

# ADVANCE PAYMENT BOND

BOND NO. AB/00/00/LA

KNOW ALL MEN BY THESE PRESENTS, that we, ..... of ..... (hereinafter called "the Contractor") and **Leadway Assurance Company Limited** whose Registered Office is at NN. 28/29 Constitution Road, P.O. Box 458, Kaduna (hereinafter called "the Surety") are held and firmly bound to .....(hereinafter called "the Employer") in the sum of ₦..... (**.....Only**) to be paid to the Employer for which payment to be well and truly made the Contractor and Surety for themselves their successors and assigns do hereby respectively bind themselves jointly and severally firmly by these presents.

WHEREAS the Contractor has entered into a certain written contract with the Employer for the ..... **as specified in the award letter dated ....., 2005 for a total contract sum of ₦.....00** (hereinafter called "the contract") all of which contract with all its terms and conditions is hereby made a part of this agreement and whereas under the said Contract the Employer has agreed to make Advance payment of ₦ ..... (**.....Only**) to the Contractor.

NOW THE CONDITION of this Bond is such that if the Contractor shall duly utilise the advance Payment for the purpose for which it is granted and observe the terms under which the Advance Payment is granted then this obligation shall be null and void but on default by the Contractor during the period this Bond is in force the Surety shall satisfy and discharge the damages sustained by the Employer thereby up to the amount of the above-written Bond or such part thereof as will be outstanding.

Our liability under this guarantee shall be proportionately reduced in accordance with the recovery of the advance payment on terms and conditions agreed between the Employer and the Contractor and the guarantee shall expire and our liability shall be automatically discharged on the full recovery of the advance payment by the Employer. The Bond will be returned to the Surety as soon as the Advance Payment has been so repaid.

This Bond shall be valid until the close of business on .....<sup>th</sup> ....., 2005 and any claim therein must be received by the surety on or before that date after which it shall become void.

Premium paid for this Bond is not refundable under any circumstances.

Dated this .....<sup>th</sup> day of ....., 200.

BOND NO. AB/00/...../LA

**The Common Seal of the Contractor**  
Was hereunto affixed in the presence of:

.....  
D I R E C T O R

.....  
S E C R E T A R Y

**The Common Seal of the Surety**  
Was hereunto affixed in the presence of:

.....  
D I R E C T O R

.....  
S E C R E T A R Y