



Guarantee for Payment

For use with the JBCC® Principal Building Agreement

edition /date

For use with the JBCC® Minor Works Agreement

edition /date

GUARANTOR DETAILS AND DEFINITIONS

Guarantor:

Physical address:

Guarantor's signatory 1:

Capacity

Guarantor's signatory 2:

Capacity

Employer:

Contractor:

Principal Agent:

Works:

Site:

Contract Sum:

Accepted amount inclusive of tax

Currency

... amount in words:

Guaranteed Sum:

Currency

... amount in words:

Guarantee expiry date:

AGREEMENT DETAILS

Principal Agent issues

JBCC® format Interim Payment Certificates and a Final Payment Certificate

1.0 The Guarantor acknowledges that:-

- 1,1 Any reference in this Guarantee for Payment to the Agreement is made for the purpose of convenience and shall not be construed as any intention to create an accessory obligation or any intention to create a suretyship
- 1,2 Its obligation under this Guarantee for Payment is restricted to the payment of money
- 1,3 Reference to a Certificate of Practical Completion or to a Certificate of Final Completion shall mean such certificate issued by the Principal Agent

2.0 Subject to the Guarantor's maximum liability in terms of the Guaranteed Sum, the Guarantor hereby undertakes to pay the Contractor the sum certified upon receipt of the documents identified in 2.1 to 2.3:-

- 2,1 A copy of a first written demand notice issued by the Contractor to the Employer stating that payment of a sum certified by the Principal Agent has not been made in terms of the Agreement and failing such payment within seven (7) calendar days, the Contractor intends to call upon the Guarantor to make payment in terms of 2.2
- 2,2 A written demand notice issued by the Contractor to the Guarantor at the Guarantor's physical address with a copy to the Employer stating that a period of seven (7) calendar days has elapsed since the date of issue of the first written demand notice in terms of 2.1 and that the sum certified has not been paid to date. The Contractor herewith calls up this Guarantee for Payment and demands payment of the sum certified from the Guarantor
- 2,3 A copy of the payment certificate which entitles the Contractor to receive payment in terms of the Agreement of the sum certified in 2.0

3.0 Subject to the Guarantor's maximum liability in terms of the Guaranteed Sum, the Guarantor hereby undertakes to pay the Contractor the demanded sum upon the receipt of the documents identified in 3.1 and 3.2:-

- 3.1 A copy of a first written demand notice issued by the Contractor to the Employer stating that the Contractor demands the issue of a payment certificate and failing such issue within seven (7) calendar days, the Contractor intends to call upon the Guarantor to make payment in terms of 3.2 of the demanded sum as set out in the demand
- 3.2 A written demand notice issued by the Contractor to the Guarantor at the Guarantor's physical address with a copy to the Employer stating that a period of seven (7) calendar days has elapsed since the issue of a first written demand notice in terms of 3.1 and that a payment certificate has still not been issued. The Contractor herewith calls up this Guarantee for Payment and demands payment of the demanded sum from the Guarantor
- 4.0 The aggregate amount of payments to be made by the Guarantor in terms of 2.0 and 3.0 shall not exceed the Guaranteed Sum
- 5.0 Where the Guarantor is a registered insurer and has made payment in terms of 3.0, the Contractor shall within one hundred and eighty (180) calendar days of receipt of payment submit an expense account to the Guarantor showing how all monies received in terms of the Guarantee for Payment have been expended, or will be expended, and shall refund to the Guarantor any surplus amount. All monies refunded to the Guarantor in terms of this Guarantee for Payment shall bear interest at the prime overdraft rate of the Contractor's bank compounded monthly and calculated from the date of payment by the Guarantor to the Contractor until the date of refund
- 6.0 The Guarantor shall make payment in terms of 2.0 or 3.0 within seven (7) calendar days of receipt of the written demand notice to the Guarantor
- 7.0 The Contractor shall have the absolute right to arrange his affairs with the Employer in any manner which he deems fit and the Guarantor shall not have the right to claim his release on account of any conduct alleged to be prejudicial to the Guarantor
- 8.0 The Guarantor chooses the physical address stated above for all transactions in connection with this Guarantee
- 9.0 This Guarantee for Payment is neither negotiable nor transferable and shall expire upon payment of the final payment certificate in terms of the Agreement or on payment in full of the Guaranteed Sum or on the Guarantee expiry date, whichever is the earlier, whereafter no claims will be considered by the Guarantor. The original Guarantee for Payment form shall be returned to the Guarantor after it has expired
- 10.0 This Guarantee for Payment, with the required demand notices in terms of 2.0 or 3.0, shall be regarded as a liquid document for the purpose of obtaining a court order
- 11.0 Where this Guarantee for Payment is issued in the Republic of South Africa the Guarantor hereby consents to the jurisdiction of a court in the area where the project is located

Signed at

Date

Guarantor's Signatory 1

Guarantor's Signatory 2

Witness

Witness

Guarantor's seal or stamp