



www.performancebondsonline.com

Tel: 0800 043 2698

ADVANCE PAYMENT BOND

WHEREAS _____ of _____ (hereinafter known as the _____ Employer) has entered into a contract with _____ of (hereinafter known as the Contractor) for _____, all in accordance with the conditions of contract dated _____, a copy of which is attached and should be read in conjunction with this Guarantee.

WHEREAS under the terms of the Contract, the Employer has paid or will pay not later than _____, an amount of _____ (_____) (hereinafter known as the Advance Payment) to the Contractor, and the Contractor has agreed to accept such amount as a down payment for the works as described in the Contract, on the dates shown in the attached Contract, subject to the overall limit of this Guarantee of _____ (_____) (hereinafter known as the "Sum")

In _____ consideration _____ of _____ the _____ foregoing, _____ we
_____ whose address is _____

(hereinafter known as the Guarantor), undertake that in the event of the Contractor failing to fulfil the terms and conditions of the Contract and falling into Default (as hereinafter described), to pay to the Employer an amount of up to but not exceeding the Sum (as heretofore defined).

The Guarantor does hereby represent and warrant that it has the authority to enter into the Guarantee, has duly executed and delivered this Guarantee, and neither this Guarantee nor the agreements herein contained contravene any rules, regulations, or laws by which the Guarantor is governed or any of the Guarantor's authorities, by-laws or charters.

"Default" is defined as the failure of the Contractor to manufacture and deliver the equipment required as per the Schedule prepared by the Contractor and approved by the Employer as found in the Contract.

For this Guarantee to be effective any Default by the Contractor must be notified to the Guarantor within 14 (fourteen) days of the date that Default and



www.performancebondsonline.com

Tel: 0800 043 2698

a corresponding notice in writing must be sent on the same day to the Contractor by the Employer requiring the Contractor to cure that Default.

Should the Contractor fail to cure Default following receipt of the request by the Employer so to do, the Employer agrees that the Guarantor will have the right to either make payment of the outstanding amount or appoint a new Contractor to complete the work. The payment of the outstanding amount or the appointment of an alternative Contractor must be completed within 10 (ten) working days.

Should a default occur, notification of a claim should be accompanied by:

- 1 A statement from the Employer confirming that the Contractor has failed in its obligation to honour the Contract, providing evidence of such default.
- 2 A certified statement confirming at what stage of development default occurred, giving full details of the works carried out by the Contractor up to the point of default, and outlining what work remains to be done and what portion of the advance payment remains unearned.
- 3 A certified copy of this Guarantee.

The Employer hereby unconditionally and irrevocably agrees that the Guarantor shall be fully subrogated to the Employer to the fullest extent permitted by law and nothing herein contained shall be deemed to constitute a waiver by the Guarantor of any right to enforce any right or remedy which the Employer may now have or may hereafter have against the Contractor and in any security now or hereafter held by the Employer. Nothing herein contained shall in any way constitute a waiver by the Guarantor or any defence based upon an election of remedies by the Employer which destroys or otherwise impairs any subrogation rights of the Guarantor or the right of the Guarantor to proceed against the Contractor. If the Employer takes possession of the equipment after an Event of Default, the Employer shall preserve and protect the same for the mutual benefit of the parties as their respective interests may appear.

In the event that the Guarantor makes payment in full of the amount of unearned advance payment under the Contract, then the Employer will surrender for cancellation the original of the Guarantee to the Guarantor and will novate to the Guarantor the Contract and any other security held.

Performance Bonds Online is a trading form of Evolution Insurance Solutions Limited (EISL). EISL is company registered in the United Kingdom under company number 06092127 and is authorised and regulated by the Financial Services Authority under number 472438.
53a High Street, Saffron Walden, Essex CB10 1AA



www.performancebondsonline.com

Tel: 0800 043 2698

This Guarantee is for a period of _____ (_____) months, commencing on _____, and expiring at midnight on _____.

If no claim is notified by _____, this guarantee will expire and no further liability will attach hereto.

The Guarantor covenants that it will be subject to service of process and personal jurisdiction in England and Wales so long as this Guarantee remains in full force and effect and thereafter so long as the Guarantor was duly serviced with notice of an event of Default no later than 14 (fourteen) days after the expiration of this Guarantee. All notices or other papers which may be served upon any party hereto shall be sent either by first class mail, postage prepaid, personally delivered, or delivered by a nationally recognised delivery service and addressed as follows:

If to the Guarantor

If to the Lender

_____	_____

_____	_____

_____	_____

_____	_____

With copies to:

Performance Bonds Online is a trading form of Evolution Insurance Solutions Limited (EISL). EISL is company registered in the United Kingdom under company number 06092127 and is authorised and regulated by the Financial Services Authority under number 472438.
53a High Street, Saffron Walden, Essex CB10 1AA



www.performancebondsonline.com

Tel: 0800 043 2698

All notices if any, by the Guarantor and the Employer to each other shall be in the manner provided for herein for the delivery of notices by the parties thereto. Notices of change of address shall be given as herein provided.

This Guarantee constitutes the entire Schedule and supersedes all prior Schedules and understandings, both written and oral, between the parties with respect to the subject matter hereof and may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

This Guarantee shall be governed by and construed in accordance with the laws of England and Wales and the parties irrevocably submit to the exclusive jurisdiction of the Courts of England and Wales.

IN WITNESS WHEREOF, the parties have caused this Guarantee to be executed and accepted for themselves and their respective successors and assigns, as of the date first above written.

Director

Director

ACCEPTED AND AGREED:

Name & Position _____

Witness _____

Address

Signature _____ Signature _____