Guarantee

THIS IS AN IMPORTANT LEGAL DOCUMENT WHICH YOU SHOULD ONLY SIGN AFTER YOU HAVE READ IT AND ENSURED THAT YOU FULLY UNDERSTAND ITS TERMS AND THE OBLIGATIONS AND RISKS. WE STRONGLY RECOMMEND THAT YOU OBTAIN INDEPENDENT LEGAL ADVICE.

IN THE EVENT THAT THE BORROWER DEFAULTS IN PAYMENT ON ANY AMOUNTS OWED TO THE LENDER, YOU MAY BECOME LIABLE TO PAY THAT AMOUNT INSTEAD OF (OR IN ADDITION TO) THE BORROWER.

IT IS THE INTENTION THAT THE GUARANTEE AND INDEMNITY YOU GIVE UNDER THIS GUARANTEE SHOULD, SUBJECT TO ANY EXPRESS LIMITATION ON RECOVERIES, EXTEND TO ALL MONIES, OBLIGATIONS AND LIABILITIES OWING OR PAYABLE OR EXPRESSED TO BE OWING OR PAYABLE OR WHICH MAY BECOME PAYABLE BY THE BORROWER, WHETHER PRESENT OR FUTURE AND INCLUDING (WITHOUT LIMITATION) FURTHER AMOUNTS ADVANCED BY THE LENDER TO THE BORROWER.

THIS FORM IS ONLY FOR USE WHERE THE GUARANTOR IS AN INDIVIDUAL.

Dated: ....

1) .... of ....

.... (a "**Guarantor**")

2) CHL MORTGAGES FOR INTERMEDIARIES LIMITED (company number 12954007) whose registered office is at Chetwood Bank, Ellice Way, Wrexham Technology Park, Wrexham, LL13 7YT (the "**Lender**" which expression includes each of its transferees, successors and assignees including any legal and/or equitable assignee whether by way of absolute assignment or by way of novation or by way of security only and those deriving title under it or them)

Background

A) The Lender has agreed to advance monies to the Borrower pursuant to the Mortgage Offer.

B) The Guarantor has agreed to provide a guarantee in relation to, amongst other things, the amounts made available to the Borrower from time to time as provided below.

1. Definitions and Interpretations

1.1. Definitions

In this Guarantee:

"**Borrower**" means ....

registered in England and Wales with company number ....

"**Guaranteed Liabilities**" means all monies, obligations and liabilities owing or payable or expressed to be owing or payable or which may become payable by the Borrower to the Lender, whether present or future and amounts outstanding from the Borrower from time to time, including (without limitation) in circumstances where further amounts are advanced by the Lender to the Borrower.

"**Mortgage Conditions**" means the Lender's mortgage conditions as specified in the Mortgage Offer (and a reference in this Guarantee to a "**Condition**" shall be to the relevant Condition in the Mortgage Conditions).

"**Mortgage Offer**" means the mortgage offer issued to the Borrower by the Lender in respect of the mortgage

dated .... and any agreement, letter or instrument entered into

under or supplemental to it or amending, restating or novating it.

1.2. Construction

1.2.1. Unless the contrary intention is expressed, all defined terms in the Mortgage Conditions have the same meaning in this Guarantee.

1.2.2. Headings and punctuation in this Guarantee are for convenience only and do not affect its construction or interpretation.

1.2.3. Unless the contrary intention appears, references in this Guarantee to:

a) any "**party**" shall be construed so as to include its successors in title (including any personal representatives), permitted assigns and permitted transferees;

b) "**including**" and "**in particular**" shall not limit words and expressions in connection with which it is used;

c) "**in connection with**", "**under**", "**pursuant to**", "**by virtue of**" and "**in relation to**" shall include each of the others;

d) a "**person**" includes (where the context allows) any person, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality);

e) one gender shall include a reference to the other genders;

f) an obligation of a Guarantor to do something includes an obligation to procure that it is done and an obligation not to do something includes an obligation not to permit, suffer or allow it;

g) a provision of law is a reference to that provision as amended or re-enacted and includes subordinate legislation;

h) references to this Guarantee or any other agreement, deed or document (including the Mortgage Offer) are references to them in force for the time being as amended, varied, supplemented, novated, extended, restated or consolidated from time to time (no matter how fundamental such amendment, variation, supplement, novation, extension, restatement and/or consolidation is); and

i) **the Guaranteed Liabilities:**

  i) may be in any currency;

  ii) may be present or future, actual or contingent;

  iii) may be owed alone or jointly or jointly and severally with another person or persons, as principal or surety or in any other capacity whatsoever;

  iv) may arise in connection with any advance, loan, credit, guarantee or other facility;

  v) include all interest, commission and fees from time to time payable to the Lender by the Borrower; and

  vi) include all costs, charges, expenses, losses and damages from time to time payable to the Lender by the Borrower.

2. GUARANTEE

2.1. Guarantee and indemnity

The Guarantor irrevocably and unconditionally:

a) guarantees to the Lender the proper and punctual payment and discharge by the Borrower of the Guaranteed Liabilities and undertakes with the Lender that if and whenever the Borrower does not pay any amount of the Guaranteed Liabilities when due, the Guarantor shall pay that amount on demand to the Lender as if it was the principal obligor;

b) undertakes with the Lender that whenever the Borrower does not pay any amount when due, the Guarantor shall immediately on demand by the Lender pay that amount as if the Guarantor was the principal obligor;

c) guarantees to the Lender punctual performance by the Borrower of all the Borrower's obligations;

d) as a separate and independent obligation, agrees to indemnify the Lender immediately on demand by the Lender against any cost, loss or liability suffered by the Lender if any obligations guaranteed by the Guarantor under this Guarantee is or becomes unenforceable, invalid or illegal. The amount of the cost, loss or liability shall be equal to the amount which the Lender would otherwise have been entitled to, as applicable, recover or claim for.

2.2. Continuing guarantee

This Guarantee is a continuing guarantee and shall extend to cover the ultimate balance of sums payable by the Borrower, regardless of any intermediate payment or discharge in whole or in part.

2.3. Reinstatement

If any discharge, release or arrangement (whether in respect of the obligations of the Borrower or any security for those obligations or otherwise) is made by the Lender in whole or in part on the basis of any payment, security or other disposition which is avoided or must be restored in, without limitation, insolvency, liquidation, administration or otherwise, then the liability of the Guarantor under this Guarantee will continue or be reinstated as if the discharge, release or arrangement had not occurred and the Lender shall be entitled to recover the value or amount of that payment, security or disposition from the Guarantor.

2.4. Waiver

The obligations of the Guarantor under this Guarantee will not be affected by any act, omission, matter or thing which, but for this Clause 2.4 (Waiver), would reduce, release or prejudice any of the Guarantor's obligations under this Guarantee including (without limitation and whether or not known to the Guarantor or the Lender):

a) any time, waiver or consent granted to, or composition with, the Borrower, the Guarantor or other person;

b) the release of the Borrower or any other person under the terms of any composition or arrangement with any creditor of the Borrower, the Guarantor or other person;

c) the taking, variation, compromise, exchange, renewal or release of, or refusal or neglect to perfect, take up or enforce, any rights or claim against, or security over assets of, the Borrower, the Guarantor or other person or any non-presentation or non-observance of any formality or other requirement in respect of any instrument or any failure to realise the full value of any security;

d) any (as applicable) death, incapacity or lack of power, authority or legal personality of, or dissolution or change in the members or status of, the Borrower, the Guarantor or any other person;

e) any amendment, novation, supplement, extension, restatement (however fundamental and whether or not more onerous) or replacement of the Mortgage Offer or any document or security including without limitation any change in the purpose of, any extension of or any increase in any facility or the addition of any new facility or other document or security;

f) any assignment, transfer or novation by the Lender of its rights and/or obligations under any document or security;

g) any unenforceability, illegality or invalidity of any obligation of any person under any other document or security;

h) any bankruptcy, insolvency or similar proceedings; or

i) any other act or omission except an express written release of the Guarantor by the Lender.

2. GUARANTEE (Continued)

2.5. Guarantor intent

Without prejudice to the generality of Clause 2.4 (Waiver), the Guarantor expressly and irrevocably confirms, acknowledges and agrees that it is the intention, in entering into this Guarantee as a Guarantor, that this Guarantee shall extend from time to time to any (however fundamental) variation, increase, extension or addition of, or to, any facility or amount made available to the Borrower, including for the purposes of, or in connection with, any of the following:

a) property or business acquisitions of any nature;

b) increasing working capital;

c) enabling investor/shareholder distributions to be made;

d) carrying out restructurings;

e) refinancing existing facilities;

f) refinancing any other indebtedness;

g) making facilities available to new borrowers or novating or otherwise transferring the obligations of an existing borrower in relation to an existing facility to another entity;

h) any other variation or extension of the purposes for which any such facility or amount might be made available from time to time; and/or

i) any fees, costs and/or expenses associated with any of the foregoing.

2.6. Immediate recourse

The Guarantor waives any right that it may have of first requiring the Lender to proceed against or enforce any other rights or security or claim payment from any person before claiming from a Guarantor under this Guarantee. This waiver applies irrespective of any law or any provision to the contrary.

2.7. Appropriations

Until all amounts which may be or become payable by the Borrower have been irrevocably paid in full, the Lender may:

a) refrain from applying or enforcing any other monies, security or rights held or received by the Lender in respect of those amounts, or apply and enforce the same in such manner and order as it sees fit (whether against those amounts or otherwise) and no Guarantor shall be entitled to the benefit of the same; and

b) hold in a suspense account any monies received from any Guarantor or on account of any Guarantor's liability under this Guarantee.

2.8. Deferral of Guarantor's rights

Until all amounts which may be or become payable by the Borrower have been irrevocably paid in full and unless the Lender otherwise directs, no Guarantor will exercise any rights which the Guarantor may have by reason of performance by the Guarantor of its obligations:

a) to be indemnified by the Borrower;

b) to claim any contribution from any other guarantor of the Borrower's obligations;

c) to take any security interest from the Borrower in respect of the Guarantor's liability under this Guarantee or apply for or seek to enforce any order for marshalling;

d) to take the benefit (in whole or in part and whether by way or subrogation or otherwise) of any rights of the Lender or of any other guarantee or security taken by the Lender;

e) to bring legal or other proceedings for an order requiring the Borrower to make any payment, or perform any obligation, in respect of which the Guarantor has given a guarantee, undertaking or indemnity under this Guarantee;

f) to exercise any right of set-off against the Borrower; and/or

g) to claim or prove as a creditor of the Borrower in competition with the Lender.

2. GUARANTEE (Continued)

If the Guarantor receives any benefit, payment or distribution in relation to such rights the Guarantor shall hold that benefit, payment or distribution to the extent necessary to enable all amounts which may be or become payable to the Lender by the Borrower to be repaid in full on trust for the Lender and shall promptly pay or transfer the same to the Lender or as the Lender may direct.

2.9. Additional security

This Guarantee is in addition to and is not in any way prejudiced by any other guarantee or security now or subsequently held by the Lender.

3. REPRESENTATIONS AND WARRANTIES

The Guarantor makes the following representations and gives the warranties set out in this Clause 3 (Representations and warranties) to the Lender on the date of this Guarantee and the representations are deemed to be repeated each day whilst the Guaranteed Liabilities remain outstanding and, in so doing, acknowledges that any breach of a representation or warranty given in this Guarantee will be an Event of Default.

3.1. Capacity

3.1.1. The Guarantor has the capacity to execute, deliver and perform the Guarantor's obligations under this Guarantee and the transactions contemplated herein.

3.1.2. The Guarantor is not, by reason of illness or incapacity (whether mental or physical), incapable of managing their own affairs.

3.1.3. The court has not made an order or appointed a deputy under section 16 of the Mental Capacity Act 2005 in respect of the Guarantor.

3.1.4. The Guarantor's obligations under this Guarantee are legal, valid, binding and enforceable.

3.1.5. The entry into and performance by the Guarantor and the transactions contemplated by, this Guarantee do not and will not conflict with any law or regulation applicable to the Guarantor or any agreement or instrument binding on the Guarantor or any of the Guarantor's assets or constitute a default or termination event (however described) under any such agreement or instrument.

3.2. No proceedings pending or threatened

No litigation, arbitration or administrative proceedings have been started or threatened against the Guarantor.

3.3. Bankruptcy and analogous events

3.3.1. The Guarantor has not suspended, or threatened to suspend, payment of the Guarantor's debts, is not unable to pay the Guarantor's debts as they fall due, has not admitted inability to pay the Guarantor's debts and is not deemed either unable to pay the Guarantor's debts or as having no reasonable prospect of so doing, in either case, within the meaning of section 268 of the Insolvency Act 1986.

3.3.2. The Guarantor has not commenced negotiations with all or any class of the Guarantor's creditors with a view to rescheduling any of the Guarantor's debts, and has not made a proposal for or entered into any compromise or arrangement with the Guarantor's creditors.

3.3.3. The Guarantor is not the subject of a bankruptcy petition or order.

3.3.4. No person has become entitled to appoint a receiver over any of the Guarantor's assets, and no receiver has been appointed over any of the Guarantor's assets.

3.3.5. No creditor or encumbrancer has attached or taken possession of, and no distress, execution, sequestration or other such process has been levied or enforced on or sued against, any of the Guarantor's assets.

3.3.6. No event has occurred and no proceeding has been taken in any jurisdiction to which the Guarantor is subject which has an effect equivalent or similar to any of the events mentioned in Clause 3.3.1 to Clause 3.3.5 (inclusive).

3. REPRESENTATIONS AND WARRANTIES (Continued)

3.4. Mortgage

The Guarantor has been provided with a copy of the Mortgage Offer (including the Mortgage Conditions and Mortgage Deed) and has read the Mortgage Offer and understands the nature and terms of the obligations guaranteed under this Guarantee.

3.5. Own advice

The Guarantor has taken independent legal advice in relation to the terms of this Guarantee and the obligations of the Guarantor hereunder or, with the Lender's prior consent, has chosen to waive their right to obtain independent legal advice.

4. PAYMENT MECHANICS

4.1. Payments to the Lender

4.1.1. All payments under this Guarantee must be made in pounds sterling to such bank account as the Lender may specify in any demand made under this Guarantee.

4.1.2. The Lender may at any time or times in its absolute discretion (but shall not be obliged to) accept payments or may remit any payments or give further time for the payment of any of the Guaranteed Liabilities or generally make any other arrangements as to the mode or time for payment of any money (whether in the nature of principal interest or otherwise). Any such arrangement shall not in any way prejudice or affect the powers conferred on the Lender or render the Lender liable for the exercise of any such power nor release or in any way affect or lessen the liability of the Guarantor (if any).

4.2. Interest

If the Guarantor fails to pay any amount payable by the Guarantor under this Guarantee on its due date, interest shall accrue on the overdue amount from the due date up to the date of actual payment (both before and after judgment) at a rate of 3 per cent. above the Bank of England base rate from time to time per annum. Any interest accruing under this Clause 4.2 (Interest) shall be immediately payable by the Guarantor on demand by the Lender.

4.3. No set-off by the Guarantor

All payments to be made by the Guarantor under this Guarantee shall be calculated and be made without (and free and clear of any deduction for) set-off, deduction or counterclaim.

5. SET-OFF

The Lender may set off any matured obligations due from the Guarantor to the Lender against any matured obligation owed by the Lender to the Guarantor, regardless of the place of payment, booking branch or currency of either obligation. If the obligations are in different currencies, the Lender may convert either obligation at a market rate of exchange in its usual course of business for the purpose of the set-off.

6. NOTICES

6.1. Communications in writing

Any communication to be made under or in connection with this Guarantee (including any demand made by the Lender hereunder) shall be made in writing in the English language and, unless otherwise stated, may be made by letter or, where a party has provided an email address for the purposes of this Clause 6, email.

6. NOTICES (Continued)

6.2. Notice details

The address (and the department or officer, if any, for whose attention the communication is to be made) for any communication or document to be made or delivered under or in connection with this Guarantee are:

a) in the case of the Guarantor, as specified with its signature to this Guarantee;

b) in the case of the Lender:

Address: *Chetwood Bank, Ellice Way, Wrexham Technology Park, Wrexham, LL13 7YT* Attention: *Customer Services*

or any substitute address in the United Kingdom or department or officer as each party may notify to the other party by not less than five Business Days' notice.

6.3. Effectiveness

Without prejudice to Clause 6.4, any communication or document made or delivered by one party to another under or in connection with this Guarantee by letter will only be effective when it has been left at the relevant address or two Business Days after being deposited in the post, postage prepaid, in an envelope addressed to it at that address. Any communication or document which becomes effective, in accordance with the provisions above, after 5:00 pm in the place of receipt shall be deemed only to become effective on the following Business Day.

6.4. Notices to the Lender

Any communication or document to be made or delivered to the Lender will be effective only when actually received by it and then only if it is expressly marked for the attention of the department or officer specified in Clause 6.2 above (or any substitute department or officer as it shall specify for this purpose).

7. ASSIGNMENT AND TRANSFER

7.1. Assignment by the Guarantor

No Guarantor may assign, transfer or otherwise part with any of their rights or obligations under this Guarantee.

7.2. Assignment by the Lender

The Lender may at any time transfer, assign (whether by way of security, mortgage, charge, creation of trust over, agreement to sell or other disposal) or novate all or any part of its rights, benefits or obligations under this Guarantee. The Guarantor agrees that to the extent that the Lender agrees to assign or transfer its rights and benefits to any person that it shall be bound to any such assignee or transferee in like manner and to the extent as he is bound to the Lender under this Guarantee and to the extent that the Lender agrees with any person to assign or transfer its obligations to that person the Lender shall be released from further obligations to the Guarantor and such assignee or transferee shall assume obligations towards the Guarantor which differ from such released obligations only so far as such assumed obligations are owed by and constituted by claims against such assignee or transferee and not the Lender. The Guarantor consents to the Lender passing any information relating to the Guarantor and this Guarantee to any actual or potential assignee transferee or other interested or contracting party.

8. GENERAL PROVISIONS

8.1. Calculation and evidence

Any certification or determination by the Lender of a rate or amount under or in connection with this Guarantee will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

8.2. Expenses

The Guarantor must pay the Lender on a full indemnity basis within three Business Days of demand the amount of all costs and expenses (including legal fees) incurred by it in connection with the exercise or enforcement of, or the preservation or release of, any rights against the Guarantor under this Guarantee.

8. GENERAL PROVISIONS (Continued)

8.3. Rights of third parties

Unless the right of enforcement is expressly granted, it is not intended that a third party should have the right to enforce a provision of this Guarantee pursuant to the Contracts (Rights of Third Parties) Act 1999. The parties may rescind or vary this Guarantee without the consent of a third party to whom an express right to enforce any of its terms has been provided.

8.4. Partial invalidity

The illegality, invalidity or unenforceability for whatever reason of any provision of this Guarantee in any jurisdiction, shall not affect the legality, validity or enforceability of that provision in any other jurisdiction or the legality, validity or enforceability of the remaining provisions in any jurisdiction.

8.5. Remedies and waivers

No failure to exercise, nor any delay in exercising, on the part of the Lender, any right or remedy under this Guarantee shall operate as a waiver, nor shall any single or partial exercise of any right or remedy prevent any further or other exercise or the exercise of any other right or remedy. The rights and remedies provided in this Guarantee are cumulative and not exclusive of any right or remedies provided by law.

8.6. Further assurance

The Guarantor shall execute any further documents as the Lender may from time to time require to perfect or enforce the obligations created by this Guarantee.

8.7. Amendments and waivers

No amendment of, or waiver of obligations under, this Guarantee shall be effective unless such amendment or waiver in in writing and signed by, or on behalf of, each party.

9. COUNTERPARTS

This Guarantee may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Guarantee.

10. LAW AND JURISDICTION

10.1. Law

This Guarantee and any non-contractual obligations arising out of or in relation to this Guarantee shall be governed by English law.

10.2. Jurisdiction of English courts

10.2.1. The courts of England have exclusive jurisdiction to settle any dispute, including, without limitation disputes relating to any non-contractual obligations arising out of or in connection with this Guarantee (a “Dispute”).

10.2.2. The parties agree that the courts of England are the most appropriate and convenient courts to settle Disputes and accordingly no party will argue to the contrary.

10.2.3. This Clause is for the benefit of the Lender only. As a result, the Lender shall not be prevented from taking proceedings relating to a Dispute in any other courts with jurisdiction. To the extent allowed by law, the Lender may take concurrent proceedings in any number of jurisdictions.

This Guarantee has been executed as a deed and delivered on the date stated at the beginning of this Guarantee.

Personal Guarantee: Execution Page

BY ENTERING INTO THIS GUARANTEE YOU MIGHT BECOME LIABLE INSTEAD OF OR AS WELL AS THE BORROWER. YOU SHOULD SEEK INDEPENDENT LEGAL ADVICE BEFORE ENTERING INTO THIS GUARANTEE.

Executed as a deed by the Guarantor:

Signature of Guarantor: ....

Print Name: ....

Address for services of notices (including service of demand): ....

in the presence of:

Signature of Witness: ....

Name of Witness: ....

Address of Witness: ....

Occupation of Witness: ....

EXECUTED as a DEED by the Lender acting by two directors:

Signature of Director: ....

Print Name: Paul Noble

Signature of Director: ....

Print Name: Simon Allsop

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