

### UNCONDITIONAL GUARANTEE

- |                        |                      |
|------------------------|----------------------|
| 1. AGENCY CASE NUMBER: | 2. AGENCY LOAN NAME: |
| 3. BORROWER:           | 6. LENDER:           |
| 4. GUARANTOR:          | 5. GUARANTOR TAX ID: |
| 7. DATE:               | 8. NOTE AMOUNT:      |

#### 1. GUARANTEE

Guarantor unconditionally guarantees payment to the Lender of \_\_\_\_% of all amounts owing under the Note including any costs due under the Note when Lender makes written demand upon Guarantor. Lender is not required to seek payment from any other source before demanding payment from the Guarantor.

#### 2. NOTE

The Note is the promissory note dated \_\_\_\_\_ in the principal amount of \_\_\_\_\_ Dollars, from the Borrower to the Lender. It includes all notes, and any assumptions, renewal, substitution, or replacement of the notes.

#### 3. LENDERS GENERAL POWERS

As to the non-Agency Guarantor, the Lender may take any of the following actions at any time, without notice to the Guarantor, without the Guarantors consent and without making demand upon the Guarantor.

- A. Modify the terms of the Note or any other Loan Document except to increase the amounts due under the Note;
- B. Refrain from taking any action on the Note, the collateral, or any guarantee;
- C. Compromise or settle with the Borrower or any guarantor of the Note;
- D. Release any Borrower or any Guarantor of the Note;
- E. Substitute or release any of the Collateral, whether or not the Lender receives anything in return;
- F. Foreclose upon or otherwise obtain, and dispose of, any Collateral at public or private sale, with or without advertisement;
- G. Bid or buy at any sale of Collateral by the Lender or any other lien holder, at any price the Lender chooses; and

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0000-0000. The time required to complete this information collection is estimated to average 1 hour per response including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing the burden, to Washington, DC 20503-9000 and to the Office of Management and Budget, Paperwork Project (0142-0047).

With respect to the Agency as the Guarantor, pursuant to 7 CFR part 5001, some of these action will require prior Agency consent.

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- H. Exercise any rights it has, including those in the Note and other Loan Documents.

These actions will not release or reduce the obligations of the Guarantor or create any rights or claims against the Lender.

With respect to the Agency as the Guarantor, pursuant to 7 CFR part 5001, some of these action will require prior Agency consent.

5. FEDERAL LAW

When the Agency is the holder, the Note and this Guarantee will be construed and enforced under Federal law, including Rural Development regulations. The Lender or the Agency may use state or local procedures for filing papers, recording documents, giving notice, foreclosing liens, and other purposes. By using such procedures, the Agency does not waive any federal immunity from state or local control, penalty, tax, or liability. As to this Guarantee, the Guarantor may not claim or assert any local or state law against the Agency to deny any obligation, defeat any claim of the Agency, or preempt Federal law.

6. RIGHTS, NOTICES, AND DEFENSES THAT GUARANTOR WAIVES

To the extent permitted by law,

- A. The Guarantor waives all rights to:

- 1) Require presentment, protest, or demand upon the Borrower;
- 2) Redeem any Collateral before or after the Lender disposes of it;
- 3) Have any disposition of Collateral advertised; and
- 4) Require a valuation of Collateral before or after the Lender disposes of it.

7. **DUTIES AS TO COLLATERAL INSTRUCTIONS FOR PREPARATION**

The Guarantor will preserve the Collateral pledged by the Guarantor to secure this Guarantee. The Lender has no duty to preserve or dispose of any Collateral, as described in 7 CFR part 5001.

8. **SUCCESSORS AND ASSIGNS**

**APPLICABLE TO BOTH PERSONAL AND CORPORATE GUARANTEES**  
Under this Guarantee, the Guarantor includes heirs and successors, and the Lender includes its successors and assigns.

A. **No Alterations.** You may not alter the text or make any additions except to insert information required to complete the form. **GENERAL PROVISIONS**

B. **Insertions.** **ENFORCEMENT EXPENSES.** The Guarantor is responsible for all expenses the Lender incurs to enforce this Guarantee, including, but not limited to, attorneys fees and costs.

C. **Information Grid.** All applicable information on page 1 of the form. Most of the information will come from the Authorization. The Agency is not a co-guarantor with the Guarantor. The Guarantor has no right of contribution from the Agency.

**Loan Number.** Copy from the Authorization. **SUBROGATION RIGHTS.** The Guarantor has no subrogation rights as to the Note or the Collateral until the Note is paid in full.

**Loan Name.** This must be the same as in the Authorization.  
The Loan Name is **JOINT AND SEVERAL LIABILITY** for all individuals and entities signing as the Guarantor are jointly and severally liable.

a. **DOCUMENT SIGNING.** The Guarantor of the Borrower documents necessary at any time to comply with the Loan Documents. The actual (legal) name of the Borrower to acquire, perfect, or maintain the Lenders liens on Collateral.

F. **FINANCIAL STATEMENTS.** The Guarantor must give the Lender financial statements or other information requested by the Lender. Failure by the Guarantor to submit the requested information can result in the Lender taking appropriate action consistent with applicable law.

G. **LENDERS RIGHTS CUMULATIVE, NOT WAIVED.** The Lender may exercise any of its rights separately or together, as many times as it chooses. The Lender may delay or forgo enforcing any of its rights without losing or impairing any of them.  
Borrower. Insert the names of all Borrowers. **DO NOT INCLUDE DBAs here.** All Borrower names on page 1 of the form must be the same as in the Note.

H. **ORAL STATEMENTS NOT BINDING.** The Guarantor may not use an oral statement to contradict or alter the Guarantor (insert the legal names of the individuals or entities who will be guarantors on this Guarantee). **DO NOT INCLUDE DBAs here.** All Guarantor names listed on page 1 of the form must be the same as in the signature block.

**Lender.** Insert the name of the Lender. If any part of this Guarantee is found to be unenforceable, all other parts will remain in effect.

J. **Date.** Insert the date the Guarantee is signed.  
**CONSIDERATION.** The consideration for this Guarantee is the Loan or any accommodation by the Lender as to the Note Amount. Insert, in numbers only, the principal amount of the loan.  
**Loan.**

10. **THE GUARANTOR ACKNOWLEDGMENT OF TERMS**

Item 2. **NOTE.** Complete the requested information, date of promissory note, and the principal amount of the note. The Note amount here must be the same as the Note Amount on page 1 of the form.

The Guarantor acknowledges that the Guarantor has read and understands the significance of all terms of the Note and this Guarantee, including original terms. A signature section must be created, and must be in accordance with applicable law. The signature block must include the legal name of the individual or entity signing the Guarantee and, where applicable, the name and title of the authorized representative who will execute the document on its behalf. For instructions on how to complete an enforceable signature block that complies with applicable state law, consult with the Regional Attorney.

11. **THE GUARANTOR ACKNOWLEDGEMENT OF FEDERAL DEBT**

The Guarantor acknowledges and agrees that any loss claim paid by the Agency on the Note shall be a Federal Debt owed by the Guarantor up to the amount in paragraph 1. The Guarantor agrees to immediately reimburse the Agency for the loss claim. The Agency may use all remedies available to it, including those under the Debt Collection Improvement Act, to recover the Federal Debt from the Guarantor. The Agency's right to collect from the Guarantor is independent of the Lenders rights to collect under the Note and will not be affected by any release by the Lender. Any Agency collection under this paragraph does not need to be shared with the Lender.

