



# Payment Guarantee

for use with the  
JBCC Principal Building Agreement

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## GUARANTOR DETAILS AND DEFINITIONS

Guarantor means \_\_\_\_\_

Physical address \_\_\_\_\_

Guarantor's signatory 1 \_\_\_\_\_ Capacity \_\_\_\_\_

Guarantor's signatory 2 \_\_\_\_\_ Capacity \_\_\_\_\_

Employer means \_\_\_\_\_

Contractor means \_\_\_\_\_

Principal Agent means \_\_\_\_\_

Works means \_\_\_\_\_

Site means \_\_\_\_\_

Agreement means The JBCC Series 2000 Principal Building Agreement

Contract Sum means

Amount in words \_\_\_\_\_

Guaranteed Sum means The maximum aggregate amount of

Amount in words \_\_\_\_\_

Guarantee expiry date means

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## AGREEMENT DETAILS

Principal Agent issues: Payment certificate, Final payment certificate

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- 1.0 The Guarantor hereby acknowledges that:
- 1.1 Any reference in this Payment Guarantee to the Agreement is made for the purpose of convenience and shall not be construed as any intention whatsoever to create an accessory obligation or any intention whatsoever to create a suretyship
- 1.2 Its obligation under this Payment Guarantee is restricted to the payment of money
- 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 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 first written demand 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 first written demand in terms of 2.1 and that the sum certified has still not been paid therefore the Contractor calls up this Payment Guarantee 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 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 first written demand 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 first written demand in terms of 3.1 and that a payment certificate has still not been issued therefore the Contractor calls up this Payment Guarantee and demands payment of the demanded sum from the Guarantor
- 4.0 It is recorded that the aggregate amount of payments required 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 upon the date of issue of the final payment certificate submit an expense account to the Guarantor showing how all monies received in terms of the Payment Guarantee have been expended and shall refund to the Guarantor any resulting surplus. All monies refunded to the Guarantor in terms of this Payment Guarantee shall bear interest at the prime overdraft rate of the Contractor's bank compounded monthly and calculated from the date payment was made by the Guarantor to the Contractor until the date of refund
- 6.0 Payment by the Guarantor in terms of 2.0 or 3.0 shall be made within seven (7) calendar days upon receipt of the first written demand 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 as stated above for all purposes in connection herewith
- 9.0 This Payment Guarantee 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 of this Payment Guarantee shall be returned to the Guarantor after it has expired
- 10.0 This Payment Guarantee, 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 Payment Guarantee is issued in the Republic of South Africa the Guarantor hereby consents in terms of Section 45 of the Magistrate's Courts Act No 32 of 1944, as amended, to the jurisdiction of the magistrates court of any district having jurisdiction in terms of Section 28 of the said Act, notwithstanding that the amount of the claim may exceed the jurisdiction of the magistrate's court

Signed at \_\_\_\_\_ Date \_\_\_\_\_

Guarantor's Signatory 1 \_\_\_\_\_ Guarantor's Signatory 2 \_\_\_\_\_

Witness \_\_\_\_\_ Witness \_\_\_\_\_

Guarantor's seal or stamp