

## Guarantee of contract debt OR Deed of guarantee of loan

This deed of guarantee is dated: [date]

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 Republic , [ ]
- 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

:

“[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.

7.2.

7.3.

## 8. Miscellaneous matters

8.1.

8.2.

8.3.

It shall be deemed to have been delivered:

;

72 ;

- : 24

.

8.4.

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

Signed as a deed by the Guarantor, [\[who certifies that he has proper authority to sign\]](#) and delivered to the Seller and to the Buyer.

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**