

LETTER OF GUARANTEE NO:

TO : THE NATIONAL HOME BUILDERS REGISTRATION COUNCIL

DATE :

BANK FINANCIAL GUARANTEE

This financial guarantee is:

ISSUED BY:

.....
("the Guarantor"/"the Bank")
with registration number.....,
represented by.....
.....
in his/her/their capacity as,
who hereby warrant/s that he/she/they has/have been duly authorised thereto,

IN FAVOUR OF:

The National Home Builders Registration Council,
as established in terms of Section 2 of the Housing Consumers Protection Measures Act 95 of 1998, as
amended,
("the NHBRC"),

IN RESPECT OF:

The property:.....(Unit number, Erf number,

Township & Province)

("the Home")

which is in the process of being enrolled and to be constructed

by:.....

(Registered Home Builder – Full Name/Company name/ CC name)

("the Home Builder")

with registration/ID number.....registered with the NHBRC under number

.....and represented by

THE HOME BUILDER HAVING BEEN APPOINTED/CONTRACTED TO CONSTRUCT THE

HOME BY:

..... *(Name and surname of the owner(s)/intended owner of the Home)*

("the Housing Consumer")

1. The Bank hereby makes an irrevocable undertaking to pay enrolment fees, in respect of the Home, to the **NHBRC** in the amount of R..... into the following bank account:

Name of the Bank	:	Rand Merchant Bank
Account Name	:	National Home Builders Registration Council – Main Account
Account Number	:	62081366520
Branch Name	:	RMB Corporate Banking
Branch Code	:	255005
Reference	:
2. The Bank shall effect payment of the said amount within ninety (90) calendar days from the date of issue of this payment guarantee.
3. The Bank shall only be released from any liability under this guarantee upon written notice to that effect from the **NHBRC**.
4. This Guarantee will expire on the date on which payment is effected by the Bank and receipt thereof has been confirmed by the **NHBRC** or within ninety (90) calendar days from the date of this guarantee, whichever occurs first.
5. The amount which may be claimed from the Bank, shall be limited to the amount stated in paragraph 1 above, subject to any additional amount which may be claimed in terms of paragraph 7 of this guarantee.
6. Notwithstanding anything in this guarantee, any outstanding amount due and payable by the Bank in terms of this guarantee shall be payable upon written demand for such payment having been made by the **NHBRC** to the Bank and within the period determined by the **NHBRC** in its sole discretion.
7. The outstanding amount which may be claimed from the Bank may include any additional amount on account of interest calculated at 8.50% per annum, administration costs or any legal costs incurred in recovering any amount payable by the Bank.
8. The Bank hereby renounces the benefits of excussion and division and cession of actions, it being fully acquainted with the meaning and effect thereof.
9. The **NHBRC** shall be entitled, in its sole discretion, to grant time and/or other indulgences to the Bank, in such manner as it may deem fit and any such action shall not in any way affect, limit or prejudice the Bank's liability to the **NHBRC** in terms hereof.
10. A signed letter by an officer of the **NHBRC**, whose authorization it shall not be necessary to prove showing the amount of enrolment fees due and outstanding in respect of the Home to the **NHBRC** shall be *prima facie* proof of the amount of the indebtedness of the Bank to the **NHBRC** for all purposes under this guarantee, including any legal action proposed of whatever nature.
11. The Bank hereby selects the address indicated above as its domicilium citandi et excutandi for all purposes of this guarantee including the serving of all notice and processes in connection herewith. Any such notice or process shall be deemed to have been received by the Bank within fourteen (14) days of it having been posted to the Bank at such address. Any notice or process may also delivered to the Bank at the address in which case the Bank shall be deemed to have received it on the date of such delivery.
12. The **NHBRC** shall be entitled to institute proceedings in respect of any claim arising hereunder in any Magistrate's Court having jurisdiction notwithstanding that such claim may otherwise exceed the jurisdiction of such Court. The **NHBRC** shall also be entitled to institute any action in any Division of any such Court of South Africa, and the Bank hereby consent to the jurisdiction of any such Court in respect of any claim.
13. The Bank warrants its power to issue this guarantee.

14. This guarantee is neither negotiable nor transferable and shall be returned to the Bank upon payment, expiry or cancellation.

SIGNED AT _____ **ON THIS** _____ **DAY OF** _____

FOR AND ON BEHALF OF _____ *(name of the Bank/Guarantor)*

(Name of the Signatory)

(Name of the Signatory)

AS WITNESSES:

1 _____

2 _____