

# Security Agreement

Name of Borrower: \_\_\_\_\_

Name of Lender: \_\_\_\_\_

**1. Grant of Security Interest.** Borrower grants to Lender a continuing security interest in the following personal property: \_\_\_\_\_

\_\_\_\_\_ (the Secured Property). Borrower grants this security interest to secure performance of the promissory note dated \_\_\_\_\_ that Borrower executed in favor of Lender (the Note), which obligates Borrower to pay Lender \$ \_\_\_\_\_ with interest at the rate of \_\_\_\_% per year, on the terms stated in the Note.

**2. Financing Statement.** Until the amount due under the Note is paid in full, the Note will be further secured by a Uniform Commercial Code (U.C.C.) Financing Statement. Borrower agrees to sign any other documents that Lender reasonably requests to protect Lender's security interest in the Secured Property.

**3. Use and Care of Secured Property.** Until the amount due under the Note is paid in full, Borrower agrees to:

- A. Maintain the Secured Property in good repair.
- B. Refrain from selling, transferring, or releasing the Secured Property without Lender's prior written consent.
- C. Pay all taxes on the Secured Property as they become due.
- D. Allow Lender to inspect the Secured Property at any reasonable time.

**4. Borrower's Default.** If Borrower is more than \_\_\_\_ days late in making any payment due under the Note, or if Buyer fails to correct any violations of paragraph 3 within \_\_\_\_ days of receiving written notice from Lender, Borrower will be in default.

**5. Lender's Rights.** If Borrower is in default, Lender may exercise the remedies

contained in the U.C.C. for the state of \_\_\_\_\_ and any other remedies legally available to Lender. Before exercising such remedies, Lender will provide at least ten days advance notice, as provided in paragraph 6. Lender may, for example:

- A. Remove the Secured Property from the place where it is then located.
- B. Require Borrower to make the Secured Property available to Lender at a place designated by Lender that is reasonably convenient to Borrower and Lender.
- C. Sell, lease, or otherwise dispose of the Secured Property.

**6. Notice.** Any notice may be delivered to a party at the address that follows a party's signature below, or to a new address that a party designates in writing. A notice may be delivered in person, by certified mail, or by overnight courier.

**7. Entire Agreement.** This is the entire agreement between the parties. It replaces and supersedes any and all oral agreements between the parties, as well as any prior writings.

**8. Successors and Assigns.** This agreement binds and benefits the parties' heirs, successors, and assigns.

**9. Governing Law.** This agreement will be governed by and construed in accordance with the laws of the state of \_\_\_\_\_.

**10. Modification.** This agreement may be modified only in writing.

**11. Waiver.** If one party waives any term or provision of this agreement at any time, that waiver will be effective only for the specific instance and specific purpose for which the waiver was given. If either party fails to exercise or delays exercising any of its rights or remedies under this agreement, that party retains the right to enforce that term or provision at a later time.

**12. Severability.** If any court determines that any provision of this agreement is invalid or unenforceable, any such invalidity or unenforceability will affect only that provision and will not make any other provision of this agreement invalid or unenforceable, and such provision shall be modified, amended, or limited only to the extent necessary to render it valid and enforceable.

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Lender's signature

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Date

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Print name

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Address

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Address

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Borrower's signature

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Date

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Print name

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Address

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Address