

Dated 2015

[CONTRACTOR] (1)

and

[GUARANTOR] (2)

and

EASTLEIGH BOROUGH COUNCIL (3)

Guarantee Bond

In the form of the ABI model form of Guarantee Bond

relating to [ ]



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**THIS GUARANTEE BOND** is made as a deed **BETWEEN** the following parties whose names and addresses are set out in the [Schedule](http://uk.practicallaw.com/0-107-3651#a172490) to this Bond (the "Schedule"):

(1) The "**Contractor**" as principal

(2) The "**Guarantor**" as guarantor, and

(3) The "**Employer**"

**WHEREAS**

(A) By a contract (the "**Contract**") entered into or to be entered into between the Employer and the Contractor particulars of which are set out in the [Schedule](http://uk.practicallaw.com/0-107-3651#a172490) the Contractor has agreed with the Employer to execute works (the "**Works**") upon and subject to the terms and conditions therein set out.

(B) The Guarantor has agreed with the Employer at the request of the Contractor to guarantee the performance of the obligations of the Contractor under the Contract upon the terms and conditions of this Guarantee Bond subject to the limitation set out in [clause 2](http://uk.practicallaw.com/0-107-3651#a718080).

**NOW THIS DEED WITNESSES** as follows:

1. The Guarantor guarantees to the Employer that in the event of a breach of the Contract by the Contractor, the Guarantor shall subject to the provisions of this Guarantee Bond satisfy and discharge the damages sustained by the Employer as established and ascertained pursuant to and in accordance with the provisions of or by reference to the Contract and taking into account all sums due or to become due to the Contractor.

2. The maximum aggregate liability of the Guarantor and the Contractor under this Guarantee Bond shall not exceed the sum set out in  [the [Schedule](http://uk.practicallaw.com/0-107-3651#a172490)](http://uk.practicallaw.com/0-107-3651#a172490) (the "**Bond Amount**") but subject to such limitation and to [clause 4](http://uk.practicallaw.com/0-107-3651#a932210) the liability of the Guarantor shall be co-extensive with the liability of the Contractor under the Contract.

3. The Guarantor shall not be discharged or released by any alteration of any of the terms, conditions and provisions of the Contract or in the extent or nature of the Works and no allowance of time by the Employer under or in respect of the Contract or the Works shall in any way release, reduce or affect the liability of the Guarantor under this Guarantee Bond.

4. Whether or not this Guarantee Bond shall be returned to the Guarantor the obligations of the Guarantor under this Guarantee Bond shall be released and discharged absolutely upon Expiry (as defined in the [Schedule](http://uk.practicallaw.com/0-107-3651#a172490)) save in respect of any breach of the Contract which has occurred and in respect of which a claim in writing containing particulars of such breach has been made upon the Guarantor before Expiry.

5. The Contractor having requested the execution of this Guarantee Bond by the Guarantor undertakes to the Guarantor (without limitation of any other rights and remedies of the Employer or the Guarantor against the Contractor) to perform and discharge the obligations on its part set out in the Contract.

6. This Guarantee Bond and the benefits thereof shall not be assigned without the prior written consent of the Guarantor and the Contractor.

7. The parties to this Guarantee Bond do not intend that any of its terms will be enforceable, by virtue of the Contracts (Rights of Third Parties) Act 1999 or otherwise, by any person not a party to it.

8. This Guarantee Bond shall be governed by and construed in accordance with the laws of England and Wales and only the courts of England and Wales shall have jurisdiction hereunder.

**IN WITNESS** whereof the Contractor and the Guarantor have executed and delivered this Guarantee Bond as a Deed this day of 2015

**EXECUTED AND DELIVERED** as a deed by the Contractor

by the signatures of:

Director:

Director/Company Secretary:

**EXECUTED AND DELIVERED** as a deed by the Guarantor

by the signatures of:

Director:

Director/Company Secretary:

**THE SCHEDULE**

**The Contractor:** [ ] whose [address] [registered office address] is at [ ].

**The Guarantor:** [ ] whose [address] [registered office address] is at [ ].

**The Employer:** **EASTLEIGH BOROUGH COUNCIL** of Eastleigh House, Upper Market Street, Eastleigh, Hampshire S050 9YN.

**The Contract:** A contract to be entered into between the Employer and the Contractor in the form of [ ] as amended for [ *the works* ] for the original contract sum of £[ ].

**The Bond Amount:** The sum of £[*10 per cent of the above contract sum*].

**Expiry:** the payment by the Employer of the final payment to the Contractor (or the payment by the Contractor to the Employer of any sums owed to the Employer) in accordance with clause 4.12 of the Contract, which shall be conclusive for the purposes of this Guarantee Bond.