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**[Company Name]**  
**Open-Ended Security Agreement (Sample)**

This open-ended security agreement ("Agreement") is made and effective this \_\_\_\_\_, by and between \_\_\_\_\_ ("Borrower"), and \_\_\_\_\_ ("Secured Party").

Borrower hereby grants to the Secured Party a security interest in certain property ("Collateral") of Borrower to secure such obligations as now are owed, and such obligations as in the future may be owed, by Borrower to the Secured Party. The Borrower and the Secured Party expressly agree that this Agreement shall automatically govern all existing obligations that the Borrower owes to the Secured Party, and all future obligations, in any form, from the Secured Party to the Borrower, without further action by either party, and without express reference to such obligations in this Agreement or in such obligations.

Secured Party and Borrower further agree as follows:

1. The following described property, together with all additions and substitutions to such property, and all proceeds therefrom, shall constitute the Collateral for this Agreement:

all inventory, equipment, appliances, furnishings, and fixtures now or hereafter placed upon the premises known as \_\_\_\_\_, located at \_\_\_\_\_, \_\_\_\_\_ (the "Premises") or used in connection therewith and in which Borrower now has or hereafter acquires any right. As additional collateral, Borrower assigns to Secured Party, a security interest in all of its right, title, and interest to any trademarks, trade names, contract rights, and leasehold interests which it now has or hereafter acquires. The Security Interest shall secure the payment and performance of Borrower's promissory note of even date herewith in the principal amount of \_\_\_\_\_ (\$\_\_\_\_\_) Dollars and the payment and performance of all other liabilities and obligations of Borrower to Secured Party of every kind and description, direct or indirect, absolute or contingent, due or to become due now existing or hereafter arising.

2. Borrower shall keep and maintain, at its expense, complete records of the Collateral. Secured Party shall have the right at any time and from time to time, without notice, to call at Borrower's place of business during normal business hours to inspect the Collateral and to inspect the correspondence, books, and records of Borrower relating to the Collateral.

3. Borrower represents and warrants to Secured Party that, with respect to the Collateral, Borrower possesses and shall possess at all times while this Security Agreement is in effect, full, complete and unencumbered title to such goods, subject only to Secured Party's security interest hereunder, and liens, if any, for current taxes, assessments and other governmental charges are not delinquent; that the Collateral shall be kept at \_\_\_\_\_, and Borrower shall not change the location of the Collateral without the prior written consent of Secured Party; that Borrower shall not at any time cause or suffer any part of the Collateral, or any interest in any of Collateral to be subject to any Security Interest other than that of Secured Party, except upon the written consent of the Secured Party; that Borrower shall defend the Collateral against the claims and demands of all persons other than Secured Party; that Borrower shall at all times promptly pay and discharge, at Borrower's expense, all taxes, assessments and other governmental charges which constitute or may become liens on the Collateral; that, at the request of Secured Party, at any time, Borrower shall execute such financing statements and other documents, pay such filing, recording and other fees, and do or cause to be done such other acts or things as Secured

Party deems reasonably necessary to establish, perfect, and continue its security interest hereunder; and that Borrower shall pay all costs, expenses, charges and other obligations, including, without limitation, reasonable attorneys' fees, suffered or incurred by Secured Party to protect, preserve, maintain and obtain possession of or title to the Collateral, to perfect, protect, preserve and maintain the security interest granted by this Security Agreement, and to enforce or assert any one or more of its rights, powers, remedies and defenses under this Security Agreement.

4. Borrower shall be in default under this Security Agreement if Borrower fails timely to observe and perform any covenants, conditions or agreements required to be observed or performed by Borrower under this Security Agreement, or if Borrower defaults upon any material promise in the obligation. At any time upon or following the occurrence of one or more of the events of default, Secured Party may, at its option, assert or avail itself of any one or more of the rights, powers, remedies and defenses conferred upon Secured Party under the Uniform Commercial Code and other laws of the State of \_\_\_\_\_, which laws shall generally govern the construction and interpretation of this Agreement, or assert or avail itself of any one or more of the rights, powers, remedies and defenses conferred upon Secured Party under any other appropriate law or regulation, whether federal or state. Any and all proceeds resulting from the disposition of all or any part of the Collateral following the occurrence of one or more events of default shall be applied to pay and provide for the Obligations of Borrower to Secured Party, with any balance remaining to be paid to Borrower or its successors and assigns, as their respective interests may appear.

5. The invalidity or unenforceability of any provision in this Agreement shall not cause any other provision to be invalid or unenforceable.

6. This Agreement constitutes the final agreement and understanding between the parties on the subject matter hereof and supersedes all prior understandings or agreements whether oral or written. This Agreement may be modified only by a further writing that is duly executed by both parties.

Borrower and Secured Party have executed this Security Agreement on the date first above written.

Borrower \_\_\_\_\_

By: \_\_\_\_\_

Name/Title

Secured Party \_\_\_\_\_