECHNOLOGY OU

Witnessed by

Signature

Signature

Name of signatory

Witness

Designation

Date of execution

SCHEDULE 1
ASSET DESCRIPTION

ASSET DESCRIPTION	REGISTRATION/CHASIS NUMBER
4 TON FAW TRUCK	

SCHEDULE 2
PAYMENT DETAILS

Term of the Agreement	2 Months (Renewable at the mutual agreement of the parties)
Agreed Monthly Rental Amount	KES per month Amount is inclusive of VAT and Insurance and Routine Service at 5000Km Intervals.
Payment Date	Monthly in Arrears 5 th day of every Month during the term of this Agreement
Currency	KES