

KEY PROPERTIES (PTY) LTD vs MARINA ELIZABETH NATALIA LAMPRECHT
& JOZEF LAMPRECHT

Frank J.

1996/04/02

Principal and Agent - Estate Agent - Commission - Claim for payment of commission - Whether agent's introduction was effective cause of sale - Sellers negotiate directly with eventual purchaser after terminating mandate of agent who introduced property to purchaser - not sufficient to show introduction a causa sine qua non - Where more than one agent or party involved in events leading up to sale it's endeavours override the other other factors of importance - Court holding that in circumstances first introduction by agent was effective cause of sale and agent thus entitled to its' commission.

IN THE HIGH COURT OF NAMIBIA

KEY PROPERTIES (PTY) LTD PLAINTIFF

versus

MARINA ELIZABETH NATALIA LAMPRECHT FIRST DEFENDANT

JOZEF LAMPRECHT SECOND DEFENDANT

CORAM: FRANK, J.

Heard on: 1996.03.12, 13,

Delivered on: 1996.04.02

JUDGMENT

FRANK, J. : The plaintiff, a limited company, carrying on business as estate agents, sued the defendants who were co-owners of a certain dwelling house situated in Luwigsdorf, Windhoek, for the sum of N\$56 000, being commission on the sale of the aforementioned house to the Government of Namibia. At all relevant times Mr Volgraaf acted on behalf of the plaintiff.

During March or April 1992 the wife of the Speaker of the National Assembly who was at that stage a colleague of Mr Volgraaf informed the latter that she was looking for a house for the Speaker. Mr Volgraaf initially was not sure whether she meant a house in his personal capacity or not. However, it later transpired that she meant that the Government was looking for a house it would buy and which would be the official residence of the Speaker of the National Assembly irrespective of whom the incumbent at any

specific time -might be. After the Plaintiff was formed and Mr Volgraaf became a director he introduced the house belonging to the defendants to the Government.

He initially took the wife of the Speaker and when she showed interest he also arranged and took the Speaker to view the house the next day. On this occasion the Speaker was accompanied by a functionary of his office (Mr Agnew) and his chauffeur. The Speaker also expressed an interest in the house and informed him that Mr Agnew would contact him again. At a later stage Mr Agnew informed Mr Volgraaf that a valuation needed to be made by the Government of the house. Mr Volgraaf at this juncture prepared a portfolio and also arranged for the plans of the house to be obtained from the municipality. The portfolio consisted of

photographs placed in an album with the appropriate descriptions placed next to the photos. Although the first defendant, Ms Lamprecht, mentioned that she never saw the completed portfolio she did assist with the descriptions as Mr Volgraaf was not all that confident in doing the descriptions in English. This portfolio was handed in at Mr Agnew's office. Mr Volgraaf also soon after this arranged for the officials who had to do the valuation of the house to gain access thereto.

After the valuation was done by the officials, which included amongst others an architect and quantity surveyor, Mr Volgraaf kept contact with Mr Agnew who informed him on

15th September, 1992 that the Government was no longer interested in the defendants' house and that it was busy with

private negotiations relating to another house. Mr Volgraaf informed Ms Lamprecht of this fact and on 22nd September, 1992 fetched the portfolio.

What had indeed happened appears from documents in possession of the Government which were produced for the purposes of the trial. Three houses were shortlisted as possible purchases for a house for the Speaker. The defendants' house was amongst them. An assessment was made in respect of each of the three houses. As far as defendants' house was concerned certain shortcomings were pointed out, the asking price of R1 million is mentioned, an indication that the house was valued at R877 000 and then it is curtly stated that "the purchase of this property is not recommended." One of the other houses on the shortlist was recommended at a price of R1,2 million.

During May, 1993 and after details of that year's budget speech was published in the media Ms Lamprecht contacted Mr Volgraaf and informed him that she had noticed that an amount of R900 0 00 was budgeted for a house for the Speaker and asked him to offer the house to the Government once again indicating that the house was available within that price range. Volgraaf contacted Agnew and relayed what Ms Lamprecht told him whereupon Agnew undertook to contact Volgraaf in due course.

During the last week of June, 1993 and the first week of

July, 1993 Volgraaf left for Cape Town and asked an associate of his, a Ms Zandberg, to attend to his interests in his absence. During this time Ms Lamprecht phoned and wanted to speak to

Volgraaf. She informed Ms Zandberg that she met the wife of the Speaker who told her that they were still interested in the property and that plaintiff must obtain a written offer. Ms Zandberg phoned the Speaker and his wife who were both not available and left messages that they must call her. There was no response to the messages. Shortly thereafter Ms Lamprecht once again phoned Ms Zandberg and informed her to take their house off the plaintiff's books. A letter dated 21st July, 1993 withdrawing plaintiff's mandate was, according to Ms Lamprecht left at the office of plaintiff. Mr Volgraaf maintained that he never saw this letter.

Ms Lamprecht knew the wife of the Speaker socially. According to her she spoke to her on occasions other than the one also mentioned by Ms Zandberg. On one of these occasions she enquired from the wife of the Speaker whether they had already purchased a house for the Speaker and when told not the Speaker's wife also told her that she must re-offer her house. The Speaker's wife on more than one occasion told her to re-offer her house to the Government. It was clear that at least the Speaker's wife was keen on the property as, according to Lamprecht, she told Volgraaf to re-offer the property as they (the Speaker and his wife presumably) were keen on the property. Whereas I do not accept Lamprecht's evidence insofar it directly conflicts with that of Volgraaf for the reasons set out herein later

I have no *reason* to doubt her evidence that she met the wife of the Speaker on certain social occasions and that she there enquired about the purchase of a residence for the Speaker. Volgraaf testified that he also became *aware* of the fact that *Lamprecht* and the wife of the *Speaker* knew each other *from prior* to him

introducing the *property*. I find it probable that Lamprecht would have enquired in general terms whether a house had been found for the Speaker when she met his wife on social *occasions* as she knew they were looking for a house.

The Speaker in conjunction with *officials of* the Department of Works had in the meantime in a meeting held on 5th July, 1993 reviewed the position with regard to an official residence for the Speaker. Three options were mentioned *namely* the "Purchase of a new house, Renovation of an old house" and "Building a custom-designed new house." The requisites of the house were also noted in detail. According to the Speaker these were not new requisites ¹ it was just a case of putting it in writing for record purposes. At this stage the shortlist had fallen by wayside and the process of purchasing a house was to start afresh. As he could recall the defendants' house visited again after Ms Lamprecht made contact with his office.

Ms Lamprecht said that she contacted the Speaker after she had orally terminated plaintiffs' *claim* about 2nd July, 1993 where she spoke to Mr Ag? Speaker's personal secretary *re-offering* the

suggesting that a new assessment be undertaken and that the Speaker once again visit the house. Approximately a week after *this discussion* an architect arrived at the house and she showed him the house. Towards the end of July, 1993 the Speaker and his wife visited the house and she *showed* them the house in detail. *According to* her she believed it was during this visit that they

decided that hers was the house that had to be bought. Shortly *after this* an official from the Department of Works contacted her whereupon a price of R800 000 was agreed upon and a contract reflecting this was concluded in writing on 9th August, 1993. It is common cause that the house was registered in the name of the Government on 7th December, 1993.

In summarising the *facts aforementioned* I have *accepted the facts deposed to by Mr Volgraaf* where his evidence contradicts that of Ms *Lamprecht*. I have done this for the following reasons.

According to Volgraaf he was told by Lamprecht that a net amount of R8 500 000 was wanted from the sale of the house. He then informed her that if the commission was a percentage thereto this would amount to over R900 000 and he suggested that the price be stated as "R1 million: negotiable." *Lamprecht was agreeable to this suggestion.* *Lamprecht* stated that the mandate was a written one at a purchase price of R1,2 million which price included agent's commission. Both the portfolio compiled by and the assessment undertaken by the Government price as R1 million. It is highly unlikely that *Volgraaf* would have offered the house to the Government at a price of R1 million "negotiable" if his mandate was for R1,2 million. In the further *particulars* to the plea the defendants stated that Ms *Lamprecht* signed the written mandate. *However*, in her evidence she stated that she and her husband (second defendant) signed it. The written mandate or a copy *thereof* was never produced at the trial, *Lamprecht* maintaining that *Volgraaf* took it with him after it was signed. The probabilities in this regard clearly *favours Volgraaf* in my view.

Volgraaf testified that both the Speaker and his wife were impressed with the house. Lamprecht did not want to use the word "impressed" but said that she would say they "liked" the house. However, in the affidavit she deposed to opposing an application for Summary Judgment she stated that both the Speaker and his wife "were very impressed with the property" . From her cross-examination it was dealt that she was well aware of the difference in meaning between "liked" and "very impressed". She clearly attempted to downplay the enthusiasm after the first introduction to property. Counsel for the defendants submitted that not really turned on this as Mr Agnew testified that the Speaker was impressed with all the houses he saw. I do not think this proposition is sound. If Mr Agnew's evidence is in its proper perspective it is clear that he referred to the houses shortlisted. This of course included the defendant's house also indicating that this house was more than

Approximately a week prior to the trial the defendant's notice of an amendment they would seek of their plea at the trial. This involved pleading a written termination of the plaintiff's mandate. As already mentioned this document was according to Lamprecht delivered to the plaintiff whilst Volgraaf and Zandberg testified that they never received it and only became aware of it shortly prior to the trial. According to Lamprecht this was just to confirm her oral termination of the mandate when she informed Ms Zandberg to take the house of the plaintiff's books. The letter is a termination of the mandate in itself. It does not refer to the oral cancellation at all. If his letter was only a confirmation of the oral termination it is strange that the

amendment did not mention the oral termination but *clearly conveys the impression that this* letter was in effect the termination. Furthermore, *according to this* letter she was *going* to keep "the house on the market with select agents and also intend marketing it ourselves." According to her affidavit she told Ms *Zandberg* that they would sell the house "through other estate agents." Here it must be borne in mind that at the time the letter was allegedly written, namely 21st July, 1993 she had *already contacted* the Government via the Speaker's office and that a new assessment had *already* been done. Furthermore the undisputed evidence of Ms *Zandberg* was that Lamprecht told her to take the house off the books as she was involved in a deal with an oil company. This is contrary to both the affidavit and the letter. It is clear that no other agent were approached subsequent to the oral termination. *I als find it* strange that Lamprecht never informed her leg representatives of this letter prior to her discovering

in a file shortly prior to the trial. Surely she must have known and recalled that she wrote a letter terminating a mandate even-if she did not have a copy. After all, she remembered signing a written mandate. I have my doubts whether this letter existed at all prior to her "discovery" of it and also, even if it existed, whether it was delivered to plaintiff's office. That Lamprecht who was an estate agent for 5 years would have left it at the office without even a signature acknowledging receipt thereof, is unlikely.

Clause 10 of the agreement eventually concluded with the Government reads as follows:

"The Seller is not liable for payment of any commission to be paid to an agent."

Mr Jooste who drafted the agreement stated that this clause was inserted at the behest of the defendants. Lamprecht testified that she asked Jooste whether an agent was involved in the deal and when he answered in the negative she requested that the clause be inserted. She further explained that this was done as there was a heading "Commission" which Jooste left blank and thus the request to insert the clause. Apart from the fact that these two explanations are difficult to reconcile I find the whole explanation incredulous. If none of the parties were liable for commission the heading could just have been deleted. If the buyer was liable for commission this could have been stated. This in any event would have been none of her business as she would not be liable to an agent of the buyer. She must have known that no agent other than plaintiff could have been involved as she terminated his mandate and she had herself negotiated the sale without reference to -any other agent. There was no need at all to insert the clause to indicate it was the "nett price" as also explained by Lamprecht. If no agent was involved the price mentioned in the agreement would ipso facto be the nett price. Furthermore as the agent was not a party to the agreement he would not be bound by it. After the plaintiff claimed commission this clause was relied on to attempt to get the Government to pay the commission. This was a tacit admission that commission had to be paid but Lamprecht explained this was done only to avoid litigation. However, I must say that if she told her attorneys what she told the Court I would think it bordered on the

unethical to even attempt to recover the commission from the Government.

Ms Lamprecht was an estate agent for 5 years and it seems to me that she was well aware as to what the problem areas would be in this matter and in those respects she was not honest with the Court. Thus the price in the mandate was increased to R1,2 million, she could not concede that the Speaker and his wife were very impressed with the house after being shown it by Volgraaf and her insistence on clause 10 which clause adumbrates the possibility of a claim for commission.

While it is clear that the Government was to purchase a house which would be the official residence of the Speaker it is also clear that the present incumbent would have a say in the house that had to be purchased. If one looks at what happened to the house which forms the subject matter of this dispute the position can be stated as follows. The wife of the Speaker would look at potential houses. Once she felt that a specific house was an appropriate one the Speaker himself would visit such a house and if he also approved the necessary steps relating to valuation, etc would be undertaken by the relevant Government officials. Thus although the Speaker was not at liberty to purchase at will he would clearly be influential if not decisive in what house would eventually be bought. Of course within the parameters set as to price and accommodation. Thus it is clear that the three houses on the original shortlist all had his stamp of approval. Conversely stated even if a house technically did comply with all the requirements but the Speaker did approve of it it was highly unlikely that it would be bought. Both Volgraaf and Lamprecht knew this and this is why the Speaker and his wife had to view the house and why

Lamprecht spoke to the wife of the Speaker and took her interest in the house as an indication that the Government was keen to buy this house and also why she knew she had to get a message to the Speaker and not only an official of his office after her termination of plaintiff's mandate. She was not satisfied to speak only with Agnew but spoke to the Speaker's personal assistant as well.

Counsel for the plaintiff submitted that plaintiff discharged the onus resting on it to prove it was the efficient cause in the sale that came about. It was submitted that it was the introduction by Volgraaf that operated to influence the Government to buy. Counsel for defendants took issue with this and submitted that it was indeed the efforts of Ms Lamprecht that constituted the efficient cause and in the alternative submitted that this was a matter where it could not be determined who of Volgraaf or Lamprecht was the efficient cause and that plaintiff therefore did not succeed in discharging the onus resting on it.

Both Counsel referred me to various cases. I do not think it would be fruitful to deal with all of them as the law seems to be clear and it is a question of fact to decide what the efficient cause was in any specific case.

In Gordon v Slotar, 1973(3) (SA) 765 (A) it is made clear that the efficient cause must depend upon the facts and circumstances of each particular case. Muller J.A. puts it as follows at 770 - 771:

"...., the onus was on the plaintiff to establish on a balance of probabilities that, as alleged by him, he was 'the effective cause' of the sale. Although the concept 'effective cause' in claims for commission has in many decided cases been expressed in different terminology, and, although the nature of the enquiry in such cases has often been described in different ways (e.g. whether the 'activities' of the plaintiff 'caused the sale', i.e. what

was the 'decisive factor', 'overridingly operative') it is in essence always the same, no matter how much the facts may differ from case to case. But the question must in each case, of course, be decided on the facts and circumstances of the particular case."

It is undisputed and is in fact common cause that Volgraaf on behalf of the plaintiff introduced the eventual purchaser to the property. The fact of the introduction is a relevant factor to consider. Thus in Lombard v Reed, 1948(1) (SA) at p. 3 5 Ramsbottom, J. deals with this aspect as follows:

"The Court must look at all the evidence in the case and see if the onus, which rests on the plaintiff throughout, has been discharged. At the close of the plaintiff's case there was evidence that there was an introduction by him of Horn and that Horn has bought. By that evidence the plaintiff made out a prima facie case, but the case did not end there. Evidence was led on behalf of the defence. The magistrate had to look at the case, as we have to, in the light of all the evidence. The question is whether, in the light of all the evidence in the case, the onus of proving that the effective cause of the sale was the introduction effected by the plaintiff has been discharged."

It is also undisputed and common cause that Lamprecht herself contacted the eventual purchaser during July, 1993 and made certain arrangements and negotiated with the eventual purchaser. She maintains she was the effective cause of the sale. The initial introduction cannot therefor be viewed in isolation. Miller J. states the approach in such circumstances in Wakefield & Sons (Pty) Ltd v Anderson, 1965(4) (SA) 453 (N) at 455 G - 456 B as follows:

"The onus was therefore upon the appellant, and remained upon it throughout, to establish that it was the effective cause of the sale to Cayeux (Barnard and Parnv Ltd v Strvdom, 1946 (AD) 931 at 937) . Where one agent has introduced the property to the purchaser and another agent has finally negotiated the transaction and produced the written offer which the seller accepted, the question whether the first or second agent's efforts were the effective cause of the sale is often difficult to answer, but it is obvious that, save in exceptional cases, the first introduction would necessarily

be an important factor. (See judgment of De Villiers J. P. in Le Grange v Melder, 1925 (OPD) 76 at 80 and Van Rooven's Ltd v Cartter, 1928 (OPD) 32 at 36). These were cases in which the agreements were finally concluded by the principals themselves but the importance of the initial introduction is not necessarily lessened by the circumstance that the final negotiations were conducted by another agent and not by the principals themselves. (C F Van Aswegen v De Clera, 1960(4) (SA) 875 (A) at 880 -881, Webranchek v L K Jacobs & Co Ltd, 1948(4) (SA) 671 (A) at 685). Whether the first agent's introduction was the effective cause of the sale going through would depend, inter alia, upon whether the first agent's introduction still operated to influence the purchaser to buy and upon the significance or importance of the part played by the second agent, in a causal sense, in relation to the conclusion of the contract. (C F Van Aswegen v De Clerq, supra, at p. 881; Webranchek v L K Jacobs & Co Ltd. supra, at pp. 679, 681).

In principle there is no difference whether there is a second agent involved or one of the parties to the eventual contract such as Ms Lamprecht in the present case as is also pointed out by Muller J. supra in the quoted passage.

It is clear that Lamprecht's contribution to the sale must be considered. It was a "new" factor introduced into the chain of events. The position where such a "new" factor enters the enquiry is stated in Aida Real Estates Ltd v Lipschitz, 1971(3) (SA) 871 (W) at 873 H - 874 C:

"If a new factor intervenes causing or contributing to the conclusion of the sale and the new factor is not of the making of the agent, the final decision depends on the result of a further enquiry - viz., did the new factor outweigh the effect of the introduction by being more than or equally conducive to the bringing about of the sale as the introduction was, or was the introduction still overriding operative? Only in the latter instance is commission said to have been earned. This enquiry is not a metaphysical speculation in the result of cause and effect. It requires, as is said in Webranchek v L K Jacobs and Co Ltd. 1948(4) (SA) 671 (AD), a common sense approach to the question of what really caused the sale to be concluded,"

Stated differently "where there are competitive causative factors the appellant must fail unless it can firmly be stated that its endeavours override other factors of importance." • (Basil Elk Estates (Ptv) Ltd v Carzon, 1990(2) (SA) (1) at 5 I.

Finally on the law, it is not sufficient for the plaintiff to prove that its introduction was a causa sine quo non in the conclusion of the eventual sale it must prove it was the causa causans. As stated in Nelson v Hirschhorn, 1927 (AD) 190 at p. 197 0 198 per Wessels J.A.

"It is not enough to say 'I introduced you But for my introducing you would not have sold.' The respondent must go further; he must satisfy the Court that the ' introduction was not only an incident in the sale - an incident without which the sale may not have taken place -but that it was the real and effective cause which brought about the sale. In order to determine this we must examine closely all the circumstances surrounding the sale and from those conclude whether the introduction was not only the causa sine quo non, but also the causa causans.'"

This point is also succinctly made in the case of Tophams Ltd v Sefton (Earl) , 1966(1) (AER) 1039 at 1044 I in the following terms:

" Causa causans is the real effective cause as contrasted with the causa sine quo non which is merely an incident which precedes in the history, or narrative of events."

In my view the plaintiff discharged the onus resting upon it. And I say this despite the lapse of time from September, 1992 when the defendants were informed that the Government was not interested in the property until July, 1993 when Lamprecht contacted the Speaker's office (cf Webranchek case, supra, at 683) and the fact that certain new factors had

emerged such as the fact that a specific amount was budgeted for a Speaker's residence and that a search afresh was contemplated for such residence (cf Basil Elk Estates case, supra) . Ms Lamprecht knew when she discovered that a Speaker's house was still on the cards that both the Speaker and his wife who would be very-influential in the eventual purchase had viewed her property and was impressed with it. She knew this because Volgraaf introduced the property. Her subsequent discussions at social occasions with the wife of the Speaker only made her more aware of this fact. The Speaker's wife told her that she should offer her house to the Government again clearly indicating that it would seriously be considered. In fact, after the budget debate, according to her affidavit in the summary judgment proceedings, she met the wife of the Speaker at a social occasion where she was informed by the wife of the Speaker that: "She (wife of Speaker) indicated that her husband was still very keen on the property and informed me that Mr Volgraaf had not been in touch with her or her husband for the sale of the property." Once again the impression gained and the keenness of the Speaker could only have been as a result of the introduction to the property by Volgraaf as at that stage the property had not been revisited. I do not agree with Lamprecht who maintained that the Government had lost interest in defendants' property after September, 1992 and it was she who rekindled it. The Speaker and his wife might not have been aware of the fact that the property was still available but when this was mentioned to the Speaker's wife it is clear that she was still very interested in it and it is not as if she had to be coaxed and cajoled to reconsider the purchase of this property. Whereas Lamprecht might have been a new factor in the chain of events when she directly intervened to sell the property it cannot be said this "new factor (was) not of the making of the agent." (Aida Real Estates Ltd case, supra) She knew

about the degree of interest in the property through the introduction of Volgraaf as already indicated. Here it is also instructive that she did not bother to contact any other agents despite her saying this. Apart from knowing that the Speaker and his wife was keen on the property she also knew from the budget that the property fell within the price budgeted. Here it must be recalled that Volgraaf also informed Agnew to this effect. Although the Speaker testified that as far as he was concerned a house had to be found de ново after the 1993 budget and he was of the view at that stage that the houses shortlisted had fallen by the wayside I do not think this takes the matter much further under the present circumstances. Agnew knew that the house was still available as Volgraaf told him and the Speaker conceded that even if his office was not contacted the shortlisted properties might have been considered again, obviously within the parameters of the budget. It is not as if the Government had decided that an official residence was not going to be bought and that certain changes in circumstances made the Government to reconsider this decision. The Government had during 1992 already decided in principle to purchase a house which led to the initial shortlist where the requirements as to the specifications with regard to accommodation had already been determined although not reduced to writing and the wherewithal to give effect to the decision already taken was provided in the 1993 budget. Here it must be borne in mind that from the evidence it is clear that no other property was considered after the budget had made funds available. I am thus of the view that plaintiff proved on a balance of probabilities that its introduction of the purchaser to the property was the causa causans of the resultant sale (C F van Rooven Ltd v Cartter, supra).

Counsel for defendants submitted that plaintiff did not prove that it found an able purchaser. How the Government could have tried to avoid the sale on this basis I fail to see. Be that as it may, the plaintiff had to prove that the Government was an able purchaser at the time when the contract was entered into (Beckvich v Foundation Investment Co, 1961(4) (SA) 510 (A)). Thus the fact that at the time the Government was introduced to the property no amount had been budgeted for the purchase of a Speaker's house is irrelevant. At the time the contract was signed an amount had been budgeted albeit in two consecutive years. When the Government attempted to rely on this the defendants insisted that the terms of the contract be complied with and the registration took place as the Government by manipulating the budget paid the purchase price due in terms of the contract. As was stated in James v Smith, 1931(2) (KB)

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"I think that 'ability' does not depend upon whether the purchaser has the money in hand at the time; to my mind it is a question of fact. I do not think it depends upon whether he has a binding agreement by which some third person is obliged to provide him with resources to carry out the contract. I think it is sufficient if it is proved by the agent or by the purchaser that the circumstances are such that if the vendor had been ready and willing to carry out his contract, he on his part at the proper time could have found the necessary money to perform his obligation."

Despite certain qualifications to the word "could" in the concluding portion which is not really relevant in the present matter the quoted portion is still current law. (Wacko v Record, 1955(2) (SA) 234 (C)). The proof of the pudding is in the eating thereof and in this case the purchaser did find the money and paid the purchase price which as there is no evidence to the contrary suggests that it was an able purchaser when the contract was concluded, at least to the extent that it could have found the

money at the proper time. Indeed it was proved and it is common cause that it did find the money at the proper time.

In conclusion it is necessary to state that although there were certain other disputes on the papers these fell away by agreement between the parties. Thus at the pre-trial conference the defendants admitted that plaintiff possessed the necessary fidelity fund certificates at the relevant time and at the trial it was agreed that the relevant tariff of commission was 7% and not 6% as alleged by defendants thus entitling plaintiff to the amount claimed by it should it be successful.

In the result I give judgment in favour of the plaintiff in

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FRANK, JUDGE

the amount of N\$56 000 against the defendants jointly,
together with costs and interest at 20% per annum
calculated from 8th December, 1993 until the date of
payment thereof.