

ZA-LDGgti01

Guarantee of contract performance

- 3.3 Schedule 2 of the Original Contract shall be replaced by a new schedule, as attached to [REDACTED] " [REDACTED] 2 ([REDACTED])"
- 3.4 The Completion Date under the Original Contract shall be [REDACTED]
[REDACTED] [REDACTED]
- 3.5 There shall be a penalty [REDACTED]
[REDACTED] :
- For every day by which the new Completion Date is [REDACTED] , [REDACTED]
[REDACTED]
[REDACTED] [500] .
- 3.6 [Insert other change].

4. Guarantor's continuing liability

- [illegible]

[illegible][illegible][illegible]

8.9

[illegible]

This guarantee agreement becomes effective on the date it is signed.

[illegible][illegible]

OR

[illegible]

..... [.....]

 ,

[illegible]

Explanatory notes:

Guarantee of contract performance

General notes

- This is a simple agreement which ties in this new guarantee ■■■■■■■■■■
■■■■■■■■■.
- 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 ■■■■■■■■■■
■■■■■■■■■.
- 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 reasons are that the guarantor is connected because he has a contract to supply to contractor or buy from him, or is otherwise

2. The guarantee

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

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.

.....

..... ,

.....

..... .

This is where we have added the penalty and also provided the words for incorporating any other changes you might need.

.....

.....

.....

.

[illegible]

We have no comment.

[illegible][illegible]

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7. Assignment of guarantee

Normally, an assignment of the rights under a guarantee agreement would require _____ , _____

_____ / _____ / _____ / _____ .

8. Miscellaneous matters

[illegible]

End of notes