

Date: [Insert Date]

To:

[Lender/Client Name]

[Address]

[City, State, Zip Code]

Re: Cost Overrun Guarantee for [Project Name/Reference Number]

Dear [Contact Person Name],

This Cost Overrun Guarantee Letter is issued by [Guarantor Name] (the "Guarantor") in connection with the development and construction of the project located at [Project Address] (the "Project").

In consideration of the financing provided by [Lender Name] (the "Lender") to [Borrower Name] (the "Borrower"), the Guarantor hereby irrevocably and unconditionally guarantees to the Lender the timely payment of all Project costs that exceed the original budgeted amount of [Total Budget Amount].

The Guarantor agrees to the following terms:

- The Guarantor shall provide sufficient funds to cover any and all cost overruns required to complete the Project in accordance with the approved plans and specifications.
- This guarantee remains in full force and effect until the Project has reached final completion and all financial obligations related to construction have been satisfied.
- The Guarantor waives any right to require the Lender to proceed against the Borrower before seeking payment under this guarantee.

This guarantee shall be binding upon the Guarantor and its successors and assigns. This letter is governed by the laws of [State/Country].

Sincerely,

[Signature]

[Printed Name of Authorized Signatory]

[Title]

[Guarantor Company Name]