

Deed of Guarantee (Limited)

IMPORTANT WARNING TO INTENDED GUARANTOR/S: By signing this document you agree to underwrite the rental and other responsibilities of the Tenant under his/her tenancy agreement. This means that if the tenant fails to do so you will have to pay instead. YOU SHOULD CAREFULLY CONSIDER TAKING LEGAL ADVICE BEFORE SIGNING THIS DOCUMENT.

TO (Name of Landlord) ("the Landlord/You")

Of (Address of Landlord)

FROM (Name of Guarantor(s)) (I/we)

Of (Address of Guarantor(s))

PARTICULARS:

Tenant(s): (Name of Tenant(s) for whom the guarantee is given)

Property Address:

Tenancy Agreement: Dated

Rent: £ per (Insert rental period e.g. month)

NB: Specify the FULL amount of the Rent payment for the Property.

Term: months PLUS the time during which there is any continuation of the tenancy under a statutory periodic tenancy (this is the tenancy which follows on at the end of the fixed term if the tenant chooses to remain in the property) OR any continuation period under any contractual continuation of the tenancy.

* Delete as appropriate

Guarantee

- 1.1 **IN CONSIDERATION** of you having agreed to my/our* request to accept the Tenant as a tenant of the Property upon the terms of the Agreement at the Rent for the Term **I/WE* HEREBY GUARANTEE** the payment by the Tenant to you of the rent and any other money payable under the Agreement and also that the Tenant will comply with the terms of the Agreement but in relation to Rent only this Guarantee is subject to the limit contained in Clause 1.2.
- 1.2 My/our* liability under this Guarantee in respect of the rent payable under the Agreement shall be limited to the Tenant's contribution to the total rent for the Property. This shall be calculated by dividing the total amount of the

rent for the Property equally between the Tenant and the other persons liable as persons to pay the Rent in order to determine the Tenant's share and then deducting from this share all amounts, if any, actually received by you from the Tenant on account of the Tenant's contribution to the Rent. Otherwise, my/our Guarantee is unlimited.

More than one tenant

2. If there is more than one tenant under the Tenancy Agreement (even if the identity of any of the tenants changes) the Tenant is jointly and individually (severally) liable with any other tenant to comply with the other terms the Agreement. As I/we* are guaranteeing the Tenant's obligations under the Agreement this includes guaranteeing the Tenant's liability for any other tenant. This means that I/we* agree that I/we* are fully responsible for the payment of all money (beside the Rent) and for the whole of the losses which may result if any other tenant breaks any of the terms of the tenancy if the Tenant fails to pay. For what is meant by losses see Clause 16 below

Payment on demand

3. If the Tenant fails to pay the rent or any other money payable under the terms of the Agreement I/we* will upon written demand by you pay you the Rent or other money which shall be unpaid to the extent that I/we* guarantee payment of this to you.
4. If the Tenant does not comply with any of the terms of the Agreement which are the Tenant's responsibility I/We* will on written demand pay you all losses which you are entitled to recover as a result of the Tenant breaking the terms of the Agreement (for what are losses see Clause 16 below). Details of the amount of the loss and how it is calculated must be provided.

Continuation of Guarantee

5. This Guarantee shall continue if a statutory periodic tenancy arises under the Housing Act 1988 or there is a contractual continuation on the expiry of the fixed term granted by the Agreement. I/we* agree that I/we* will pay the rent and any other money payable and also pay any losses if any of the other terms of the tenancy are broken (for what are losses see Clause 16 below) under this statutory periodic tenancy or contractual continuation

Cancellation of guarantee

6. (1) This Guarantee cannot be revoked or cancelled by you for so long as the Tenant remains a tenant of the Property under the fixed term tenancy granted by the Agreement.
(2) Once the fixed term of the tenancy has come to an end if a statutory periodic tenancy or contractual continuation arises the Guarantor can cancel this Guarantee on giving not less than three months notice in writing to the Landlord. This notice can take effect at the end of the fixed term but no earlier. This means that the earliest date when notice can be given is three months before the end of the fixed term. The cancellation of the Guarantee shall take effect as from the expiry of this notice but subject to sub-clause (3). This notice must be given to expire on a rent payment day or the last day of the fixed term of the tenancy.
(3) If, within one month of receiving notice from the Guarantor to cancel the agreement, the Landlord gives notice to the Tenant under Section 21 of the Housing Act 1988 and informs the Guarantor that this has been done then (if the Tenant fails to vacate the property) so long as the Landlord starts Court proceedings for possession of the property under Section 21 within one month of the expiry of the Section 21 Notice the notice of cancellation of the Guarantee shall not be operative for a further period of 3 months from the date when it would otherwise have taken effect. The cancellation of this Guarantee shall then take effect at the end of this extended period instead.

Death or Bankruptcy of the Guarantor

7. This Guarantee shall be cancelled if I/we* die or become bankrupt. If there is more than one Guarantor then it shall only be cancelled on the death or bankruptcy of the last Guarantor to die or become bankrupt. Cancellation shall take effect on the next rent payment day after the date of the death or bankruptcy.

Death of the Tenant

8. (1) This Guarantee will not be cancelled on the death of the Tenant if the fixed term of the tenancy is still running at the date of death, but it will end on the expiry of the fixed term (unless the tenancy is terminated earlier) but subject to sub-clause (2).
(2) The Guarantee shall only continue under sub-clause (1) for the duration of the remainder of the fixed term if the landlord makes a written offer to the personal representatives of the deceased Tenant to accept a surrender of the tenancy with effect from the next rent payment day after the date of death and the personal representatives refuse or fail to effect such a surrender. It will end on the date of the surrender or, if earlier, the day before the next rent payment date after the date of the tenant's death. For who is the personal representations see Clause 16.

(3) In the event of the tenancy being a periodic tenancy at the date of death this Guarantee shall be cancelled at the end of the period of the tenancy current at the date of the Tenant's death.

Bankruptcy of the Tenant

9. This Guarantee will not be cancelled on the Tenant's bankruptcy (as the tenancy potentially can continue even if the Tenant becomes bankrupt).

Effect of cancellation

10. The cancellation of the Guarantee under Clauses 6, 7 or 8 means that any amounts payable in respect of arrears of rent or other money or losses down to the date of cancellation must be paid.

Alterations to the Tenancy

11. This Guarantee shall continue in force even if there is an alteration in the terms of the Agreement with or without my/our* consent (including any increase in the amount of rent payable in respect of the property by the Tenant) but subject to the provisions of this clause.
- (2) The Guarantee will apply to any statutory periodic tenancy or contractual continuation which arises at the end of the fixed term (see Clause 5 above).
- (3) However, for these purposes a variation shall not include any new or further agreement entered into by the Tenant and yourself under which a tenancy of the property is granted or extended unless I/we* also agree to guarantee the extended or new tenancy. This means that I/we* will only be responsible for guaranteeing any new or extended tenancy if I/we* expressly agree to this at the time (for what is an extended tenancy see paragraph 16 below). This Guarantee will apply to the tenancy up to the date the existing tenancy ends or to the day before the extended term takes effect (as the case may be)
- (4) If there is any variation to the Agreement with my/our* written consent I/we* will be bound by it and will guarantee the Agreement as varied.
- (5) If there is variation to the terms of the Agreement without my/our consent I/we* will only be liable to pay what I/we* would have had to pay according to the terms of the Agreement as if it had not been varied.

Termination of the Tenancy

12. This Guarantee shall not be cancelled because the tenancy under the Agreement is terminated by Court Order by re-entry forfeiture notice or otherwise but I/we* shall only be liable for any failure to pay the rent or other money or for any loss resulting from any non compliance with the terms of the tenancy occurring up to the date of termination.

Non cancellation

13. This Guarantee cannot be cancelled and I/we will not cease to be liable -
- if you do not take any action to enforce compliance with the Agreement.
 - if you give any time to pay or opportunity to make good any non compliance with the terms of the Agreement
 - if you refuse to accept rent or any other monies following any failure to comply with the terms of the tenancy agreement in order to protect your rights as landlord under the Agreement.

Demands

14. Any demand shall be valid if sent by post or left at my/our* address specified above or such other address as I/we* may notify to you in writing as to where any such demand should be sent (so long as a receipt for such notification of an alternative address is issued by you).

Joint and individual liability of more than one Guarantor

15. If there is more than one guarantor our liability under this Guarantee is joint and individual (several) so that if either of us fail to pay then the other will be fully liable to pay.

Definitions

16. For the purposes of this Guarantee -
- (1) "losses" included any damages expenses or costs (including legal costs) which result if any rent or other monies payable or are not paid or if any term of the Agreement is broken.

- (2) An "extended tenancy" is where there is an agreement to extend the fixed term of the tenancy when it ends or to grant a fixed term in place of a periodic tenancy.
- (3) "personal representative" includes whoever has priority to apply for a Grant of Representations to the Estate of the Tenant if the Tenant dies.

Legal costs

17. You will be entitled to recover any legal costs which you may incur in recovering any payment due from us under this Guarantee.

Notice to the Landlord

18. Any notice I/we give to you shall be effective if sent by post or left at your address specified above or such other address as you may notify to me/us as being the address to which any notices addressed to you should be sent.

IN WITNESS whereof the Guarantor has executed this instrument as a deed the day and year first above

Dated:

THE GUARANTOR'S SIGNATURE MUST BE WITNESSED

Signed and Delivered (First Guarantor/Sole Guarantor to as a Deed by the Guarantor sign here)

in the presence of:

WITNESS

Signature of Witness:

Name of witness:

Address of Witness:

Signed and Delivered as a Deed (Second Guarantee to sign here)

by the Guarantor in the presence of:

WITNESS

Signature of Witness:

Name of Witness:

Address of Witness

I/we* acknowledge that I/we* have received a copy of the Tenancy Agreement dated