

IE-LDGgti01

Guarantee of contract performance

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OR

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OR

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Explanatory notes:

Guarantee of contract performance

General notes

1. This is a simple agreement which ties in this new guarantee ■■■■■■■■■■
■■■■■■■■■ .
2. It has been drawn to be very tough against the guarantor, in favour of the Client. However, paragraph 6 is the fallback for the guarantor. Our approach is therefore to put the guarantor strongly on the line but limit his total liability. This ■■■■■■■■■■ ,
■■■■■■■■■ .
3. This is a very flexible agreement. You will not require all of the provisions. You may have a simple guarantee of money or you may have changed the terms of ■■■■■■■■■■ . ■■■■■■■■■■ .

Paragraph specific notes

Notes numbering refers to paragraph numbers.

1. Basis of contract

This paragraph is concerned with the basics on the basis of which the parties ■■■■■■■■■■ .

Carefully edit sub paragraph 2 by describing the reason why the guarantor should come in. If there is no reason, the guarantor could claim later that he is not bound to this guarantee agreement because he has received no "consideration". The most likely ■■■■■■■■■■
■■■■■■■■■ , ■■■■■■■■■■
■■■■■■■■■ , ■■■■■■■■■■
■■■■■■■■■ .

2. The guarantee

Make sure you set down precisely what you want the guarantor to guarantee. In this example, we have provided ■■■■■■■■■■

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When a contract goes wrong, the new deal to put it right could be anything, so we do not know what exact words you will need.
..... :,
..... / ..
..... .

You could edit this paragraph so as to leave a simple guarantee of the obligations of the contractor. However, the agreement will be stronger if the obligations are specified.
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..... .

3. Changed terms of the Original Contract

This is where we have added the penalty and also provided the words for incorporating any other changes you might need.
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4. Guarantor's continuing liability

This covers a number of legal points which
..... .

5. Rights waived

We have no comment.

6. Guarantor's indemnity for costs

In law, a guarantee covers
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The sum to be
..... .

Paragraphs 6.5 and 6.6 are alternative to each other
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