This Security Agreement is made and executed on [SPECIFY THE DATE] by [SPECIFY NAME OF DEBTOR] for [SPECIFY NAME OF SECURED PARTY].

WHEREAS, the [SPECIFY YOUR RESTAURANT NAME] ("Debtor") executed a Promissory Note, in favor of [SPECIFY NAME OF PERSON/LENDING COMPANY] ("Creditor”), as a SECURITY for the loan it has obtained from the latter.

WHEREAS, the [SPECIFY NAME OF PERSON/LENDING COMPANY] (“Creditor”), before accepting the Promissory Note, made a condition to have the Debtor execute this agreement to secure all obligations.

NOW THEREFORE, in consideration of the agreement and for the parties to be legally bound, they agreed to:

**ARTICLE 1: DEFINITIONS AND INTERPRETATIONS**

1. “DEBTOR” shall mean the [SPECIFY YOUR RESTAURANT NAME] with debt or legal obligation to the Creditor.
2. “CREDITOR” shall mean the [SPECIFY NAME OF PERSON/LENDING COMPANY] who has provided the Creditor with a Loan amounting to [SPECIFY AMOUNT OF LOAN].
3. “COLLATERAL” shall refer to the items pledged by the Debtor as security for the Loan incurred. This includes the following:

* + - * [SPECIFY ITEMS INCLUDED AS Collateral];
      * [ADD MORE AS NEEDED]

1. “LOAN DOCUMENT” shall mean the security assignment, promissory note, this agreement, and all other documents which regulates the mutual promises made by the Debtor and the secured party.
2. “NOTE” means the dated promissory note by one party to pay another party a definite sum of money.
3. “OBLIGATIONS” means an act or course of action to which the contracting parties are morally or legally bound. This includes all liabilities, covenants, debts, obligations, and duties owed by the debtor to the secured party of any kind or nature, present or future, whether evidenced by or

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arising under the note or this agreement, or whether absolute or contingent, due or to become due, joint or several, and all costs and expenses of the secured party incurred in the enforcement, collection or otherwise concerning any of the aforementioned, including reasonable attorney’s charges and costs.

1. [ADD OTHER TERMS AS NEEDED]

**ARTICLE 2: COVENANT AND WARRANTIES OF THE DEBTOR**

1. The debtor covenants:

* To permit the secured party to analyze or investigate the Collateral regularly and get evaluations and audits of the Collateral, at the expense of the Debtor.
* To repair and keep the Collateral good constantly and thereafter immediately advise the secured party in instances of loss or depreciation, regardless of whether secured by the insurance.
* Only allow or use the Collateral to be utilized in compliance with all appropriate federal, state, district or municipality laws and regulations.
* To have and keep insurance consistently regarding all the Collateral against the dangers of fire, robbery, sprinkler spillage and other dangers. In the event of failure by debtor to give insurance, the secured party at its option may acquire insurance and the debtor shall pay to the secured party upon request, the expenses thereof.
* In the event that, whenever, the Collateral is in the possession of a Bailee, the debtor must advise the secured party thereof and ask an affirmation from the Bailee in form and in substance upon request of the secured party.

1. The Debtor warrants to the Creditor that:

* It has good and no forfeitable title to the Collateral.
* It has not made any preceding deal, sale, encumbrance, pledge, assignment, or some other disposition of any of the Collateral.
* The Collateral is free from all encumbrances and privileges of setoff of any kind with the exception of the lien for the secured party made by this agreement.
* It shall not sell, hinder, allot, promise, assign, or otherwise discard any of the Collateral without preceding written consent of the secured party.
* It shall not authorize any privilege of setoff, lien, or any security interest to exist consequently except to the secured party.
* It shall protect the Collateral against all demands and claims of all persons whenever asserting the same or any interest therein.

**ARTICLE 3: EVENTS OF DEFAULT AND ITS EFFECTS**

1. The debtor shall be in default upon happening of:
2. Misrepresentation on the part of the debtor in connection with this agreement.
3. Noncompliance or non-performance of the debtor’s obligations in line with this agreement.
4. Debtor is faced with financial difficulty.
5. Uninsured material loss, theft, damage, or destruction to any of the Collateral.
6. Entry of any judgment against the debtor or any liens against, or the making of any levy, seizure or attachment on the Collateral.
7. Manifestation or proof received by the secured party that the debtor may have directly or indirectly been engaged in any type of activity, which, in the secured party’s option, might conclude in the relinquishment of any property of the debtor to any legislative, governmental, federal, state, or local entity.
8. In the event of any of the previously mentioned, the secured party may proclaim all obligations secured hereby directly due and payable. The secured party has the right to:
9. Come into the debtor’s premises and take possession of the Collateral without preceding notice judicially or extra judicially.
10. Present the Collateral unusable.
11. Discard the Collateral on the premises of the debtor.
12. Demand the debtor to gather the Collateral and take the same at the place designated by the secured party.

**ARTICLE 4: GENERAL PROVISIONS**

1. This Agreement constitutes the entire agreement by and between the Debtor and the Creditor, and supersedes all prior communications, understandings, representations, and agreements, either written and/or oral, with respect to all matters covered in the Agreement.
2. All notifications, requests, demands and other furnished documentation shall be deemed to have been properly given when done in writing and duly effective on the date of delivery when given in person or [SPECIFY NUMBER] days if mailed through postage, certified, or first-class mail to the following respective addresses:

To Creditor:

Attention:

[NAME OF ADDRESSEE]

[CREDITOR’S COMPANY NAME]

[COMPLETE ADDRESS OF CREDITOR’S COMPANY]

[CREDITOR’S FAX NUMBER]

To Debtor:

Attention:

[NAME OF ADDRESSEE]

[SPECIFY YOUR RESTAURANT NAME]

[COMPLETE ADDRESS OF RESTAURANT]

[RESTAURANT FAX NUMBER]

1. In case anyone or some of the provisions contained herein are invalid, illegal or unenforceable, the validity, enforceability and legality of the prevailing provisions shall not be impaired or affected thereby.
2. This agreement shall be construed in accordance with and governed by the laws on the state in which this agreement will be signed.

IN WITNESS WHEREFORE, each of the undersigned has executed this agreement on the day and year first above written.

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| --- | --- |
| [SPECIFY REPRESENTATIVE OF THE RESTAURANT]  [SPECIFY RESTAURANT NAME]  [SPECIFY ADDRESS]  [SPECIFY STATE]  [SPECIFY COUNTRY] | [SPECIFY NAME OF CREDITOR]  [SPECIFY COMPANY NAME]  [SPECIFY ADDRESS]  [SPECIFY STATE]  [SPECIFY COUNTRY] |