

**SECURITY AGREEMENT**

On this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, \_\_\_\_\_  
("Debtor"), for valuable consideration, receipt of which is acknowledged, grants to  
\_\_\_\_\_ ("Secured Party") a security interest in the following  
property of Debtor (the "Collateral") [*insert description of collateral*]

to secure payment of the following obligations of Debtor to Secured Party (the "Obligations"):  
[*choose one*]

The following indebtedness: \_\_\_\_\_ [description]

All obligations and liabilities of Debtor to Secured Party.

1. **Warranties and Covenants of Debtor.** Debtor warrants and covenants that:

(a) No other creditor has a security interest in the Collateral except the following:  
\_\_\_\_\_.

(b) Debtor is the owner of the Collateral free from any adverse lien or encumbrance  
except this lien and the others described in this Security Agreement.

(c) Debtor will defend the Collateral against all claims of other persons.

(d) Debtor will immediately notify the Secured Party in writing of any change in  
name or address.

(e) Debtor will do all such things as Secured Party at any time or from time to time  
may reasonably request to establish and maintain a perfected security interest in the Collateral.

(f) Debtor will pay the cost of filing this agreement in all public offices where  
recording is deemed by Secured Party to be necessary or desirable. A photographic or other  
reproduction of this agreement is sufficient as a financing statement.

(g) Debtor will not transfer or encumber the Collateral without the prior written  
consent of Secured Party.

(h) Debtor will keep the Collateral insured against risk of loss or damage upon such  
terms as Secured Party may reasonably require.

(i) Debtor will keep the Collateral free from any adverse lien and in good repair, will  
not waste or destroy the Collateral, and will not use the Collateral in violation of any law or

policy of insurance. Secured Party may examine and inspect the Collateral at any reasonable time.

(j) Debtor will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this Agreement or upon any note evidencing the Obligations.

2. **Additional Rights.** Secured Party may discharge liens placed on the Collateral, may place and pay for insurance on the Collateral upon failure by the Debtor to do so, and may pay for the maintenance, repair, and preservation of the Collateral. To the extent permitted by applicable law, Debtor agrees to reimburse Secured Party on demand for any payment under this authorization.

3. **Events of Default.** Debtor shall be in default under this Agreement upon the occurrence of any of the following events or conditions: (a) the failure to perform any of the Obligations or this Agreement; (b) the loss, theft, substantial damage, destruction, transfer or encumbrance of the Collateral; (c) the making of any levy, seizure or attachment upon the Collateral; or (d) the filing by Debtor or by any third party against Debtor of any petition under any Federal bankruptcy statute, the appointment of a receiver of any part of the property of Debtor, or any assignment by Debtor for the benefit of creditors.

4. **Remedies.** UPON DEFAULT AND AT ANY TIME THEREAFTER, SECURED PARTY MAY DECLARE ALL OBLIGATIONS IMMEDIATELY DUE AND PAYABLE AND SHALL HAVE THE REMEDIES OF A SECURED PARTY UNDER THE UNIFORM COMMERCIAL CODE OF TENNESSEE.

**SECURED PARTY:**

**DEBTOR:**

\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_