

# Guarantee Contract

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The members of the \_\_\_\_\_ branch of the \_\_\_\_\_village co-operative organization, who act under collective liability, hereafter called the "Guarantor" on the one part, and \_\_\_\_\_, hereafter called the "Sponsor", represented by \_\_\_\_\_, acting by the authority of \_\_\_\_\_, on the other part, signed this contract and hereto agreed as follows:

## 1. CONTRACT CONDITIONS

1.1 The Guarantor is liable to the Sponsor and bares responsibility for duties mentioned in the "Yerkir Foundation" program contract, no. \_\_\_\_\_, signed between the Sponsor and the Member \_\_\_\_\_, herefater called Member, of the same co-operative branch, on \_\_\_\_\_200 .

## 2. DUTIES OF THE PARTIES

- 2.1. The Guarantor is liable to Sponsor and responsible for the duties mentioned in article 1.1 of this contract, to the same level as the Member.
- 2.2. The Guarantor engages to pay to the Sponsor, within a period of thirty (30) days, from the date this contract comes into force, as per article 1.1, the amount owed by the Member.
- 2.3. If the Guarantor does not pay the amount due to the Sponsor, as per article 2.2, he/she will pay a penalty of 0.1% per each day of delay.
- 2.4. The Sponsor engages to hand over to the Guarantor documents verifying the amounts owed by the Member to the Sponsor and to transfer the rights of debt collection to the Guarantor, within one (1) day after the conditions in article 2.2 are met.
- 2.5. After the Guarantor performs all of the Member's duties and liabilities towards the Sponsor, the Sponsor's rights against the Member are transferred to the Guarantor with the same power. The Guarantor has the right to ask for compensation from the Member, for the costs incurred in performing the responsibilities of the Member towards the Sponsor.

## 3. CONTRACT PERIOD

3.1 The guarantee agreement is considered null and void if the Sponsor does not make a claim to the Guarantor within three (3) months of the coming into force of the responsibilities mentioned in article 1.1.

### Signatures

Guarantor

Member

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Branch members

Sponsor

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