**HYPOTHEC ON MOVABLES**

This Hypothec on Movables, herein the “Agreement”, is created in accordance with the [LAW/ACT] of [STATE/PROVINCE] and made effective this [NTH] day of [MONTH], [YEAR] between the following “Parties”:

[CREDITOR’S NAME], herein the “Creditor”, is a company legally existing under the [LAW/ACT] of [STATE/PROVINCE] with a main office located at [STREET ADDRESS] [CITY, STATE/PROVINCE] [ZIP CODE]

AND

[FIRST GRANTOR’S NAME], herein the “First Grantor”, is an individual whose main place of residence is located at [STREET ADDRESS] [CITY, STATE/PROVINCE] [ZIP CODE]

AND

[SECOND GRANTOR’S NAME], herein the “Second Grantor”, is an individual whose main place of residence is located at [STREET ADDRESS] [CITY, STATE/PROVINCE] [ZIP CODE]

**TERMS AND CONDITIONS**

The Creditor, the First Grantor, and the Second Grantor (collectively known as the “Parties” throughout the entirety of this Agreement) acknowledge and agree to the following terms and conditions set forth by this Agreement:

**1. DEFINITION OF TERMS**

The following are the terms and their corresponding definitions:

1. “Creditor” - This term will refer to [CREDITOR’S NAME] and any of its legal heirs, assignees, and/or successors.
2. “Default” - This term will refer to any one of the events as follows:

 [SPECIFY DEFAULTS HERE]

1. “Event of Default” - This term will refer to both the occurrence of and the failure of the occurrence of any of the aforementioned.
2. “Governmental Authority” - This term will refer to any entity that operates on behalf of or is referring to the government.
3. “Grantors” - This term will be used as a collective term that will refer to both the First Partner and the Second Partner as well as the Partnership which they both currently own and operate.
4. “Law” - This term will refer to all rules, regulations, decrees, and [SPECIFY OTHERS] declared by the Governmental Authorities and entities who hold similar titles, rights and powers.
5. “Lien” - This term will refer to any and all interest in and to a certain property is expressed by a Person who is not the legal owner of such property. This interest will be inclusive of, but will not be restricted to, (1) the ownership of, (2) the obtaining of benefits and profits from securing of, or (3) the issuance of a claim to such property in accordance with the rules and restrictions set forth by the [LAW/ACT] of [STATE/PROVINCE] of [COUNTRY]. In addition, [DESCRIBE MORE ABOUT THE LIEN HERE].
6. “Obligations” - This term will refer to any and all types of obligations expected of the Grantors, regardless of its nature and whether currently due or will become due in time to the Creditor.
7. “Partners” - This will be a collective term referring to the following individuals as well as their corresponding and duly appointed successors and assignees:

[FIRST GRANTOR’S NAME] AND [SECOND GRANTOR’S NAME]

1. “Partnership” - This term will refer to the company known as [COMPANY’S NAME], a company legally existing under the [LAW/ACT] of [STATE/PROVINCE] with a main office located at the following address: [STREET ADDRESS] [CITY, STATE/PROVINCE] [ZIP CODE] and currently being managed by and under the operation of the Partners.
2. [SPECIFY OTHER TERMS AND THEIR DEFINITIONS HERE]

**2. HYPOTHECS**

**2.1. PRINCIPAL HYPOTHEC**

The Grantors declare that they hypothecate to the Creditor all the titles, rights, powers, and interests in and to the following property (which will be known as the “Hypothecated Property” throughout the entirety of this Agreement):

1. Past, current, and future arrangements made pertaining to all the [SPECIFY PRODUCTS], regardless of their model and make which the Partnership now finds itself to be a legally bound party (which will collectively be referred to as the “Inventory” throughout the entirety of this Agreement);
2. Past, current, and future titles and rights to any and all bills which refer to or are a result of transactions made regarding the Inventory; and
3. Past, current, and future papers, writing, documents, certificates, authorizations, guarantees, books debts, books of account, accounts receivable and all other such files, regardless of its type and nature, pursuant to the Partnership (which will be referred to as the “Claims” throughout the entirety of this Agreement).

The Hypothecated Property will be granted by the Grantors to the Creditor on the basis that full and just compensation be provided equivalent to the amount of $[AMOUNT] in addition to the applicable interest rate equivalent to [PERCENTAGE]% per annum.

**2.2. ADDITIONAL HYPOTHEC**

The Grantors declare that they hypothecate to the Creditor any and all required additional titles, rights, powers, and interests in and to the Hypothecated Property on the basis that full and just compensation be provided equivalent to the amount of $[AMOUNT] in addition to the applicable interest rate equivalent to [PERCENTAGE]% per annum as a form of a collateral security for their successful execution of any and all Obligations which were not covered by that stated in Section 2.2. of this Agreement.

**3. CLAIMS AND THEIR PROVISIONS**

**3.1. THE CREDITOR AND ITS AUTHORIZATION**

The Creditor appoints the Grantors the full authority to obtain and/or collect any and all revenues and principals pursuant to the Claims stated within this Agreement on the basis that (1) no such Defaults or Events of Default have previously developed or are continuing to develop, and (2) no such notice in writing has been received by the Grantors from the Creditor regarding the revocation of such authority.

The Grantors are obliged to provide to the Creditor full and just compensation for any and all payments received by the Grantors for the Claims subsequent to the revocation of such authority upon the request or demand of the Creditor.

**3.2. CLAIMS AND ALL RIGHTS**

Subsequent to the revocation of authority to obtain and/or collect any Claims, the Creditor will be given the option to discharge all such Claims it has collected. The Creditor may opt as well to, if it declares such to be applicable and appropriate, execute the following actions, whether or not obligated to execute such actions and whether or not a notice in writing was sent to the Grantors:

* 1. Execute the realization of the Claims, whether in part or in whole;
	2. Postpone the effective duration of any Claim under this Agreement;
	3. Extend the effective duration of any Claim under this Agreement;
	4. Acquire and accept any and all Claims, inclusive of any accessory securities; and
	5. Declare and execute any such actions, rights, and/or powers required to provide security and protection to the Claims.

With the exception of any and all deliberate acts of misconduct and negligence and on the basis that it does not have any obligations similar to [SPECIFY HERE], then the Creditor will be held harmless and free from any and all responsibilities and liabilities arising from such Obligations.

**3.3. GRANTORS AND THEIR OBLIGATIONS TO CLAIMS**

The Grantors will be obligated with (1) presenting to the Creditor a list containing the full names, accounts, books, invoices, documents, liens, and any and all important papers and authorizations validating the existence of any such claims, , (2) will authorize the Creditor or any of its duly appointed representatives or assignees, and (3) will assist the Creditor by providing it the necessary information needed for the successful attainment of any and all Claims upon the demand of the Creditor subsequent to the development of an Event of Default.

**3.4. GRANTOR’S GUARANTEE ON CLAIMS**

The Grantors give their full assurance that no Claims which they have currently vested to themselves are granted security in the form of a surety of a third party or in the form of a lien for the benefit of either the First Grantor or the Second Grantor, or the Grantors in general. The Grantors also fully assure the Creditor that they will send a notice in writing without having to hinder or delay any of the Claims in any way, manner, and/or form.

**4. THE HYPOTHECATED PROPERTY - OWNERSHIP AND USAGE**

The Grantors are given all the authority, title, and power to claim ownership of and usage of the Hypothecated Property up until such a time that the Grantors will declare or will be obligated to declare its relinquishment of the Hypothecated Property, whether in part or in whole, in accordance with the [LAW/ACT] of [STATE/PROVINCE] of [COUNTRY] as well as in accordance with the rules that are set forth by this Agreement.

**5. CREDITOR’S RECEIPT AND USAGE OF PAYMENTS RECEIVED**

Any and all moneys or payments that the Creditor has received and collected that are not regulated by any provisions granted outside of this Agreement and which are in accordance with this Agreement’s terms and conditions will be held by the Creditor as a form of security for the full and just compensation to be provided by the Obligations. The Creditor, however, may choose to utilize such payments received for the purpose of lowering, partially or entirely, such Obligations required by the Grantors whenever such lowering is considered applicable or necessary by the Creditor.

**6. THE GRANTOR’S REPRESENTATIONS, WARRANTIES AND COVENANTS**

The Grantors will be permitted and authorized to provide and execute the following representations, warranties, and covenants provided Obligations which have not yet been fully settled and compensated for are current or ongoing:

**6.1. TITLE AND OWNERSHIP OF THE HYPOTHECATED PROPERTY**

The Grantors possess the authority and power to hypothecate the Hypothecated Property and, as a result, will be the sole and exclusive legal owners of the Hypothecated Property. The Grantors pledge to not permit the creation or incurrence of any Liens to the Hypothecated Property, with the exception of those Liens which were created for the Creditor’s benefit.

**6.2. COMPENSATION FOR TAXES**

The Grantors warrant that they will be held liable for providing full and just compensation for any and all applicable charges, fees, and all other applicable charges, regardless of its nature.

**6.3. SECURITY UPKEEP**

The Grantors warrant that they will (1) be deemed responsible for maintaining the Liens as a form of security, and that (2) they will, to their fullest extent and efforts, execute all the necessary acts as well as publish all the necessary documents which will aid in maintaining the effectivity of such Liens.

**6.4. INSURANCE COVERAGE**

The Grantors pledge to provide the necessary protection and insurance for the Hypothecated Property against various charges and fees. The insurance policies which the Grantors have provided for the Hypothecated Property are as follows:

[SPECIFY INSURANCE POLICIES HERE].

**6.5. LIMITS TO ALIENATION OF THE HYPOTHECATED PROPERTY**

The Grantors warrant to not sell, transfer, and/or dispose of the Hypothecated Property, whether in part or in whole, on the basis that no Events of Default occurred prior to and during such sale, transfer, or disposal. However, an exception to this will be made provided that the Creditor will send the Grantors a notice in writing which will authorize the Grantors to execute such sale, transfer, or disposition of the Hypothecated Property.

**6.6. UNEXECUTED LIENS**

The Grantors pledge to have not successfully executed any arrangements to conduct any agreements and/or publish any documents with any Persons outside of this Agreement which would lead to the creation of another arrangement for a Lien on the Hypothecated Property that is to be made in favor of the said Person.

**7. EVENTS OF DEFAULT**

The following conditions will be considered as events of default in accordance with the rules that are set forth by this Agreement:

[SPECIFY EVENTS OF DEFAULT HERE]

**8. REMEDIES**

Should an Event of Default occur and continue to occur, then the Creditor will be permitted to declare the Obligations, whether in whole or in part, as due and payable immediately without the need for any prior written notices issued to the Grantors so long as such declaration will be in accordance with the applicable laws set forth within [COUNTRY].

**9. NOTICES**

Any and all notices regarding information about this Agreement will be sent either in person or via direct mail to the following mailing addresses no less than [NUMBER] days prior to the date of effectivity declared on the notice.

For notices from the Creditor to the Grantors:

**ATTENTION GRANTOR**

[NAME OF GRANTOR]

[STREET ADDRESS]

[CITY, STATE/PROVINCE] [ZIP CODE]

[COUNTRY]

For notices from the Grantors to the Creditor:

**ATTENTION GRANTOR**

[NAME OF GRANTOR]

[STREET ADDRESS]

[CITY, STATE/PROVINCE] [ZIP CODE]

[COUNTRY]

**10. CONFIDENTIAL INFORMATION**

All the Parties involved in this Agreement acknowledge and agree that any and all information pertaining to this Agreement (which will also be known as “Confidential Information”) will be strictly kept with utmost confidence and will not be replicated, shared, and/or disseminated in any way, manner, or form to individuals and parties who are not legally bound to the terms and conditions set forth by this Hypothec On Movable Agreement. Confidential Information will be inclusive of, but will not be limited to, the following information:

[SPECIFY CONFIDENTIAL INFORMATION HERE]

**11. VIOLATIONS**

All the Parties involved in this Agreement acknowledge and agree that the following actions, whether unconsciously or deliberately executed, will be considered violations against the terms and conditions set forth by this Agreement:

[SPECIFY VIOLATIONS HERE]

**12. PENALTIES AND SANCTIONS**

Any and all Parties who are found to be guilty of committing one or more of the violations mentioned above will be subject to the following penalties and sanctions:

[SPECIFY PENALTIES AND SANCTIONS HERE].

**13. TERMINATION**

In the event that one or more of the conditions are met, then this Agreement shall be eligible for termination:

[SPECIFY GROUNDS FOR TERMINATION HERE]

**14. GOVERNANCE**

This Hypothec On Movable Agreement is in accordance with all the rules and restrictions set forth by any and all laws and rules of the [STATE] of [COUNTRY].

**15. AGREEMENT PERIOD**

The terms and conditions in this Agreement will be put into effect on the [NTH] of [MONTH], [YEAR] and will terminate on the [NTH] day of [MONTH], [YEAR].

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the [NTH] of [MONTH], [YEAR].

[AUTHORIZED SIGNATURE]

[FIRST GRANTOR’S NAME]

[JOB TITLE]

[DEPARTMENT NAME]

[COMPANY NAME]

[AUTHORIZED SIGNATURE]

[SECOND GRANTOR’S NAME]

[JOB TITLE]

[DEPARTMENT NAME]

[COMPANY NAME]

[AUTHORIZED SIGNATURE]

[CREDITOR’S NAME]

[JOB TITLE]

[DEPARTMENT NAME]

[COMPANY NAME]