

# MARKS & WEINBERG, P.C.

## United Leasing Corp. v. Plumides 531 S.E.2d 891 (N.C. Ct. App. 2000)

Defendants, who guaranteed obligations under a separately signed "Guaranty" that failed to contain a forum selection clause, argued that they were not bound by the forum selection clause under the lease. The court held that the unconditional "guaranty" signed by the defendants on behalf of the lessee constituted a "suretyship" under Virginia law. The court contrasted a "surety" with a "guarantor" as follows: (1) a "surety" is one who is directly and primarily obligated to pay the debt, and (2) a "guarantor" is one who is obligated to pay the debt only after due diligence for payment from the principal debtor fails. As such, the Guarantors were bound by the lease forum selection clause.

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