

GUARANTY OF FRANCHISE OBLIGATIONS (USA)

THIS AGREEMENT made effective as of the ____ day of _____, 20____.

BETWEEN:

[NAME(S) OF GUARANTOR(S)]
[Address(es) of Guarantor(s)]
(the "Guarantor(s)")

- and -

[NAME OF FRANCHISOR]
[Address of Franchisor]
(the "Franchisor")

In consideration of, and as an inducement to, the signing of the [*insert name of franchise*] Franchise Agreement, and any revisions, modifications, and amendments thereto, (collectively known as the "Franchise Agreement") dated the ____ day of _____, 20__ between the above-named Franchisor and _____ (the "Franchisee"), each of the undersigned Guarantor(s) agree as follows:

1. The Guarantor(s), jointly and severally (if more than one), unconditionally guarantee(s) the full, prompt and complete performance of the Franchisee under the terms of the Franchise Agreement, including the complete and prompt payment of all indebtedness of the Franchisee to the Franchisor under the Franchise Agreement. The word "indebtedness" includes advances, debts, obligations and liabilities of the Franchisee, now or hereafter incurred, either voluntarily or involuntarily, and regardless of whether due, absolute, contingent, liquidated or unliquidated, determined or undetermined, or whether recovery may be now or hereafter barred by any statute of limitation or is otherwise unenforceable.
2. The obligations of the Guarantor(s) are independent of the obligations of the Franchisee and a separate action or actions may be brought and prosecuted against any or all of the Guarantor(s), regardless of whether actions are brought against the Franchisee, or whether the Franchisee is joined in any such action.
3. If the Franchisee is a corporation, partnership, or limited liability company, the Franchisor is not obligated to enquire into the power or authority of the Franchisee, or its partners, or the officers, directors, agents, members, or managers acting or purporting to be acting on the Franchisee's behalf and any obligation or indebtedness made or created in reliance upon the exercise of such power and authority will be guaranteed hereunder. Where a Guarantor is a corporation or partnership, it will be conclusively presumed that the Guarantor and the partners, agents, officers and directors acting on its behalf have the express authority to bind such corporation or partnership, and that such corporation or partnership has the express power to act as a Guarantor pursuant to this Guaranty and that such action directly promotes the business and is in the interest of such corporation or partnership.
4. The Franchisor, its successors and assigns may from time to time, without notice to the Guarantor(s):

THIS IS A 2-PAGE FORM.