



Advance Payment Guarantee

for use with the JBCC Principal Building Agreement or N/S Subcontract Agreement

GUARANTOR DETAILS AND DEFINITIONS

Guarantor means _____

Physical address _____

Guarantor's signatory 1 _____ Capacity _____

Guarantor's signatory 2 _____ Capacity _____

Employer means _____

Recipient means _____
(Contractor or N/S Subcontractor)

Principal Agent means _____

Works means _____

Site means _____

Agreement means 1 JBCC Principal Building Agreement

2 JBCC Nominated / Selected Subcontract Agreement (insert 1 or 2)

Guaranteed Advance Payment Sum means (amount)

Amount in words _____

Guarantee expiry date means (date)

AGREEMENT DETAILS

Principal Agent issues: Payment certificate, Recovery statement

1.0 ADVANCE PAYMENT GUARANTEE

1.1 The particulars of the recoupment of the Guaranteed Advance Payment Sum are set out in the following schedule:

Recoupment period	(no. of months)	
Recoupment period commencement	(start month)	
Monthly recoupment	(amount)	
Note: Where the recoupment amounts and/or periods are irregular a schedule of recoupment amounts and dates is to be attached		

1.2 The Guarantor's liability shall be limited to the outstanding diminishing amounts of the Guaranteed Advance Payment Sum as follows:

- 1.2.1 The Guaranteed Advance Payment Sum on receipt thereof by the Recipient
- 1.2.2 The full outstanding balance after the deduction of each recoupment made in terms of the monthly payment certificate as stated in 1.1
- 1.2.3 After the deduction of the last scheduled recoupment payment or on settlement of the full outstanding balance this Advance Payment Guarantee shall expire

- 2.0 The Guarantor hereby acknowledges that:
- 2.1 Any reference in this 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
- 2.2 Its obligation under this Guarantee is restricted to the payment of money
- 3.0 Subject to the Guarantor's maximum liability referred to in 1.0 the Guarantor hereby undertakes to pay the Employer the sum certified upon receipt of the documents identified in 3.1 to 3.3:
- 3.1 A copy of a first written demand issued by the Employer to the Recipient 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 Employer intends to call upon the Guarantor to make payment in terms of 3.2
- 3.2 A first written demand issued by the Employer to the Guarantor at the Guarantor's physical address with a copy to the Recipient stating that a period of seven (7) calendar days has elapsed since the first written demand in terms of 3.1 and that the sum certified has still not been paid therefore the Employer calls up this Advance Payment Guarantee and demands payment of the sum certified from the Guarantor
- 3.3 A copy of the recovery statement and payment certificate which entitles the Employer to receive payment in terms of the Agreement of the sum certified in 3.0
- 4.0 Subject to the Guarantor's maximum liability referred to in 1.0 the Guarantor undertakes to pay the Employer the Guaranteed Advance Payment Sum or the full outstanding balance upon receipt of a first written demand from the Employer to the Guarantor at the Guarantor's physical address calling up this Advance Payment Guarantee stating that:
- 4.1 The Agreement has been cancelled due to the Recipient's default and that the Advance Payment Guarantee is called up in terms of 4.0. The demand shall enclose a copy of the notice of cancellation; or
- 4.2 A provisional sequestration or liquidation court order has been granted against the Recipient and that the Advance Payment Guarantee is called up in terms of 4.0. The demand shall enclose a copy of the court order
- 5.0 It is recorded that the aggregate amount of payments required to be made by the Guarantor in terms of 3.0 and 4.0 shall not exceed the Guarantor's maximum liability in terms of 1.0
- 6.0 Payment by the Guarantor in terms of 3.0 or 4.0 shall be made within seven (7) calendar days upon receipt of the first written demand to the Guarantor
- 7.0 The Employer shall have the absolute right to arrange his affairs with the Recipient in any manner which the Employer deems fit and the Guarantor shall not have the right to claim his release from this Advance Payment Guarantee 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 Advance Payment Guarantee is neither negotiable nor transferable and shall expire in terms of payment of the full outstanding balance, or payment in full of the Guaranteed Advance Payment Sum or on the Guarantee expiry date, whichever is the earlier, whereafter no claims will be considered by the Guarantor. The original of this Advance Payment Guarantee shall be returned to the Guarantor after it has expired
- 10.0 This Advance Payment Guarantee, with the required demand notices in terms of 3.0 or 4.0, shall be regarded as a liquid document for the purpose of obtaining a court order

Signed at	_____	Date	_____
Guarantor's Signatory 1	_____	Guarantor's Signatory 2	_____
Witness	_____	Witness	_____

Guarantor's seal or stamp