

# TECHGEAR-5.7

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## PERSONAL GUARANTEE

a. Without further authorization from or notice to the signatory hereto, who guarantees this obligation and has a legal duty to fulfill it ("Guarantor"), Tech Gear 5.7, Inc. (herein "Creditor") may grant credit to the Dealer noted below ("Debtor") from time to time, either before the date of the guarantee or after revocation and in such manner, on such terms; and for such term and for such time as it deems best; and with or without notice to the Guarantor, Creditor may alter, compromise, accelerate, extend or change the time or manner for the payment of any indebtedness, increase or reduce the rate of interest thereon; release or add any one or more guarantors or endorsers, accept additional or substituted security, or release or subordinate any security. No exercise or non exercise by Creditor of any right hereby given to it, no dealing by Creditor with Debtor or any guarantor or endorser; no change, impairment or suspension of right or remedy of Creditor shall in any way affect any of the Guarantor's obligations hereunder or any security furnished hereunder by the Guarantor or give the Guarantor any recourse against the Creditor.

b. The Guarantor, jointly and severally, unconditionally and continuously personally guarantees and promises to pay to Creditor or its order, each item of indebtedness hereby guaranteed and to perform each guaranteed obligation when due. The respective obligations of the Guarantor shall not be subject to prorating.

c. In addition to all liens and rights of set off that Creditor may have against any property of the Debtor or of the Guarantor, Creditor shall have a general lien on and a right to set off against all the property of the Guarantor now or hereafter in the possession of or on deposit with the Creditor. Each such lien or right of set off may be exercised with or without demand upon or notice to any of the Guarantor and shall continue in full force unless specifically waived or released by Creditor, in writing, and shall not be deemed waived by any conduct of Creditor, or by any failure to exercise such right. Creditor need not take any action against the Debtor, any other guarantor or any other person, firm or corporation or resort to any security held by it at any time before proceeding against any of the Guarantor.

d. Until all indebtedness herein guaranteed has been paid in full, the Guarantor shall not assert any right of subrogation unless expressly authorized in writing by Creditor.

e. All existing and future indebtedness owing by the Debtor to any of the Guarantor is hereby subordinated to all debts and obligations hereby guaranteed; and without prior consent of Creditor, shall not be paid to the Guarantor by the Debtor in whole or in part during the life of this guaranty. Any payment by the Debtor to any of the Guarantor in violation of the foregoing provision shall be held by the Guarantor as trustee for the Creditor and paid over to the Creditor on its order.

f. The failure of the Creditor to file or enforce a claim against the estate of the Debtor, either in assignment, under the Bankruptcy Act or any other proceeding, shall not affect the liability of the Guarantor; nor shall the Guarantor be released from liability if recovery from the Debtor, any other guarantor, or any other person, becomes barred by any statute of limitations or is otherwise prevented. The Guarantor waives and agrees not to assert or take advantage of the defense of the Statute of limitations in any action hereunder, or for the collection of any credit hereby guaranteed.

g. The Guarantor will file any claim against the Debtor in any bankruptcy or other proceeding in which filing of claims is required by law upon any indebtedness of the Debtor to the Guarantor and will assign to the Creditor all rights of the Guarantor thereunder. If the Guarantor does not file such claim or claims, Creditor is hereby authorized as its attorney in fact for such purpose and is hereby appointed to do so in our name or in the Creditor's discretion, to assign the claim to and cause Proof of Claim to be filed in the name of the Creditor's nominee. In all such cases, the person or persons authorized to pay such claim shall pay to the Creditor the full amount payable on the claim in the proceeding before making any payment to the Guarantor, and to the full extent necessary for that purpose, the Guarantor hereby assigns to the Creditor their respective rights to any payments or distributions to which the Guarantor would otherwise be entitled.

h. With or without notice to the Guarantor, Creditor, in its sole discretion, may apply all payments from the Debtor, any of the Guarantor, any other guarantor, or

realized from any security in such a manner and order of priority as the Creditor sees fit, to any obligation of the Debtor, whether or not such obligation is due at the time of such application.

i. In the event that action or other proceedings shall be brought to enforce this guaranty of any provision thereof, the same may be maintained alone, or joined with any action or other proceeding against the Debtor or any other guarantor of the Debtor's obligations to the Creditor. Prior action or suit against the Debtor, whether alone or jointly with other guarantors, shall not be prerequisite to Creditor's right to proceed hereunder or otherwise against the Guarantor by any number of successive actions until and unless all indebtedness hereby guaranteed has been paid or performed and each of the Guarantor's obligations hereunder have been fully satisfied.

j. This is a continuing guaranty. Notice of its acceptance is waived and it shall remain in full force and effect until the Guarantor, redeliver(s) to Creditor written notice revoking it as to indebtedness incurred to the time of such delivery.

k. The Guarantor agrees to pay to the Creditor all amounts necessary to enforce this guaranty against the Guarantor through Creditor's collection agent or Creditor's attorney.

l. Should any one or more of the provisions of this Agreement be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.

m. In the event a dispute arises between the Creditor and the Guarantor or the Creditor and the Debtor, the parties shall adjudicate their dispute in San Diego County, in the State of California pursuant to the laws of the State of California. The prevailing party shall be entitled to costs and attorney fees.

n. This agreement shall inure to the benefit of the Creditor, its successors and assigns; and shall bind the assigns and administrators of the Guarantor.

o. The obligations of all Guarantor(s) hereunder shall be joint and several. If the Guarantor comes into possession of any Products, which Creditor hereafter ships to Debtor, the Guarantor will ship such Product to Creditor, upon Creditor's election. The Guarantor may not assign, transfer, or sell its rights under this Agreement (or delegate its obligations hereunder) without the prior written consent of Creditor. Creditor may assign this agreement to a parent, subsidiary, or to another entity in connection with the sale or transfer of all or substantially all of its business assets. Subject to these restrictions, the provisions of this Agreement shall be binding upon and shall inure to the benefit of the parties of their permitted assigns.

p. Creditor may terminate this Agreement at any time effective upon written notice to Guarantor, but the termination shall in no manner terminate the Guarantor's liability with respect to financial transactions entered into by Guarantor or Creditor with Debtor prior to the effective date of termination, including without limitation, transactions that will not be completed until after the effective date of termination. Debtor may terminate agreement by sending a notice of revocation by registered mail address to the Creditor at Tech Gear 5.7, Inc., 2910 Norman Strasse, RD, San Marcos, CA 92069 Attention: Accounting Dept. Such revocation shall not affect any of the Guarantor's obligations hereunder with respect to indebtedness theretofore incurred nor shall it affect any obligation of any other guarantor of the Debtor's obligation to the Creditor.

Guarantor: \_\_\_\_\_

(Signature)

Print Name: \_\_\_\_\_

Date: \_\_\_\_\_

Company's Legal Name: \_\_\_\_\_