Darlington
Building Society

Personal Guarantee – Independent Legal Advice

Darlington Building Society ("**we**", "**us**", "**our**") is considering granting a corporate buy-to-let facility (the "**Facility**") to the company stated in the offer letter relating to the Facility (the "**Facility Letter**") (the "**Borrower(s)**"). The Borrower(s) have informed us that your client (the "**Guarantor(s)**") will provide a personal guarantee in respect of the obligations of the Borrower(s) under the Facility (the "**Guarantee**").

As part of our normal lending procedures, we require the Guarantor(s) to obtain independent legal advice from a solicitor qualified in England & Wales (where the Guarantee is governed by the laws of England & Wales) or Scotland (where the Guarantee is governed by Scots Law) prior to granting the Guarantee.

This advice must be given in a face-to-face meeting with the Guarantor(s). The only exception to this is where there are extenuating circumstances and we have consented to a video communication in place of a face-to-face. Neither the Borrower(s) nor a representative of the Borrower(s) may be present when you give that advice.

If you are being asked to give independent legal advice to joint guarantors we would ask that you speak to each Guarantor separately, without the other being present.

You can access the Guarantee on our LMS portal, together with the Facility Letter, which details the terms and conditions of the Facility which we are prepared to offer the Borrower(s). We also enclose a template confirmation letter which we will need you to prepare and issue on your headed stationery.

We are not aware of any circumstances that lead us to suspect that the Guarantor(s) has/have been misled or is/are not entering into this transaction of their own freewill.

Please provide us with:

1. the original signed Guarantee including the date on which it was signed
2. the completed signed Independent Legal Advice Confirmation

No drawdown on the facility will be permitted until we have received the above.

The Guarantor(s) is responsible for your fees.

Darlington Building Society

INDEPENDENT LEGAL ADVICE CONFIRMATION

Borrower name	.....[1]
Guarantor(s) name	.....[2]

Guarantee to be provided by the Guarantor named above in favour of Darlington Building Society ("Society") in relation to a corporate buy-to-let facility ("Facility") made between the Society and the Borrower named above (the "Guarantee").

This is to certify that the above Guarantee has been executed in my presence by the Guarantor(s)

Prior to the Guarantee being executed, I met with the Guarantor(s) in a face-to-face meeting. Where joint guarantors were involved I met with each Guarantor separately, without the other being present.

I explained to the Guarantor(s):

- that in giving this advice, I was their solicitor and was not acting for the Society;
- why the Society has asked me to give independent legal advice; and
- that should there be any allegations of undue or improper influence or allegations that the transactions and its implications were not understood in the future, the Society would rely on my advice to the Guarantor(s) to prevent such allegations affecting the validity of the Guarantee.

I confirm that prior to the Guarantee being executed, I carried out the following:

1. I explained, in non-technical language, the nature of the Guarantee.
2. I explained the practical consequences of signing the Guarantee and, where appropriate, the possibility of the matrimonial home or some other property being lost if the business being guaranteed were to fail or if the Borrower(s) otherwise defaulted. I also pointed out the other risks involved in giving a guarantee, including the risk of personal bankruptcy if a guarantee is not honoured.
3. I explained the terms of the Guarantee together with the purpose, amount, actual and potential costs and the underlying obligations of the Borrower under the Facility.
4. I explained to the Guarantor(s) what the limit of their liability is.
5. The Guarantor confirmed that they are providing the Guarantee as a condition of the Society agreeing to extend the Facility to the Borrower.
6. The Guarantor(s) confirmed that they are aware of their financial liabilities and responsibilities under the Guarantee and that they understand the value of any property being charged to support the Guarantee.
7. The Guarantor(s) also confirmed they understand the financial position of the Borrower(s) including their present indebtedness and the amount of any current overdraft facilities.

[1] Please complete
[2] Please complete

Darlington
Building Society

8. I have informed the Guarantor (or each where there are more than one) that they have a choice as to whether to give the Guarantee and that the decision to do so rests solely with them.

9. I have obtained confirmation from the Guarantor (or each of them where there are more than one) that they wish to proceed. They have assured me that no undue pressure has been used by any person in order to influence their behaviour in the matter and that the Guarantee and any supporting charges are being executed of their own free will.

10. I have discussed with the Guarantor their level of understanding of the Facility, the Guarantee and the information and explanation provided to them about the Facility and the Guarantee.

11. I have obtained authority from the Guarantor(s) to write to the Society giving the assurances and confirmations set out in this letter. I have not been asked by the Guarantor(s) to raise any issues with the Society concerning this transaction.

12. If I or my firm are also retained by the Borrower(s) I confirm that I have considered carefully whether there is any conflict of interest between the Guarantor(s) and my other clients. I have decided that I am in a position to advise the Guarantor(s) in this matter.

13. I have given a copy of this letter to the Guarantor(s).

Yours faithfully

Signature	
Name	
Address	