

GUARANTY

NORTH DAKOTA DIVISION OF COMMUNITY SERVICES
SFN 52669 (10/00)

1. Borrower	2. Guarantor	3. City/County
<p>4. The Borrower has executed and delivered a certain loan agreement dated _____, 20_____ (the "Loan Agreement") to the City/County. As an inducement to the City/County to execute the Loan Agreement and to make the Loan (as defined in the Loan Agreement), the Guarantor agreed to guarantee all Obligations (as defined in the Loan Agreement) of the Borrower and to execute and deliver this Guaranty.</p>		
<p>5. In consideration of the Loan granted by the City/County to the Borrower and to enable the Loan to be maintained or obtained by the Borrower, the Guarantor, jointly and severally (if more than one), does hereby become surety to the City/County for the prompt satisfaction when due, whether by acceleration or otherwise, of all Obligations of the Borrower to the City/County provided, however, that the joint and several (if more than one) liability of the Guarantor under this Guaranty shall not exceed the sum of _____ (\$_____), subject to the provisions of paragraph 9.</p>		
<p>6. The Guarantor, jointly and severally (if more than one), agrees that if any of the Obligations are not satisfied when due, the Guarantor will, upon demand by the City/County forthwith satisfy such Obligations or, if the maturity thereof shall have been accelerated by the City/County, the Guarantor will forthwith satisfy all Obligations of the Borrower. No such satisfaction shall discharge the liability of the Guarantor under this Guaranty until all Obligations shall have been satisfied in full to the limit of the Guaranty set out above. The Guarantor, jointly and severally (if more than one), further agrees to pay to the City/County, upon demand, all losses and reasonable costs and expenses, including attorney's fees, that may be incurred by the City/County in attempting to cause the Obligations to be satisfied or attempting to cause satisfaction of the Guarantor's liability under this Guaranty.</p>		
<p>7. The Guarantor hereby:</p> <ul style="list-style-type: none">a. Consents to all terms and agreements heretofore or hereafter made by the Borrower with the City/County.b. Consents that the City/county may:<ul style="list-style-type: none">1) Exchange, release, or surrender to the Borrower or to any guarantor, pledgor, or grantor any collateral, or waive, release or subordinate any security interest, in whole or in part, now or hereafter held as security for any of the Obligations.2) Waive or delay the exercise of any of its rights or remedies against the Borrower or any other person or entity, including, without limitation, any of the Guarantors (if more than one).3) Release the Borrower or any other person or entity, including, without limitation, any of the Guarantors (if more than one).4) Renew, extend, or modify the terms of any of the Obligations or any instrument or agreement evidencing the same.5) Apply payments by the Borrower, the Guarantor, or any other person or entity to any of the Obligations.c. Waives all notices whatsoever with respect to this Guaranty or with respect to the Obligations, including, but without limitation, notice of:<ul style="list-style-type: none">1) The City/County's acceptance of this Guaranty or its intention to act or its action, in reliance on this Guaranty.2) The present existence or future incurring of any of the Obligations or any terms or amount thereof or any change therein.3) Any default by the Borrower or any surety, pledgor, grantor of security, or guarantor, including, without limitation, any of the Guarantors (if more than one).4) The obtaining or release of any guaranty or surety agreement (in addition to this Guaranty), pledge, assignment, or other security for any of the Obligations.		

The Guarantor waives notice of acceleration of, and intention to accelerate, the Obligations, and of presentment, demand, protest, and notice of non-payment, protest in relation to any instrument evidencing any of the Obligations, any other demands and notices required by law except as such waiver may be expressly prohibited by law.

8. The liability of the Guarantor under this Guaranty is absolute and unconditional, without regard to the liability of any other person, and shall not in any manner be affected by reason of any action taken or not taken by the City/ County, which action or inaction is herein consented and agreed to, nor by the partial or complete unenforceability or invalidity of any other guaranty or surety agreement, pledge, assignment, or other security for any of the Obligations. No delay in making demand on the Guarantor for satisfaction of the Guarantor's liability under this Guaranty shall prejudice the City/County's right to enforce such satisfaction. All of the City/County's rights and remedies shall be cumulative and failure of the City/County to exercise any right under this Guaranty shall not be construed as a waiver of the right to exercise the same or any other right at any time, and from time to time, thereafter.

9. In the event any payment made by the Borrower pursuant to the Loan Agreement is recovered from the City/County in a proceeding under the federal Bankruptcy Code or otherwise, the Guarantor agrees that such payment may be recovered from the Guarantor by the City/County, notwithstanding the fact that the Obligations of the Borrower may have been paid in full or that such payment may have been in excess of the liability of the Guarantor set out above in paragraph 5.

10. The Guaranty shall remain in full force and effect and be binding upon the Guarantor and relied upon by the City/County until receipt by the City/County of written notice from the Guarantor (or, if the Guarantor is deceased, the Guarantor's personal representative) to terminate the Guarantor's liability. Neither the Guarantor's death nor any such notice shall affect or impair the obligations or liabilities of the Guarantor or the rights and remedies of the City/County, provided in this Guaranty or by law, with respect to or arising from (a) any indebtedness existing as of the date of receipt of such notice. (b) any indebtedness arising from future advances that the City/County is obligated as of such receipt date to make to or on behalf of the Borrower, and (c) any renewals or extensions of any of the foregoing. Upon any such termination, the Guarantor or the Guarantor's estate, as the case may be, shall promptly pay the guaranteed amount.

11. This Guaranty shall be a continuing one and shall be binding upon the Guarantor regardless of how long before or after the date of this Guaranty any of the Obligations were or are incurred.

12. The Guarantor agrees that this Guaranty shall be governed by the laws of the State of North Dakota.

13. Any notice of consent required or permitted by this Guaranty shall be in writing and shall be deemed delivered if delivered in person or if sent by registered mail, postage prepaid, return receipt requested, as follows, unless such address is changed by written notice under this Guaranty:

(a) If to the City/County:

Attention: _____

(b) If to the Guarantor:

14. This Guaranty shall inure to the benefit of the City/County, its successors and assigns, and to any person to whom the City/County may grant an interest in any of the Obligations, and shall be binding upon the Guarantor and the Guarantor's respective successors and assigns.

In witness whereof, the Guarantor, intending to be jointly and severally legally bound by this Guaranty, has duly executed this Guaranty this _____ day of _____, 20_____.

Guarantor

Guarantor
