

WARNING – Before signing this Guarantee –

- You need to read the explanatory Guide.
- You need to read both this Guarantee and the Tenancy Agreement so that you are aware of what you are guaranteeing.
- You should consider taking legal advice before signing.

IMPORTANT –

Your attention is drawn to the key features of the Guarantee below set out in Clause 2.

GUARANTEE (For Residential Tenancies) – (single tenant)

To: **SPENCER PROPERTIES (UK) LTD.** (“The Landlord”)

Name & Address of Guarantor: Post Code

Name of Tenant: (“the Tenant”)

Property Address of The address: (“the property”)

Tel No: Mobile & Landlines Email

Guarantee

1. IN CONSIDERATION of you having agreed to my request to accept the Tenant as a tenant of the Property, I HEREBY GUARANTEE the payment by the Tenant to you of all rent and other payments payable by the Tenant under the tenancy agreement relating to the Property (“the Agreement”) and the performance and observance by the Tenant of the terms and provisions of the Agreement on the terms set out in this Deed:-

Key Features

2. Subject to the terms of this Deed, THIS GUARANTEE is –
 - (1) UNLIMITED.
 - (2) Cannot be cancelled and remains in force for so long as the Tenant is a tenant of the Property, including any continuation of the tenancy once any fixed term has run out.
 - (3) Not ended by the death or bankruptcy of the Guarantor or the Tenant.
 - (4) Continues even if changes are made to the tenancy, but no increased liability, arising from any alteration to the terms of the tenancy, will fall on the Guarantor unless the Guarantor consents to the change.
 - (5) Will not be ended or changed because the Landlord makes arrangements with the Tenant relating to the tenancy or allows time for payment or does not take action to enforce any tenancy term if this is broken.

Non Compliance by the Tenant

3. If the Tenant fails to pay any rent or other payment under the Agreement for the period of 7 days, I will upon written demand by you, pay you the amount which shall be in arrears. If the Tenant fails to perform or observe any of the provisions or terms of the Agreement I will on demand, pay you all, damages, expenses and costs which you are entitled to recover from the Tenant by reason of such failure.

Non cancellation

4. This Guarantee cannot be cancelled, for so long as the Tenant continues as a tenant of the Property.

SPENCER PROPERTIES (UK) LIMITED

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IMPORTANT-

Your attention is drawn to the key points of the Guarantee.

GUIDE ON GUARANTEE FOR SHARED HOUSES

Warning for any intended Guarantor

1. You need to read this Guide carefully before signing the Guarantee.
2. You should consider this Guide and the terms of the Guarantee before signing the Guarantee. In particular, you should consider taking legal advice.
3. You need to thoroughly read this Guide so that you understand what your responsibilities are as Guarantor for the Tenant under the tenancy agreement for the property which is being rented. You are undertaking that the Tenant will comply fully with the tenancy agreement.
4. You need to think about the Tenant's financial position and whether or not he/she will be able to meet his/her commitments under the tenancy. In particular, you need to consider whether or not the Tenant is able to afford the rent. You also need to think about whether the Tenant is likely to act responsibly and honour his/her obligations under the tenancy, e.g. not to damage the property. You will be agreeing to stand behind the Tenant and see that the Tenant keeps to his or her responsibilities under the tenancy agreement.
5. AS THE TENANT IS A JOINT TENANT WITH OTHERS HE/SHE WILL BE AGREEING TO TAKE RESPONSIBILITY FOR WHAT OTHER TENANTS DO. THIS IS EXPLAINED IN DETAIL BELOW.

What the Guarantor is responsible for

You, as Guarantor, will be agreeing with us as the Landlord to pay us what the Tenant has to pay under the tenancy agreement and, in particular, the rent, should the Tenant fail to do so. If the Tenant breaks any of the terms of the tenancy so that we as the Landlord suffer financial loss as a result then the Guarantor is required to pay us damages for this loss, in the event of the Tenant not doing so.

Joint liability

Importantly, the Tenant himself or herself is jointly responsible with the other tenants under the tenancy agreement for seeing that the whole of the rent, and any other money under the tenancy agreement, is paid and your liability as Guarantor is UNLIMITED. You are not just responsible for any failure by the Tenant whom you are guaranteeing to pay rent or comply with the terms of the tenancy agreement but for potentially the total rent or other amounts which are payable. This is what is known as joint and several (individual) liability. As Guarantor therefore you could become liable for the full amount of the rent or other financial loss which the Landlord suffers.

With joint and several liability if one tenant fails to pay then the other tenant(s) are required to pay instead. Any Guarantor of an individual tenant is also liable for the full amount of any unpaid rent, other money or damages for other loss, including what any other tenant owes to the Landlord.

You are entitled to try to recover what any other tenant or guarantor may owe, but as Landlord we can look to you for payment of the full amount which is due, leaving you to try to get a contribution from anyone else who is responsible..

This applies even if it is one of the other tenants who is responsible for causing the loss, e.g. damage to the property. Whether or not you can recover a contribution from another tenant or guarantor where you have had to pay will depend on the financial position of the other tenant/guarantor against whom you are claiming.

Duration of Guarantee/no right to cancel

The Guarantee provides that it will last for so long as the Tenant is a tenant of the property. It cannot be cancelled early irrespective of how long the Tenant remains a tenant. Initially the tenancy will be for a fixed term but if the tenancy runs on once the fixed term has expired you will still remain liable for the full duration of the Tenant's tenancy of the property. You therefore remain responsible for paying the rent and any other money and paying for any damages for loss during any run on of the tenancy once the initial fixed term has come to an end.

However, if a new tenancy agreement is signed then the Guarantee will end unless you agree to sign a new form of guarantee for the new tenancy.

Death

The Guarantee will not end if either the Tenant or the Guarantor dies. If the Guarantor dies his/her estate will still be liable. Likewise, should the Tenant die the Guarantor is still responsible until the tenancy ends. The death of the Tenant does not end the tenancy.

Bankruptcy

If the Tenant becomes bankrupt then this does not automatically end the tenancy. The Guarantor will still be liable. Likewise, if the Guarantor becomes bankrupt this does not end responsibility for the Guarantee.

Changes to the tenancy

The Guarantee still continues even if there are any changes to the tenancy. This includes changes in the people who are also tenants along with the Tenant whom you are guaranteeing. It also applies even though alterations or additions are made to the tenancy terms, e.g. an increase in rent.

If there is a change in the tenancy terms which you agree to then you will continue to be responsible for guaranteeing the tenancy as varied. If there is a variation to the existing tenancy terms which you have not agreed to you will still be responsible for guaranteeing the tenancy but only on the basis of the pre-variation terms. For example, if the rent is increased you would only be responsible for guaranteeing the original rent, but not the amount of the increase, unless you consent to the change.

After the end of the tenancy

Once the Tenant has ceased to be a tenant then there is no further responsibility for anything that happens after the end of his/her tenancy. However, under the Guarantee you will remain fully responsible for anything up until the end of the tenancy, e.g. unpaid rent due before the Tenant's tenancy ends.

Arrangements between the Landlord and the Tenants

Your responsibility under the Guarantee does not end just because the Landlord comes to some arrangement with the tenants, with or without your agreement as Guarantor. For example, the Landlord may agree to a change in the identity of the tenants or agree to sub-letting. The Landlord may give permission under the terms of the tenancy allowing for something to be done which is otherwise forbidden. None of this alters your responsibilities as Guarantor. This could include altering the timing for the payment of rent.

Landlord gives time for payment/does not enforce the tenancy agreement

The Guarantor's liability under the Guarantee is not ended or altered because the Landlord gives the Tenant or another tenant time to pay. Likewise, even though we as the Landlord do not take steps to obtain payment where there are arrears of rent or to take steps because the terms of the tenancy are broken this does not put an end to the Guarantor's responsibility or change it. The Guarantor is still responsible under the Guarantee.

Unenforceable terms

If, for any reason, any term of the Guarantee is held by a Court or Tribunal to be unenforceable including where it is held to be invalid or illegal, the Guarantee shall be read as if the offending provision did not appear. The fact that such a decision is made will not affect the continued ability of the Landlord to enforce the remainder of the Guarantee.