

Guaranty Agreement

This Guaranty Agreement is made by _____ (“Guarantor”) in favor of Strand Import and Distributors, Inc., and any and all divisions thereof to include by is not limited to Sun Traders, Gifts USA and/or Lilly’s Creations, Inc., a South Carolina corporation.

WHEREAS, Guarantor is an officer, director, stockholder, attorney, agent, servant, representative, and/or partner of the Debtor and has agreed to enter into this Guaranty to provide assurance for the performance of Debtor’s obligations in connections with any and all invoices between such parties and also to induce the Creditor to enter into the Invoices; and

NOW, THEREFORE, in consideration of the promises and other good and valuable consideration, the adequacy and sufficiency of which are hereby acknowledged, Guarantor hereby agrees as follows:

1. **Guaranty**. Guarantor hereby unconditionally and absolutely guarantees the punctual payment as and when due of Debtor’s payment obligations arising under any Invoices together with any interest thereon (collectively, the “Guaranteed Obligations”). Guarantor’s obligations and liability under this Guaranty shall be limited to payment obligations only.
2. **Guaranty Absolute**. The liability of Guarantor under this Guaranty shall be absolute and unconditional irrespective of:
 - (a) any lack of validity or enforceability of or deficiency in any Agreement or any other documents executed in connection with any Invoice;
 - (b) any modification, extension or waiver of any terms of any Invoice;
 - (c) any change in the time, manner, terms or place of or in any other term of, all or any of the Guaranteed Obligations, or any other amendment or waiver of or any consent to departure from any Invoice;
 - (d) any sale, exchange, release or non-perfection of any property standing as security for the liabilities hereby guaranteed, or any liabilities incurred directly or indirectly hereunder or any setoff against any liabilities, or any release or amendment or waiver of or consent to departure from this Guaranty or any other guaranty, for all or any of the Guaranteed Obligations;
 - (e) except as to applicable Statute of Limitations, failure, omission, delay, waiver or refusal by Creditor to exercise, in whole or in part, any right or remedy held by Creditor with respect to any Invoice;

- (f) any change in the existence, structure or ownership of Guarantor or Debtor, or any insolvency, bankruptcy, reorganization or other similar proceeding affecting Debtor, Guarantor or its assets; or
- (g) any other circumstance that might otherwise constitute a defense available to, or a discharge of Debtor or any other individual, partnership, joint venture, corporation, association, trust or other enterprise that is a party to any Invoice, or any other agreement or instrument (including any guarantor) in respect of the Guaranteed Obligations, other than payment in full of the Guaranteed Obligations.

The obligations of the Guarantor hereunder are several from the Debtor or any other person and are primary obligations concerning which the Guarantor is the principal obligor. Here are no conditions precedent to the enforcement of this Guaranty, except as expressly contained herein. It shall not be necessary for Creditor, in order to enforce payment by Guarantor under this Guaranty, to show any proof of any Debtor's default, to exhaust its remedies against any Debtor, any other guarantor, or any other person liable for payment or performance of the Guaranteed Obligations. Creditor shall not be required to mitigate damages or take any other action to reduce, collect or enforce the Guaranteed Obligations.

This Guaranty shall continue to be effective or be reinstated as the case may be, if at any time any payment of any of the Guaranteed Obligations are annulled, set aside, invalidated, declared to be fraudulent or preferential, rescinded or must otherwise be returned, refunded or repaid by Creditor upon the insolvency, bankruptcy, dissolution, liquidation or reorganization of Debtor or any other guarantor, or upon or as a result of the appointment of a receiver, intervener or conservator of, or trustee or similar officer for, Debtor, or any other guarantor or any substantial part of its property or otherwise, all as though such payment or payments had not been made.

3. **Waiver.** This is a primary, irrevocable, and unconditional guaranty of payment and not of collection and is independent of Debtor's obligations under any Invoices. Guarantor hereby waives:

- (a) notice of acceptance of this Guaranty, of the creation or existence of any of the Guaranteed Obligations and of any action by Creditor in reliance hereon or in connection herewith;
- (b) notice of the entry into any Invoice between Debtor and the Creditor; or any waiver of consent under any Invoice, including waivers of the payment and performance of the obligations there under;

- (c) notice of any increase, reduction or rearrangement of any Debtor's Obligations under any Invoice or any extension of time for payment Of any sums due and payable to the Creditor under any Agreement;
- (d) except as expressly set forth herein, presentment, demand for payment, Notice of dishonor or nonpayment, protest and notice of protest or any Other notice of any other kind with respect to the Guaranteed Obligations; And
- (e) any requirement that suit be brought against, or any other action by Creditor be taken against, or any notice of default or other notice be given To, or any demand be made on, Debtor or any other person, or that any Other action be taken or not taken as a condition to Guarantor's liability For the Guaranteed Obligations under this Guaranty or as a condition to The enforcement of this Guaranty against Guarantor.

4. **Expenses and Attorneys' Fees.** Notwithstanding and in addition to the limit on Guarantor's liability hereunder set forth in Section 1, Guarantor agrees to pay on demand any and all costs, including reasonable attorney fees and legal fees and expenses, and other expenses incurred by Creditor in enforcing Guarantor's payment obligations under this Guaranty; provided that the Guarantor shall not be liable for any expenses of Creditor if no payment under this Guaranty; provided that the Guarantor shall not be liable for any expenses of Creditor if no payment under this Guaranty is due.

5. **Subrogation.** Guarantor shall be subrogated to all rights of Creditor against the Debtors in respect of any amounts paid by Guarantor pursuant to this Guaranty, provided that Guarantor waives any rights it may acquire by way of subrogation under this Guaranty, by any payment made hereunder or otherwise (including, without limitation, any statutory rights of subrogation under Section 509 of the Bankruptcy Code 11 U.S.C. sec 509, or otherwise), reimbursement, exoneration, contribution, indemnification, or any right to participate in any claim or remedy of the Creditor against any Debtor or any collateral which the Creditor now has or acquires, until all of the Guaranteed Obligations shall have been irrevocably paid to Creditor in full. If any amount shall be paid to the Guarantor on account of such subrogation rights at any time when all the Guaranteed Obligations shall not have been paid in full, such amount shall be held in trust for the benefit of Creditor and shall forthwith be paid to Creditor to be applied to the Guaranteed Obligations. If (a) the Guarantor shall perform and shall make payment to Creditor of all or any part of the Guaranteed Obligations and (b) all the Guaranteed Obligations shall have been paid in full, Creditor shall have, at the Guarantor's request, execute and deliver to the Guarantor appropriate documents necessary to evidence the transfer by subrogation to the Guarantor of any interest in the Guaranteed Obligations resulting from such payment by Guarantor.

6. **Setoff.** The Creditor is hereby authorized at any time, to the fullest extent

permitted by law, to set off and apply any deposits (general or special, time or demand, provisional or final) and other indebtedness owing by the Creditor to or for the account of Guarantor against any and all of the obligations of Guarantor under this Guaranty, irrespective of whether or not the Creditor shall have made any demand under this Guaranty or such Invoice and although such obligations may be contingent and unmatured. The Creditor agrees promptly to notify Guarantor after any such set-off and application made by the Creditor provided that the failure to give such notice shall not affect the validity of such set-off and application.

7. **Notices.** All demands, notices and other communications provided for hereunder shall, unless otherwise specifically provided herein, (a) be in writing addressed to the party receiving the notice at the address set forth below or at such other address as may be designated by written notice, from time to time, to the other party, and (b) be effective upon delivery, when mailed by U.S. mail, registered or certified, return receipt requested, postage prepaid, by express courier with traceable receipt, by facsimile, or personally delivered. Notices shall be sent to the following addresses:

If to Creditor:

Strand Import & Distributors, Inc.
P.O. Box 16530
Surfside Beach, SC 29587
Attn:

If to Guarantor:

8. **Demand and Payment.** Any demand by Creditor for payment hereunder shall be in writing, signed by a duly authorized officer of Creditor and delivered to Guarantor pursuant to Section 7 hereof and shall (a) reference this Guaranty, (b) specifically identify the Debtor, the Guaranteed Obligations to be paid and the amount of such Guaranteed Obligations, and (c) set forth payment instructions. There are no other requirements of notice, presentment or demand. Guarantor shall pay, or cause to be paid, such Guaranteed Obligations within three (3) business days of receipt of such demand.

9. **No Waiver, Remedies.** Except as to applicable statutes of limitation, no failure on the part of Creditor to exercise, and no delay in exercising, any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any right hereunder preclude any other or further exercise thereof or the exercise of any other right. The remedies herein provided are cumulative and not exclusive of any remedies provided by law.

10. **Term; Termination.** The Guaranty shall remain in full force and effect for any obligation incurred by or credit extended to the Debtor while this Guaranty is in effect until full, complete and faithful performance by the Debtor to Creditor of any obligation due Creditor. The Guaranty shall be absolute and shall be effective as to past credit or obligations extended until terminated in writing by certified mail, restricted deliver, to the Creditor, by providing at least sixty (60) days prior written notice to Creditor; provided, however, upon termination hereof Guarantor agrees that the obligations and liabilities hereunder shall continue in full force and effect with respect to any obligations incurred prior to the termination date, and any fees and costs of enforcement in connection herewith.

11. **Assignment; Successors and Assigns.** Creditor may, upon notice to Guarantor, assign its rights hereunder without the consent of Guarantor. Guarantor may assign its rights hereunder with the prior written consent of Creditor, which consent shall not be unreasonably withheld. Subject to the foregoing, this Guaranty shall be binding upon and inure to the benefit of the parties hereto and their respective successors, permitted assigns and legal representatives.

12. **Amendments, Etc.** A written amendment executed by the Guarantor only may (a) increase the guaranty limit specified in Section 1 and/or (b) extend the termination date of this Guaranty. No other amendment of this Guaranty shall be effective unless in writing and signed by the Guarantor and Creditor. No waiver of any provision of this Guaranty nor consent to any departure by Guarantor there from shall in any event be effective unless such waiver shall be in writing and signed by Creditor. Any such waiver shall be effective only in the specific instance and for the specific purpose for which it was given.

13. **Captions.** The Captions in this Guaranty have been inserted for convenience only and shall be given no substantive meaning or significance whatsoever in construing the terms and provisions of this Guaranty.

14. **Limitation of Law.** All rights, remedies and powers provided in this Guaranty may be exercised only to the extent that the exercise thereof does not violate any applicable provision of law, and all the provisions of this Guaranty are intended to be subject to all applicable mandatory provisions of law that may be controlling and to be limited to the extent necessary so that they will not render this Guaranty invalid, unenforceable, in whole or in part, or not entitled to be recorded, registered or filed under the provisions of any applicable law.

Dated:

Witness:
Print Name

Guarantor:
Print Name
Title: