

AU-LDGgti02

Guarantee of contract debt OR Deed of guarantee of loan

This deed of guarantee is dated: []

It is made by [name guarantor]

Of

[Address] (“The Guarantor”)

Background:

A. The “Original Agreement” is dated [date]. :

[Hard-up Ltd], (the “Buyer”) company number [number] registered in the Commonwealth , []

And

[Pay-or-die Ltd] (the “Seller”) company number [number] registered in the , []

B. In the terms of the Original Agreement, the Buyer agreed to buy goods / services from the Seller

C. As consideration for the Seller continuing to supply goods to the Buyer under the Original Agreement, the Guarantor has agreed unconditionally to

By this deed of guarantee:

1. The Guarantee

1.1 The Guarantor hereby guarantees, unconditionally and irrevocably, to pay all amounts due from time to time by the Buyer to the Seller and to observe and perform the

1.2 If the Buyer fails to make a payment or fails to perform any other obligation required by the Original Agreement, then the

2. Changed terms of the Original Contract [\[examples\]](#)

2.1 In paragraph 5 of the Original Contract the

:

“[Insert new text]”

2.2 Schedule 2 of the Original Contract shall be

“ 2 (,)”

2.3 A payment by the Guarantor shall become due when an invoice for the

[28]

;

, ,]

2.4 [\[Insert any other change?\]](#)

3. Guarantor’s continuing liability

3.1 Without affecting the Buyer’s obligations, the Guarantor shall be liable under this Guarantee as if he

, , , , , .

3.2 The liabilities and obligations

:

3.2.1 Neglect, delay or forbearance of

;

3.2.2 the giving of time

;

3.2.3 any variation

;

3.2.4 the assignment of the Original Agreement; or

3.2.5 the insolvency or liquidation

;

3.2.6 termination of the

;

3.2.7 any other act, omission, matter or thing whatever whereby (but)

4. Rights waived

The Guarantor waives any rights he may have of first requiring the Seller to proceed against or claim from the ,

()

5. Guarantor's indemnity for costs

The Guarantor agrees to indemnify the Seller against all liabilities

()

6. Continuity of Guarantee

The Guarantor's obligations under this guarantee will remain fully effective until all of the

[]

7. Assignment of Guarantee

7.1 The Seller may assign its rights against

7.2 If it does so, then a written ,

7.3 ,

8. Miscellaneous matters

8.1

8.2

8.3

It shall be deemed to have been delivered:

8.4

[] .

[] .

9. This Deed of guarantee becomes affective on the date it is signed.

, []

Signature:

Witness

Name:

Address:

Explanatory notes:

Guarantee of contract debt OR Deed of guarantee of loan

Drafting notes relating to individual paragraphs

Background

When an agreement cannot be explained easily without reference to an earlier document it is usual to provide details of that earlier document as a preface to the real present agreement. That

The background is usually referred to as “recitals”, but we prefer the more

1. The Guarantee

This is the commercial heart of the agreement. Binds the

2. Changed terms of the Original Contract [examples]

We have included it so as to give you the opportunity

3. Guarantor’s continuing liability

This covers a number of legal points which

4. Rights waived

Leave this paragraph in place. Without it the guarantor could claim that the Buyer was not

5. Guarantor’s indemnity for costs

The guarantee covers only the terms of the agreement. This provision extends the guarantor’s obligations to cover . (

6. Continuity of Guarantee

We have no comment

7. Assignment of Guarantee

Normally, an assignment of the rights under a guarantee agreement would require a

2] [1]

/ / /

8. Miscellaneous matters

A number of special points. We have identified each of these as important to

,

These are just as valid in

,

Signing

Note: if any change of terms affects the obligations of the ,

“ ”

This agreement must be signed “as a deed”. In practical terms,

;

End of notes