

Appendix 3 - Example guarantor agreement

DEED OF GUARANTEE

This Deed of Guarantee is made on the day of

Between:

("The Landlord") and

("The Guarantor") in relation to the property at:

("The Property")

IT IS AGREED BETWEEN THE PARTIES AS FOLLOWS:

- 1** The Guarantor agrees to guarantee ("the Tenant") as the Tenant of the Property upon the terms and conditions of the tenancy agreement attached at Schedule A ("the Tenancy Agreement").
- 2** The Guarantor agrees to reimburse and compensate the Landlord for any loss, damage, costs (including any legal costs incurred to enforce the Guarantee or for breach of the Tenancy Agreement by the Tenant) or other expenses arising either directly or indirectly out of any breach of the Tenancy Agreement.
- 3** The obligations of the Guarantor specified at clause 2 above will continue for any extension or continuation of the Tenancy whether as a renewal of a fixed term or as a statutory periodic tenancy; and will include any increase in the rent agreed between the Landlord and the Tenant or imposed by statute under a Section 13 Notice of the Housing Act 1988 provided the Guarantor is notified of the increase by the Landlord or any person acting on his behalf.
- 4** This Guarantee is irrevocable and shall continue beyond the Guarantor's death or bankruptcy throughout the period that the Property is occupied by the Tenant or any licensee and is not limited to the Term specified in the Agreement.

- 5 If the Tenant defaults during the Initial Term or any extension, renewal or continuation of this Agreement or the Tenant is declared bankrupt and the Tenant's Trustee in Bankruptcy elects to disclaim the Agreement then on written demand the Guarantor will cover and compensate the Landlord against all losses, claims, liabilities, costs and expenses arising out of or in connection with that default or disclaimer or incurred by the Landlord in connection with the default or disclaimer.
- 6 The Guarantor's liability under the Guarantee will be joint and several with the Tenant which means that each will be responsible for complying with the Tenant's obligations under the Tenancy Agreement both individually and together. The Landlord may seek to enforce these obligations and claim damages against the Tenant, the Guarantor, or both of them under the Tenancy agreement and the Guarantee.
- 7 The obligations of the Guarantor under the Guarantee will not be cleared or affected by any act, neglect, leniency, or giving of time by the Landlord endeavouring to obtain payment or in the enforcement of the Tenant's covenants.
- 8 The Guarantor's liability will continue if the Tenant surrenders any part of the Property in respect of the part not surrendered. Any liability accumulated at the date of Surrender will continue unaffected.
- 9 The Guarantor's liability shall continue if the Guarantor is a company and the company changes ownership, alters the name of the Guarantor, or is amalgamated with any other company or organisation throughout the period that the Property is occupied by the Tenant or any licensee and is not limited to the Term specified in the Tenancy Agreement.
- 10 The Guarantor is liable to pay any costs of the Landlord in enforcing the Guarantee and the terms of the Tenancy Agreement
- 11 This Guarantee shall continue throughout the period that the Property is occupied by the Tenant (or any one person who forms the Tenant) or any licensee and is not limited to the Term specified in the Tenancy Agreement.
- 12 The Guarantee will not be invalidated if one or more of the original persons forming the Tenant to whom the Tenancy is granted abandons the Property or surrenders their interest in the Tenancy PROVIDED THAT at least one of the original persons forming the Tenant or their licensees or assignees remains in possession.
- 13 In this Guarantee the following definitions apply:
- a "Guarantor" is the person responsible for discharging the Tenant's obligations if the Tenant defaults whether the Landlord elects to pursue the Tenant or not.
 - b "Joint and Several" means that the Guarantor will be liable with the Tenant to pay all rent and any debt arising from any breach of the Tenancy until all debt is paid in full.
 - c References to the singular include the plural and references to the masculine include the feminine.
- 14 The Landlord and the Guarantor agree that the laws of England and Wales shall apply to the Guarantee and to the Tenancy Agreement.

SAMPLE

SIGNED AS A DEED AND DELIVERED BY:

Signed

In the presence of:

Signature of witness

SIGNED AS A DEED AND DELIVERED BY:

Signed

In the presence of:

Signature of witness