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## SECURITY AGREEMENT

Date: \_\_\_\_\_

\_\_\_\_\_

(hereinafter called the "Debtor") hereby grants to

\_\_\_\_\_

(hereinafter called the "Secured Party"),

Address of Secured Party:

\_\_\_\_\_

a Security Interest in the following named property (the "Collateral"):

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

This Security Interest is granted to secure the payment and performance of the following obligations owed to the Secured Party by the Debtor:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

The Debtor hereby represents, warrants, agrees, and acknowledges to the Secured Party as follows:

1. The Collateral shall include any and all property of a like nature and description, and all additions, appurtenances, and proceeds thereof.
2. The Collateral shall be kept at the following address, and shall be fully insured:

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3. The Debtor owns the Collateral free and clear of any interest, lien, or encumbrance other than this Security Interest, and the Debtor has the full right, title, and authority to grant this Security Interest.
4. The Debtor agrees to execute such further security documents as are reasonably required by the Secured Party.
5. The Debtor agrees and acknowledges that the Secured Party may make any filings and do all things necessary to record or perfect his Security Interest, including without limitation the filing of a UCC Financing Statement or other publicly available document. Debtor shall cooperate with the same.
6. The occurrence of any of the following events shall constitute Default hereunder:
  - (a) failure to pay when due, whether by acceleration or otherwise, any principal or interest forming any part of the indebtedness, or any failure of the Debtor to observe or perform any obligation, covenant, term, provision, or condition contained in this Security Agreement or any other agreement between the Debtor and the Secured Party;
  - (b) the bankruptcy or insolvency of the Debtor, including the filing against the Debtor of a petition in bankruptcy, the making of an assignment for the benefit of any creditors of the Debtor, the appointment of a receiver or trustee for the Debtor or for any assets of the Debtor, or the institution by or against the Debtor of any other type of insolvency proceeding under the Bankruptcy Act or otherwise;
  - (c) the institution by or against the Debtor of any formal or informal proceeding for the dissolution or liquidation, or settlement or claim against, or winding up of, the business of the Debtor;
  - (d) any encumbrance affecting collateral becoming enforceable against the Collateral;
  - (e) the Debtor ceases or threatens to cease to carry on business or makes or agrees to make a bulk sale of assets or commits or threatens to commit an act of bankruptcy;
  - (f) any execution or other process of any court becomes enforceable against the Debtor or if a distraint or any other process is levied against the assets of the Debtor or any part thereof; or

(g) any material breach of any term or condition of any written agreement that exists between the parties to this Security Agreement.

7. Upon Default in payment or the performance of any obligation in respect of which this Security Interest is granted, or the breach of any provision of this Security Agreement, the Secured Party or any holder in due course may declare all obligations to be immediately due and payable and shall have all remedies of the Secured Party under any agreement or statute.

8. Upon Default the Debtor may appoint by instrument in writing any person to be a receiver and manager of the Collateral and may remove any receiver so appointed and appoint another in his or her stead. Any such receiver shall, so far as responsibility for his or her acts is concerned, be deemed to be the agent of the Debtor and not of the Secured Party, and the Secured Party shall not in any way be responsible for any misconduct, negligence, or nonfeasance on the part of any such receiver or his or her servants, agents, or employees.

9. Upon Default, the Secured Party may take possession of, collect, demand, sue, enforce, recover, and receive the Collateral by giving valid receipts. With respect thereof and upon Default, the Secured Party may, to the maximum extent permitted under applicable law, sell, lease, or otherwise dispose of the Collateral in such manner, at such time or times and place or places and for such consideration and upon such terms and conditions as the Secured Party may deem reasonable.

10. The Secured Party or any holder in due course may assign or transfer the debt and the deposited Collateral hereunder and thereafter shall have all of the rights and obligations under this Security Agreement as did the Secured Party.

11. This Security Agreement and the transaction as evidenced hereby shall be governed by and construed in accordance with the laws of the State of \_\_\_\_\_.

Executed at the City of \_\_\_\_\_,

this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_\_\_\_.

\_\_\_\_\_  
Name of Debtor

\_\_\_\_\_  
Signature of Debtor

Address of Debtor:

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