

## GUARANTY OF BRUCE KRAMER

THIS GUARANTY is given this \_\_\_ day of \_\_\_\_\_, 2017, by Bruce Kramer, an individual (the “Guarantor”) in favor of the City of Missoula (“CITY”) and the MONTANA BOARD OF INVESTMENTS (the “Board”).

**WHEREAS**, the Board has agreed to make a loan in the amount of One Million Nine Hundred Ninety-Nine Thousand Nine Hundred Twenty and no/100 Dollars (\$1,999,920) (the “Loan”) to CITY, the proceeds of which are to be used to finance CITY’s purchase of certain Public Improvements, which improvements will be leased to CONSUMER DIRECT GRANT CREEK CAMPUS, LLC (“CONSUMER DIRECT”), in return for certain use fees, agreements and other consideration; and

**WHEREAS**, the Loan has been made pursuant to that certain Loan Agreement, dated as of [REDACTED] (the “Loan Agreement”), entered into between CITY and the Board pursuant to which CITY has agreed to cause the Loan to be repaid from Public Improvements Use Fees to be paid by CONSUMER DIRECT pursuant to a Public Improvements Use Fee Agreement, dated as of [REDACTED] between CONSUMER DIRECT and CITY; and

**WHEREAS**, the Loan is evidenced by a Public Improvements Use Fee Note issued by CITY to the Board and dated as of [REDACTED] (the “Note”); and

**WHEREAS**, the Loan and the Note are secured by the Trust Indenture given by the CITY to MBOI on the Public Improvements, Trust Indenture given by CONSUMER DIRECT to MBOI on the Supplemental Collateral, Assignment of Public Improvements Use Fee Agreement, Assignment of Lease, Guaranty of William F. Woody and Guaranty of Greer C. Woody; and

**WHEREAS**, it is a condition precedent to the making of the Loan that this Guaranty be executed and delivered to the Board; and

**WHEREAS**, the Guarantor expects to derive benefit from the Loan and finds it advantageous, desirable and in his best interest to execute and deliver this Guaranty to CITY and the Board. Further, Guarantor acknowledges this Guaranty is additional consideration for the Loan, the Loan Agreement and all Related Documents and that absent this Guaranty, the Loan would not be issued or the transaction completed.

**NOW, THEREFORE**, in consideration of the foregoing premises and mutual covenants contained herein, each of which is acknowledged as true and incorporated in this Guaranty, the Guarantor hereby covenants and agrees with CITY and the Board as follows:

**1. Definitions.** All capitalized or specialized terms used but not otherwise defined herein shall have the meanings assigned thereto in that certain Loan Agreement dated as of [REDACTED] (the “Loan Agreement”) between CITY and the Board, unless the context clearly requires otherwise.

2. **Guaranty.** The Guarantor unconditionally and irrevocably guaranties to CITY and to the Board that, if for any reason CONSUMER DIRECT does not make any payment due or perform any obligation required from it under the Public Improvements Use Fee Agreement by the time, on the date and otherwise on the terms specified in the Public Improvements Use Fee Agreement, the Guarantor will make such payment or perform such obligation, unless earlier paid or performed by CONSUMER DIRECT or another guarantor, within five (5) business days of the receipt of notice in writing from the Board or CITY, such payment or performance to be made in a manner specified in the Public Improvements Use Fee Agreement.

3. **Nature of Guaranty.** The Guarantor intends to guarantee at all times the performance and prompt payment when due, whether at maturity or earlier by reason of acceleration or otherwise, of all Indebtedness described in the preceding section of this Guaranty.

4. **Guarantor Not Exonerated.** The Guarantor shall not be exonerated or discharged from liability under this Guaranty by time being given, or any other indulgence of concession, or forbearance granted, to CONSUMER DIRECT by CITY or the Board or by any other act or omission of CITY or the Board which, but for this provision, might operate to exonerate or discharge the Guarantor from its obligations hereunder.

5. **Guarantor's Obligations Continuing.** This Guaranty is an absolute, unconditional, and continuing obligation of the Guarantor and shall remain in full force and effect until all Public Improvements Use Fees owed by CONSUMER DIRECT pursuant to the Public Improvements Use Fee Agreement have been paid or satisfied irrespective of any lack of validity, regularity, or enforceability of the Public Improvements Use Fee Agreement, the Note, the Lease or any instrument, agreement or Related Document evidencing the same or relating thereto, or any other circumstances that might otherwise constitute a defense available to, or discharge of, the Guarantor from its obligations hereunder. This Guaranty is in addition to, and not a substitution for, other rights and remedies which the Board or CITY may have under the Loan Agreement and Related Documents, and may be enforced by each without first availing itself of any such rights or remedies and without first taking any steps or initiating any proceedings against CONSUMER DIRECT.

6. **Lease Modification or Assignment.** This Guaranty shall continue in favor of CITY and the Board notwithstanding any extension, modification, or alteration of the Public Improvements Use Fee Agreement or any Related Document, or notwithstanding any assignment of the Lease, with or without Lessor's consent, and no extension, modification, alteration, or assignment of the above referenced Lease shall in any manner release or discharge the undersigned, and it does hereby consent thereto.

7. **Guarantor's Authorization to CITY and Board.** Guarantor authorizes CITY and MBOI, without notice or demand and without lessening Guarantor's liability under this Guaranty, from time to time: (a) to alter, compromise, renew, extend, accelerate, or otherwise change one or more times the time for payment or other terms of the Indebtedness or any part of the Indebtedness, including increases and decreases of the rate of interest on the Indebtedness; extensions may be repeated and may be for longer than the original loan term; (b) to take and hold security for the payment of this Guaranty or the Indebtedness, and exchange, enforce,

waive, subordinate, fail or decide not to perfect, and release any such security, with or without the substitution of new collateral; (c) to apply such security and direct the order or manner of sale thereof, including without limitation, any nonjudicial sale permitted by the terms of the controlling security agreement or mortgage, as CITY or MBOI in their discretion may determine; (d) to sell, transfer, assign, or grant participations in all or any part of the Indebtedness; and (e) to assign or transfer this Guaranty in whole or in part.

**8. Bankruptcy of Lessee.** This guaranty will continue unchanged by any bankruptcy, reorganization, or insolvency of CONSUMER DIRECT or any successor or assignee thereof or by any disaffirmance or abandonment of the Lease by a trustee or CONSUMER DIRECT.

**9. Waiver.** The Guarantor hereby irrevocably waives (a) notice of acceptance of this Guaranty, notice of any liability to which it may apply; (b) presentment, demand for payment, notice of dishonor, and protest; (c) notice of any other nature whatsoever; and (d) any requirement that the Board take any action whatsoever against CONSUMER DIRECT, CITY or any other party (including any other guarantor) or file any claim in the event of the bankruptcy of CONSUMER DIRECT. Guarantor further waives any requirement that the Board first seek collection of the delinquent payment from CONSUMER DIRECT or CITY; it being agreed that a demand by the Board for payment hereunder shall, without further act, make the Guarantor liable as herein set forth.

**10. Representations of Guarantor.** The Guarantor hereby represents and warrants that Guarantor has received and reviewed copies of the Loan Agreement, the Note, the Trust Indentures, the Public Improvements Use Fee Agreement, the Assignment of the Public Improvements Use Fee Agreement, the Lease, and the Assignment of Lease, and that Guarantor has obtained and relied solely upon the advice of independent legal counsel in executing this Guaranty.

**11. Subordination of CONSUMER DIRECT's Debts to Guarantor.** Guarantor agrees that the Indebtedness of CONSUMER DIRECT to CITY and MBOI, whether now existing or hereafter created, shall be prior to any claim that Guarantor may now have or hereafter acquire against CONSUMER DIRECT, whether or not CONSUMER DIRECT becomes insolvent. The Guarantor hereby expressly subordinates any claim Guarantor may have against CONSUMER DIRECT, upon any account whatsoever, to any claim that MBOI or CITY may now or hereafter have against CONSUMER DIRECT. In the event of insolvency and consequent liquidation of the assets of CONSUMER DIRECT, through bankruptcy, by an assignment for the benefit of creditors, by voluntary liquidation, or otherwise, the assets of CONSUMER DIRECT applicable to the payment of the claims of MBOI, CITY and Guarantors shall be paid to MBOI and shall be first applied by MBOI to the Indebtedness of CONSUMER DIRECT to CITY or MBOI. The Guarantor does hereby assign to MBOI all claims which it may have or acquire against CONSUMER DIRECT or against any assignee or trustee in bankruptcy of CONSUMER DIRECT; provided however, that such assignment shall be effective only for the purpose of assuring to MBOI full payment in legal tender of the Indebtedness.

**12. Payments by Guarantor.** All sums payable by the Guarantor hereunder shall be made in freely transferable, cleared and immediately available, United States funds without any set-off, deduction, or withholding unless such set-off, deduction or withholding is required by an applicable law, judicial or administrative decision, or practice of any relevant governmental authority, or by any combination thereof. If the Guarantor is so required to set-off, deduct or withhold any sums, then the Guarantor shall pay to the Board, in addition to the payment to which the Board is otherwise entitled, such additional amount as necessary to ensure that the net amount actually received by the Board (free and clear of any set-off, deduction or withholding) equals the full amount which the Board would have received had no such set-off, deduction or withholding been required. All funds shall be payable in US Dollars.

**13. Assignment.** The Guarantor may not transfer, delegate or assign any of its obligations under this Guaranty without the prior written consent of CITY and the Board.

**14. Notices and Communications.** Each notice or communication under this Guaranty shall be deemed made, if made to the Guarantor in writing with express reference to this Guaranty, at the following address or such other address of which the Guarantor shall advise the Board and/or CITY in writing from time to time: Bruce Kramer, C/O CONSUMER DIRECT GRANT CREEK CAMPUS, LLC, 100 Consumer Direct Way, Missoula, MT 59808.

**15. Expenses.** The Guarantor hereby agrees to pay any and all expenses incurred in enforcing any rights under this Guaranty. Without limiting the foregoing, the Guarantor agrees that whenever any attorney is used by the Board and/or CITY to obtain payment hereunder, to enforce this Guaranty, or to adjudicate the rights of the parties hereunder, the Guarantor shall, on five (5) business days written notice, reimburse the Board and/or CITY, as applicable, for all attorney fees, court costs, and expenses attributable thereto.

**16. Governing Law and Jurisdiction.** This Guaranty shall be governed by and construed in accordance with the laws of the State of Montana without giving effect to the conflicts of laws principles thereof. Venue for any litigation or dispute arising from this Guaranty shall be in the Fourth Judicial District in and for Missoula County, Montana.

**17. Entire Agreement.** This Guaranty sets forth the entire guaranty agreement between and among CITY, the Board and the Guarantor and supersedes any prior written or oral statements or agreements with respect to matters covered hereby. This Guaranty shall be amended only by a writing executed by all parties hereto.

**18. Binding Effect.** This Guaranty shall inure to the benefit of CITY and the Board, their respective successors and assigns, and shall be binding upon the Guarantor, and her permitted successors and assigns.

**19. Guaranty Duration.** This Guaranty shall terminate, and be of no further force and effect, upon payment in full of the Public Improvements Use Fees owed by CONSUMER DIRECT pursuant to the Public Improvements Use Fee Agreement and discharge of the Note.

