

In the name of Allah, the merciful, the compassionate

IMMOVABLE PROPERTY FINANCING AGREEMENT

This IMMOVABLE PROPERTY FINANCING AGREEMENT (the "Agreement") is made at _____ on this _____ 2007.

BY AND BETWEEN

_____ Modaraba, a Modaraba floated under the Modaraba Companies and Modaraba (Floatation and Control) Ordinance, 1980 by _____, a Modaraba Company having Registered Office at _____, (hereinafter referred to as the "Modaraba" which expression shall where the context so permits and include its successors in interest, legal representatives and administrators and assigns) of the **ONE PART**.

AND

Mr. _____ having their place of residence at _____ (hereinafter referred to as the "Customer" which expression shall where the context so permits mean and include its successors in interest and legal representatives and administrators assigns) of the **SECOND PART**.

WHEREAS

1. The Customer approached the Modaraba with the request to provide a Property Finance Facility on Musharakah basis up to a maximum limit of Rs. _____ million (Rupees _____ Million only) hereinafter referred to as "Facility" and in consideration therefore has undertaken to pay to the Modaraba all such amounts as are found due from the Customer to the Modaraba as per the accounts of the Modaraba (the "Obligation") as demanded.
2. The Modaraba has agreed to this proposal and in this regard has further agreed to extend the Facility more fully defined in Clause (1) above to the Customer.
3. The parties are desirous of deducing in writing the terms and conditions governing the granting of Facility.

4. NOW, THEREFORE, THIS AGREEMENT WITNESSETH AS UNDER:

4.1. Facility Defined

The term "Facility" as used herein shall include my and all obligations and liabilities of any kind of the Customer arising out of the _____ Finance on Musharakah basis.

4.2. Security Defined

The term "Security as used herein shall include all present and future claims of the Customer against the Modaraba and all money, negotiable instruments, commercial paper, notes, bonds,

shares, debentures or other securities, bill of lading, railway receipts, warehouse receipts, credits, insurance policies, chooses in action, claims, demands and any interest in any of the foregoing and any other property, rights and interests of the Customer, and evidences thereof, which have been or at any time shall be delivered to or otherwise come into possession, custody or control of or be in transit to or from or set apart for the Modaraba or another acting in its behalf, for any purpose, whether or not acceptable.

4.3 Mortgage/Pledge

As security for the Facility, the Customer hereby mortgage with the Modaraba all of the Security including Bungalow situated at _____ and hereby bargains, assigns to sell and transfers to the Modaraba and gives to it a general lien/charge upon, and a right or set off all rights, title and interest of the Customer in and to any of the Security particularly mentioned above, plus mortgage/pledge charge over other assets of the customer's business held or to be held by the Modaraba.

4.4 General Rights

Whether or not any of the Facilities is due for payment by the Customer, the Modaraba may at its option, without notice and without thereby incurring any liability (except to account or any security or proceeds thereof actually received) and without discharging or otherwise affecting any liability of the Customer thereon or in connection therewith:

- a) Exercise any or all powers with respect to any Security with the same force and effect as an absolute owner thereof which includes but not limited to sell off all the security;
- b) Transfer any Security to the name of the Modaraba or any nominee of the Modaraba;
- c) Exercise all voting powers (if any)
- d) Remove any security from any state or country to any other state or country;
- e) Pledge any obligations issued or guaranteed by any Federal, Provincial, Municipal or Local Government or Authority in Pakistan in the Security, either alone or mingled with other collateral, to the State Modaraba of Pakistan or any other Authority in Pakistan to receive deposits or other obligations of the Modaraba, whether or not in excess of the Facility provided to the Customer by the Modaraba.
- f) Demand and receive all payments and distributions on any security (including principal, premium, profit, return, dividends or other income, share dividends or bonus shares and rights to subscribe).
- g) In its name or in the name of any one for whom it has acted or shall act as agent or in the name of the Customer, demand, sue for, collect and receive any money, securities or other property at any time due, payable or receivable on account of or in exchange for any security or make any compromise or settlement deemed by the Modaraba to be desirable with respect thereto;
- h) Apply the net cash proceedings of any security towards adjustment of any part of the Facility;

- i) Surrender or release any security to the customer, or exchange any security for another security provided by the customer.

5. The Modaraba's Obligation as to security

The Modaraba shall be under no duty to send notices, perform services or take any action of any kind in connection with the management of the security. The Modaraba shall have no responsibility or liabilities for the form, sufficiency, accuracy, genuineness or legal effect of any security or any instrument in any way relating thereto, or any signature thereon, or any instrument representing or purporting to represent property of goods, or for the performance of any obligation of carriage, storage, insurance or otherwise, or for the consequences of any error, interruption, delay, mutilation or loss in transit of cables, telegrams, letters or other document or errors in translation or interpretation or for obligations imposed by laws, customs or regulations of any state or country, or for the acts or decisions of public causes beyond the control of the Modaraba or for the act or failure to act for any of the Modaraba correspondents.

6. Insurance

The Customer hereby agrees to obtain insurance coverage from a reputable insurance company offering protection under the Islamic concept of Takaful. Until the Islamic concept of Takaful is available, the Musharakah property shall be insured with a reputable insurance company against all relevant insurable risks such as loss, damage or destruction of the Musharakah property. Such insurance shall be in the name of the Modaraba as the loss payee thereof and shall remain valid and effective for the entire term. However it is agreed that in the event of a claim being lodged under the insurance policy, the proceeds thereof shall be shared between the Modaraba and the Customer in accordance their respective shares in the Musharakah. All costs and expenses incurred in respect of such insurance of the Musharakah property shall be shared by the Modaraba and the Customer in proportion to their respective shares in the Musharakah.

7. Additional Security

The Customer will, upon demand of the Modaraba, at any time or from time to time, furnish such further security or make such payment on account as will be satisfactory to the Modaraba.

8. Acceleration of Maturity

In the event:

- a) The Customer shall fail to furnish further security or make payment as required by clause (7) above;
- b) Any sum payable by the Customer shall not be paid when due; or
- c) The Customer shall fail to perform any agreement herein contained; or

- d) The premium upon any policy of insurance constituting a part of the security shall not be paid when due, or such premium shall be paid by the operation of a provision in any such policy for automatic facility by the insurer for payment of premium, with or without the consent of the Modaraba; or
- e) The Customer shall (i) die, (ii) become insolvent (however evidenced), (iii) commit any act of insolvency, (iv) default in any payment on any indebtedness or in the performance of any instrument relating to any indebtedness, (v) make a general assignment for the benefit of creditors, (vi) suspend the transaction of the Customer's usual business, (vii) be expelled from or suspended by any exchange or trade association, (viii) admit in writing the inability of the Customer to pay the Customer's debts generally as they become due; or
- f) Any warrant, order of attachment, tax, lien or levy, distraint or garnishment be issued against any of the property of the Customer, or any receiver, Court or Governmental Authority takes possession or control of any substantial part of such property or control over the affairs and obligation of the Customers.

9. Realization on Security

Upon non-payment of any amount when due or becoming due, the Modaraba may, without demand of payment or notice of intention, (which are hereby expressly waived) force, collect and realize upon any security by sale, assignment, set off, application and otherwise. Any such sale, assignment or other realization may be at any time and place, public or private, with or without advertisement or notice of the time or place or otherwise (all of which are hereby expressly waived), in one or more sales or parcels at such price or prices as the Modaraba may deem best, for cash or on credit or for future delivery, without assumption of any credit risk the Modaraba may be purchaser at any such sale and each purchaser of security so sold (including the Modaraba shall hold the same absolutely free from any claim or right of any kind or equity of redemption of the Customer, which are hereby expressly waived) and released.

10. Expenses

The Customer will pay all expenses including legal fees of every kind of or incidental to the enforcement of any of the provision hereof or of any actual or attempted sale, or of any exchange, enforcement, collection compromise or settlement of any of the security, and of the receipt of the proceeds thereof, and for the care for the security (including insurance) and any such expenses incurred by the Modaraba shall be in addition to the purchase price or any other amount due and will be billed on the basis of actual expenses incurred.

11. Liability for unpaid Balance: Return of Security

Notwithstanding the realization by the Modaraba upon the entire security or the retention by the Modaraba of any security regardless of its value, the customer shall remain liable for the unpaid balance of all purchase price and other amounts. After the purchase price or other amounts due and expenses under clause 10 have been paid in full, any security remaining and any remaining proceeds of any security shall be returned to the customer.

12. Rights cumulative: No Waiver

The rights and remedies herein expressly specified are cumulative and not exclusive of any right which Modaraba would otherwise have, but it is not intended that any right or remedy by exercised in any jurisdiction in which such exercise would be specifically prohibited by law. No delay by Modaraba in exercising any right or remedy hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any further exercise thereof or the exercise of any other right. the Modaraba shall not be liable for exercising or failing to exercise any power or right.

14. Waiver of presentment

The Customer hereby waives presentment (except for acceptance when necessary), protest, notice of protest and notice of dishonor of any and all instruments included in the facility or the security, whether upon inception, maturity, acceleration of maturity or otherwise and any or all other notices and demands whatsoever, whether or not relating to such instruments.

14. Amendments

This Agreement shall not be amended, modified or limited except by a written agreement expressly setting forth the amendment, modification or limitation and signed by the party against which such amendment, modification or limitation is to be effective. This Agreement shall prevail notwithstanding any inconsistent provisions of any other agreement heretofore or hereafter executed.

15. Payments

Unless otherwise agreed, the amounts owing by the Customer to the Modaraba shall be repayable upon demand at that branch of the Modaraba through which the facility was made available to the Customer.

16. Notice: Service of Process

Demand for additional security and any other demands or notices to the Customer made by telephone or in writing left at or telegraphed, telexed, fixed or mailed to the address indicated below, or to such other address as the Customer may furnish in writing, shall be as effective is if delivered in person. The Customer consents to the commencement of any action and the service of any process.

17. Parties

If more than one person signs this Agreement, they shall be jointly and severally liable hereunder, the term "Customer" shall refer to all such persons collectively and the provisions hereof regarding the facility or security shall apply to any facility or any security of any or all of such persons, but the Modaraba shall be authorized to deal hereunder with any one or more of such persons. This Agreement shall be binding upon the heirs, executors, administrators, successor, or assigns of each Customer.

18. Continuing Agreement

This Agreement shall apply to all existing and future transactions, whether or not of the character contemplated at the date hereof and if all transactions between the Modaraba and the Customer shall at any time or times closed; this Agreement shall be applicable to any new transactions thereafter. The acceptance of this Agreement shall not be deemed a commitment by the Modaraba to provide any facility in future.

19. Interpretation

The section headings herein are inserted solely for convenience and are not to be construed as limitations upon the text. This Agreement is to be construed according to the laws of Pakistan. In this Agreement, while making reference to the Customer, singular will include plural and masculine will include feminine.

IN WITNESS WHEREOF, THIS AGREEMENT HAS BEEN SIGNED BY THE PARTIES ON THE DATE AND PLACE FIRST ABOVE-MENTIONED.

For _____
Attorney

For & on behalf of Customer

WITNESSES:

1. _____
Name _____
NIC No. _____
Address _____

2. _____
Name _____
NIC No. _____
Address _____

APPENDIX “A”
Schedule of Buy Out Prices

Buy Out Price (Rs)	Buy Out Payment Date

APPENDIX “B”
Description of Security

- Equitable / Registered Mortgage over property commonly know as

- Promissory Note(s)

- Standing Debit Instructions

For and on behalf of

For and on behalf of Customer