

### 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. LENDER'S 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 Guarantor's 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
- 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.

### B. The Guarantor waives any notice of:

- 1) Any default under the Note;
- 2) Presentment, dishonor, protest, or demand;
- 3) Execution of the Note;
- 4) Any action or inaction on the Note or Collateral, such as disbursements, payment, nonpayment, acceleration, intent to accelerate, assignment, collection activity, and incurring enforcement expenses;
- 5) Any change in the financial condition or business operations of Borrower or any guarantor;
- 6) Any changes in the terms of the Note or other Loan Documents, except increases in the amounts due under the Note; and
- 7) The time or place of any sale or other disposition of Collateral.

### C. The Guarantor waives defenses based upon any claim that:

- 1) The Lender failed to obtain any guarantee;
- 2) The Lender failed to obtain, perfect, or maintain a security interest in any property offered or taken as Collateral;
- 3) The Lender or others improperly valued or inspected the Collateral;
- 4) The Collateral changed in value, or was neglected, lost, destroyed or underinsured;
- 5) The Lender impaired the Collateral;
- 6) The Lender did not dispose of any of the Collateral;
- 7) The Lender did not conduct a commercially reasonable sale;
- 8) The Lender did not obtain the fair market value of the Collateral;
- 9) The Lender did not make or perfect a claim upon the death or disability of Borrower or any guarantor of the Note;
- 10) The Lender made errors or omissions in Loan Documents or administration of the Loan;
- 11) The financial condition of the Borrower or any guarantor was overstated or has adversely changed;
- 12) The Lender did not seek payment from the Borrower, any other guarantors, or any Collateral before demanding payment from the Guarantor;
- 13) The Lender impaired the Guarantor's suretyship rights;
- 14) The Lender modified the Note terms, other than to increase amounts due under the Note. If the Lender modifies the Note to increase the amounts due under the Note without the Guarantor's consent, the Guarantor will not be liable for the increased amounts and related interest and expenses, but remains liable for all other amounts;
- 15) The Borrower has avoided liability on the Note; or
- 16) The Lender has taken an action allowed under the Note, this Guarantee, or other Loan Documents.

7. DUTIES AS TO COLLATERAL

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.

8. SUCCESSORS AND ASSIGNS

Under this Guarantee, the Guarantor includes heirs and successors, and the Lender includes its successors and assigns.

9. GENERAL PROVISIONS

- A. ENFORCEMENT EXPENSES. The Guarantor promises to pay all expenses the Lender incurs to enforce this Guarantee, including, but not limited to, attorney's fees and costs.
- B. THE AGENCY NOT A CO-GUARANTOR. The Guarantor's liability will continue even if the Agency pays the Lender. The Agency is not a co-guarantor with the Guarantor. The Guarantor has no right of contribution from the Agency.
- C. SUBROGATION RIGHTS. The Guarantor has no subrogation rights as to the Note or the Collateral until the Note is paid in full.
- D. JOINT AND SEVERAL LIABILITY. All individuals and entities signing as the Guarantor are jointly and severally liable.
- E. DOCUMENT SIGNING. The Guarantor must sign all documents necessary at any time to comply with the Loan Documents and to enable the Lender to acquire, perfect, or maintain the Lender's 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. LENDER'S 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.
- H. ORAL STATEMENTS NOT BINDING. The Guarantor may not use an oral statement to contradict or alter the written terms of the Note or this Guarantee, or to raise a defense to this Guarantee.
- I. SEVERABILITY. If any part of this Guarantee is found to be unenforceable, all other parts will remain in effect.
- J. CONSIDERATION. The consideration for this Guarantee is the Loan or any accommodation by the Lender as to the Loan.

10. THE GUARANTOR ACKNOWLEDGMENT OF TERMS

The Guarantor acknowledges that the Guarantor has read and understands the significance of all terms of the Note and this Guarantee, including all waivers.

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 Lender's 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.

12. SIGNATURE(S)

By signing below, each individual or entity becomes obligated as the Guarantor under this Guarantee.

## INSTRUCTIONS FOR PREPARATION

This form is used for an unconditional guarantee, as described in 7 CFR part 5001.

### APPLICABLE TO BOTH PERSONAL AND CORPORATE GUARANTEES

- A. No Alterations. You may not alter the text or make any additions except to insert information required to complete the form.
- B. Insertions. Complete the form and the terms in accordance with the Authorization.
- C. Information Grid. All applicable information on page 1 of the form. Most of the information will come from the Authorization.

The information must be consistent in all documents—Authorization, Notes, and Guarantees.

Loan Number. Copy from the Authorization.

Loan Name. This must be the same as in the Authorization.

The Loan Name is the **first available** name from the following list:

- a. The doing business as (dba) name (trade name) of the Borrower.
- b. The actual (legal) name of the Borrower.

If there is more than one Borrower, use the first Borrower listed in the Authorization and apply the above rules.

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.

Guarantor. Insert the legal names of 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.

Date. Insert the date the Guarantee is signed.

Note Amount. Insert, in numbers only, the principal amount of the loan.

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.

Item 12. SIGNATURE. 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.