

THE CHORLEY AND DISTRICT BUILDING SOCIETY

GUARANTEE

WARNING:	Before signing this Guarantee you are required to obtain independent legal advice as to your legal liabilities under it. If the Borrower does not perform the Borrower's obligations to the Society YOU MAY HAVE TO PAY INSTEAD and fulfil any other obligations under the Guarantee. Sign this Guarantee only if you want to be legally bound by its terms.
DATE:	
YOU, THE GUARANTOR(S):	
THE BORROWER(S):	
WE, US, THE SOCIETY: The Chorley and District Building Society of Key House, Foxhole Road, Chorley, Lancashire PR7 1NZ	
THE MORTGAGE: dated _____ and made between the Borrower and the Society	

By signing this Guarantee you agree to be bound by the terms and conditions set out below.

THE MAXIMUM AMOUNT WHICH YOU ARE LIABLE TO PAY UNDER THIS GUARANTEE IS £ (the "Maximum Amount") PLUS THE OTHER AMOUNTS SET OUT IN CLAUSE 3.

TERMS AND CONDITIONS

1 INTERPRETATION

In this Guarantee:-

- 1.1 "Borrower's Obligations" means all money and liabilities owing or becoming in the future owing to us by the Borrower under the Mortgage;
- 1.2 references to this Guarantee include all the other obligations and provisions of this document;
- 1.3 references to this Guarantee include any variations to it;
- 1.4 the singular includes the plural and the other way around;
- 1.5 references to "you" include every person liable as Guarantor and the personal representatives of the Guarantor. If the Guarantor is two or more persons, then their liability is joint and several (which means that each of you is responsible on your own for all of the liabilities of the Guarantor under this Guarantee and not just a part or proportion of them);
- 1.6 references to "we" or "us" include any successor in business or other person to whom we transfer our rights under this Guarantee; and
- 1.7 references to Clauses are to clauses of this document.

2 GUARANTEE AND INDEMNITY

- 2.1 In return for our lending, agreeing to lend or continuing to lend money to the Borrower you accept the liabilities set out below. These liabilities are unconditional and you cannot withdraw from them.
- 2.2 You guarantee that the Borrower's Obligations will be paid and satisfied when due.
- 2.3 You agree to pay to us, on demand, the Borrower's Obligations, whenever the Borrower does not pay any of them when due.
- 2.4 As a separate and independent obligation and liability, you agree to make good any losses or expenses that we may incur arising out of any failure by the Borrower to pay or discharge any of the Borrower's Obligations or if we are unable to enforce them against the Borrower or they are not legally binding on the Borrower (whatever the reason).
- 2.5 You will also make good any losses or expenses which we may reasonably incur if we take steps to enforce this Guarantee or if we try to do so.

3 LIMIT ON THE GUARANTEE

You will not be liable under this Guarantee for more than:-

- 3.1 the Maximum Amount; plus
- 3.2 any interest payable by you under Clause 6; plus
- 3.3 any amounts payable by you under Clause 2.5.

4 OUR PROTECTION

- 4.1 None of your obligations under this Guarantee will be affected if any of the following happen (even if it would have been if this Clause did not exist):-
 - 4.1.1 we vary or otherwise deal with any rights we have or may in the future have against the Borrower or any other person in respect of the Borrower's Obligations;
 - 4.1.2 we take, vary, release or otherwise deal with any other security or guarantee in respect of the Borrower's Obligations;
 - 4.1.3 we enforce, do not enforce or release any rights under any other security or guarantee;
 - 4.1.4 any other guarantee or arrangement intended or expected to secure the Borrower's Obligations is never put in place or is (for whatever reason) unenforceable;
 - 4.1.5 we give the Borrower (or any other person) time to pay or any other concession;
 - 4.1.6 the Borrower or any other person becomes bankrupt;
 - 4.1.7 you become bankrupt, die or become mentally ill;
 - 4.1.8 the Borrower dies or becomes mentally ill.
- 4.2 You agree to be liable to us for the Borrower's Obligations as if you were the principal debtor. This means that you will not be discharged, nor will your liability be affected, by anything that would not discharge you or affect your liability in respect of the Borrower's Obligations if you were the person to whom we provided the Mortgage loan.
- 4.3 We will not be obliged to make any demand on, or take any steps against, the Borrower or any other person before enforcing this Guarantee.
- 4.4 Until all the Borrower's Obligations are paid in full, you agree that, whether or not you have made any payment under this Guarantee, you will not do any of the following:-

- 4.4.1 share in any security we hold or any money we receive;
- 4.4.2 take or receive any money or security from the Borrower or any other person in connection with this Guarantee;
- 4.4.3 enforce or dispose of, or otherwise deal with, any right or pursue any claim against the Borrower or any other person in respect of the Borrower's Obligations;
- 4.4.4 make any claim in the insolvency of the Borrower or any such person which would compete with our claim.

If, in breach of the above, you do receive any such security, rights or money then you will hold them on our behalf and transfer them to us on demand.

- 4.5 This Guarantee is in addition to, and will not be affected by, any other security or right held by us in respect of the Borrower's Obligations.
- 4.6 If there is more than one of you, and any of you are for whatever reason not bound by this Guarantee, the rest of you will continue to be bound by it.
- 4.7 If there is more than one of you, we may demand from, proceed against or release any of you without affecting our rights against the rest of you.

5 THE PERIOD OF THIS GUARANTEE

This Guarantee will continue in force until all money and liabilities owing to us under the Mortgage have been paid and satisfied in full.

6 INTEREST

- 6.1 You agree to pay us interest (at the rate payable under the Mortgage) on all sums demanded under this Guarantee from the date of demand (or, if earlier, the date on which the relevant loss or expense arose) until the date of payment. If we obtain a court order against you, interest will continue at this rate after the date of the order.
- 6.2 Any such interest will accrue on a day to day basis.

7 SUSPENSE ACCOUNT

We may hold any amount which we receive under this Guarantee in a suspense account, in order to protect the full amount of our claims against the Borrower and any other person. We may use any money in this account in reduction of the liabilities the subject of this Guarantee when, and in the order, we decide.

8 APPROPRIATION

You will not be entitled to direct us how or when to use any money we receive under this Guarantee.

9 SET-OFF

We may (but are not obliged to) use any credit balance which we may hold for you towards payment of any money payable by you under this Guarantee. We will, where practicable, tell you before we do this. This right is in addition to any of our other rights.

10 SERVING DEMANDS AND NOTICES

- 10.1 A demand or notice by us under this Guarantee may be made or given by a letter addressed to you and delivered or sent to the last business or home address given by you to us.
- 10.2 A demand addressed to a Guarantor who has died will be a sufficient demand to his or her personal representatives.

10.3 A demand or notice will be treated as properly served on you when it is left (if delivered by hand) or (if posted) 72 hours after posting.

11 TRANSFERS

11.1 We may transfer the benefit of this Guarantee, and in this regard may disclose any information we have about you.

11.2 You may not transfer any of your obligations under this Guarantee.

12 GENERAL

12.1 No delay or omission on our part in exercising any right we have under this Guarantee will affect our future use of that or any other right. Using a single right (or part of it) will not prevent us from using that right again or using any other right.

12.2 Any release from your obligations or arrangements to which we may agree under this Guarantee will only be effective if we confirm it in writing.

12.3 Our rights under this Guarantee are additional to any other rights we may have, and may be used as and when (and as often as) we think fit.

12.4 If any condition of this Guarantee becomes invalid or unenforceable, that will not affect the other conditions.

12.5 This Guarantee is governed by English law.

This Guarantee has been executed and is delivered and takes effect as a deed from the date at the beginning of this document

WARNING: Before signing this Guarantee you are required to obtain independent legal advice as to your legal liabilities under it. If the Borrower does not perform the Borrower's obligations to the Society YOU MAY HAVE TO PAY INSTEAD and fulfill any other obligations under the Guarantee. Sign this Guarantee only if you want to be legally bound by its terms. NOTE TO SOLICITORS: The confirmation at the end of this document must be completed and signed by the solicitor giving the independent legal advice.

EXECUTED (but not delivered until the date hereof) **AS A DEED** by

in the presence of:-

Signature of Witness:

Name of Witness:

Address:

EXECUTED (but not delivered until the date hereof) **AS A DEED** by

in the presence of:-

Signature of Witness:

Name of Witness:

Address:.....

CONFIRMATION OF LEGAL ADVICE

I,of....., a solicitor, confirm that I have explained to each Guarantor the contents of this Guarantee. Each Guarantor has expressed to me that the nature and effect of the Guarantee are understood. The Guarantee was executed by each Guarantor in my presence.

Signed:

Date: