

# **ADVANCE PAYMENT BOND**

## under clause 34, subclause (2), of ABT 18

**At the request of**  
(the contractor):

**we hereby guarantee to**  
(the client):

**the payment of a total amount of up to DKK**  
(in words: Danish kroner):

**relating to advance payment for materials purchased  
by the contractor and not delivered on the construction  
site, comprising** (description of materials, etc):

**for** (the project):

### **I. Payment under the bond**

If the client requests payment under this bond, such request must, in accordance with clause 9, subclause (9), of ABT 18, be made in writing and notified simultaneously to the contractor and the guarantor with a precise specification of the nature and extent of the alleged breach and the size of the amount claimed.

The amount claimed must be paid to the client within ten working days after receipt of the notification unless the contractor has filed a request with the Danish Building and Construction Arbitration Board before then, asking the Board to issue a decision on the security provided, in particular with a view to determining whether the payment claim is justified; see clause 65 of ABT 18.

If the expert decides that payment must be made under the bond, the amount must be paid out no later than three working days after the parties and the guarantor have received written notification of the decision; see clause 65, subclause (9), of ABT 18.

The guarantee amount of this bond will be reduced by any amount paid under the bond.

### **II. Cessation of the bond**

The bond ceases when the materials covered by the advance payment have been delivered to the construction site. The client must notify the guarantor of such delivery in writing as soon as possible.

The bond is reduced proportionally when deliveries are made in instalments.

### **III. Disputes**

Any dispute concerning payment under or cessation of this bond must be resolved by a decision on the security provided in accordance with clause 65 of ABT 18; see clause 9, subclauses (9) and (10), of ABT 18.

If the circumstances warranting a claim in accordance with clause 9, subclause (9) or (10), of ABT 18 are already the subject of a dispute between the parties in pending proceedings as set out in clause 66 or clause 67 of ABT 18, an introduction of the claim in the pending proceedings replaces the request for a decision on the security provided; see clause 9, subclause (11), of ABT 18.

If the contractor is declared bankrupt, the guarantor may file a request for a decision on the security provided in accordance with clause 65 of ABT 18, in which case the guarantor becomes a party to the case; see clause 9, subclauses (9) and (10), of ABT 18.

The guarantor accepts that all disputes arising out of or in connection with this bond are resolved in accordance with the provisions of chapter J of ABT 18, except for clause 62 of ABT 18.

**Bond no/ref no:**

**Guarantor:**

**Date and signature:**