MOVEABLE HYPOTHEC

This Moveable Hypothec (the “Agreement”) is effective [DATE],

**BETWEEN: [YOUR COMPANY NAME]** (the "Grantor"), a company organized and existing under the laws of the [State/Province] of [STATE/PROVINCE], with its head office located at:

 [YOUR COMPLETE ADDRESS]

**AND: [COMPANY NAME]** (the "Creditor"), a company organized and existing under the laws of the [State/Province] of [STATE/PROVINCE], with its head office located at:

 [COMPLETE ADDRESS]

WHICH PARTIES HAVE AGREED AND DECLARED AS FOLLOWS:

1. **INTERPRETATION**
	1. **Definitions**

The following words and expressions, whenever used in this Deed or in any deed, document or agreement supplemental or ancillary hereto, unless there be something in the subject or the context inconsistent therewith, shall have the following meanings:

“Claims” shall have the meaning ascribed to it in subsection 2.1.3;

“Creditors” means [COMPANY NAME] and includes any successor thereto;

“Deed of Hypothec”, “this Deed”, “this Deed of Hypothec”, “these presents”, “herein”, “hereby”,

“Hereunder” and other similar expressions refer collectively to this Deed of Hypothec, its accompanying schedules as well as any and every deed or other instrument which is supplementary or ancillary hereto or in implementation hereof, the whole as same may be amended, supplemented or restated at any time and from time to time;

“Default” means any one of the events specified in Section 6.1, the occurrence or failure to occur of which constitutes, or with the passage of time or the giving of notice or both, would constitute an Event of Default;

“Event of Default” shall have the meaning ascribed to it in Section 6.1;

“Grantor” means [YOUR COMPANY NAME] and includes any successor thereto;

“Hypothecated Property” shall have the meaning ascribed to it in Section 2.1;

“Inventory” shall have the meaning ascribed to it in subsection 2.1.4;

“Lien” means any interest in property or the income or profits therefrom securing an obligation owed to, or a claim by, a person other than the owner of such property, whether such interest is based on common [YOUR COUNTRY LAW], civil [YOUR COUNTRY LAW], statute or contract, and including but not limited to any security interest, hypothec, mortgage, pledge, lien, claim, charge, cession, transfer, assignment, encumbrance, title retention agreement, lessor’s interest under a lease which would be capitalized on a balance sheet of the owner of such property or analogous interest in, of or on any property or the income or profits therefrom of a person other than liens incurred in the ordinary course of business and for the purposes thereof, but not in respect of the borrowing of money or the obtaining of credit, and which in the aggregate do not affect in a material manner the use of or the income or profits derived from the property encumbered thereby in the course of the business of the person;

“Obligations” is the collective reference to all the obligations, present and future, direct and indirect, absolute and contingent, presently owing and due or hereafter to become owing and due to the Creditor by the Grantor whether such obligations result or not from agreements or arrangements between the Grantor and the Creditor or from agreements or arrangements with third parties, pursuant to which the Creditor may in any manner whatsoever become a creditor of the Grantor, or in any other manner whether the Grantor is bound alone or with others as principal or guarantor, including, without limiting the generality of the foregoing, the License Agreement dated [DATE] between [SPECIFY] (a predecessor in title to the Creditor) and the Grantor (the “Contract”) whereby the Grantor was granted a franchise to operate a [COMPANY NAME] [FULL ADDRESS] [STATE/PROVINCE] (the “Premises”) and the Acknowledgement of Indebtedness dated [DATE] between the Creditor and the Grantor (the “Acknowledgement”);

“Permitted Encumbrances” means, as at any time, any one or more of the following:

The Liens resulting from:

1. Moveable Hypothec granted in favor of the [SPECIFY] registered under number [NUMBER] in the Register of Personal and Moveable Real Rights;
2. Moveable Hypothec granted in favor of the [SPECIFY] registered under number [NUMBER] in the Register of Personal and Moveable Real Rights;
3. Commercial Pledge granted in favor of the [SPECIFY] registered under number [NUMBER] in the Index of Names at the Registry Office for the Registration Division of [STATE/PROVINCE];
4. Commercial Pledge granted in favor of the [SPECIFY] registered under number [NUMBER] in the Index of Names at the Registry Office for the Registration Division of [STATE/PROVINCE];
5. Commercial Pledge granted in favor of the [SPECIFY] registered under number [NUMBER] in the Index of Names at the Registry Office for the Registration Division of [STATE/PROVINCE];
6. Trust Deed of Hypothec, Mortgage and Pledge registered under number [NUMBER] in the Index of Names at the Registry Office for the Registration Division of [STATE/PROVINCE].

The Liens resulting from this Deed or which are specifically authorized by this Deed; any other Lien created or permitted with the written consent of the Creditor.

**1.2 Plural and Masculine**

Unless there be something in the subject or the context inconsistent therewith, words importing the singular only shall include the plural and vice versa and words importing the masculine gender shall include the feminine gender and vice versa, and any reference to [AMOUNT] shall mean [COUNTRY] [AMOUNT].

**1.3 Division in Articles**

The division of this Deed into Articles, Sections, subsections and paragraphs and the insertion of titles are for convenience of reference only and do not affect the meaning or the interpretation of the present Deed.

1. **HYPOTHECS**
	1. **Principal Hypothec**

As a general and continuing collateral security for the performance by the Grantor of the Obligations, the Grantor hereby hypothecates to and in favor of the Creditor, the following property (collectively referred to herein as the “Hypothecated Property”) to the extent of the sum of [AMOUNT], with interest thereon at the rate of [PERCENTAGE %] per annum:

* + 1. the universality of all of the leasehold improvements, equipment, machinery, tools, motor vehicles, additions, appliances and accessories now owned or held or at any time hereafter acquired or held by the Grantor, wheresoever situate, including without limitation, the leasehold improvements and equipment located in the Premises, together with all the rents, income, fruits, revenues, issues and profits arising therefrom and the present and continuing right to claim for, collect and receive any one and all of the said rents, income, fruits, revenues, issues and profits;
		2. all of the rights, titles and interests of the Grantor in, to and under the Memorandum of Agreement of Sublet dated [DATE] between [NUMBER] [COMPANY NAME] [SPECIFY] and the Grantor and the Memorandum of Agreement of Lease dated [DATE] between [NUMBER] [COMPANY NAME] [SPECIFY] in respect of the Premises and all renewals thereof together with the present and continuing right to make a claim thereunder and to enforce or cause the enforcement of all of the said rights, titles and interests of the Grantor;
		3. the universality of all claims which now are or may at any time hereafter become vested in the Grantor, of any nature and kind and howsoever arising, whether or not such claims are certain and determinate, invoiced, liquid, exigible, litigious or constituted by a negotiable or other instrument or draft or including, without limiting the generality of the foregoing, all the accounts receivable, debts, claims and demands, which now are or may at any time hereafter be due, together with the contracts, guarantees, bills of exchange, notes, Liens, surety ships and accessories connected in any manner whatsoever to or securing the said accounts receivable, debts, claims and demands, and all the books, accounts, invoices, letters and other documents, evidencing the said accounts receivable, debts, claims and demands, in any manner whatsoever, which now are or may hereafter become vested in the Grantor (collectively referred to herein as the “Claims”);
		4. the universality of all the present and future goods, wares, inventory, materials, supplies, merchandise, products, work in process, stock-in-trade and on hand, whether food, beverages or otherwise, and any other materials, present and future, purchased, acquired or produced for the purpose of consumption, processing, preparation or sale in the ordinary course of business or for the purpose of consumption in the production of the Grantor’s merchandise or products or to become a part of the Grantor’s products, including all goods, wares, materials and merchandise, present and future, used in or procured for the packing and storing of such goods, wares, materials, supplies, merchandise, products, work in process, stock-in-trade and on hand (collectively referred to herein as the “Inventory”) and all rights to the warehouse receipts, bills of lading and other title documents relating to the Inventory;
		5. the universality of all proceeds of all insurance policies taken out by the Grantor or on its behalf, at any time and from time to time, in respect of the Hypothecated Property;
		6. the universality of all proceeds of expropriation awards or indemnities paid or payable at any time and from time to time in connection with the Hypothecated Property;
		7. the universality of all the intellectual property now owned or held by the Grantor or of which it is an authorized user or which the Grantor shall hereafter acquire or hold or of which it shall hereafter become an authorized user; and
		8. all of the undertaking of the Grantor and the universality of all of its property, assets, rights, titles and interests, present and future, corporeal and incorporeal, moveable and immoveable, of any nature and kind whatsoever and wheresoever situate, the whole excluding the property, assets, rights, titles and interests which, pursuant to the terms hereof, are and, from time to time, shall be effectively and validly hypothecated pursuant to the terms of subsections 2.1.1 to 2.1.7 inclusively.
	1. **Additional Hypothec**

As general and continuing collateral security for the performance by the Grantor of the Obligations not otherwise secured by the hypothecs created under the terms of Section 2.1, including, without limiting the generality of the foregoing, interest on all overdue interest, as well as the costs and expenses incurred by the Creditor in order to preserve or realize upon the Liens created and to be created from time to time under the terms hereof and all other costs and expenses related to the Obligations, the Grantor hereby hypothecates the Hypothecated Property to and in favor of the Creditor, to the extent of an additional sum of [AMOUNT] with interest thereon at the rate of [PERCENTAGE %] percent per annum.

1. **SPECIAL PROVISIONS RELATING TO CLAIMS**
	1. **Receipt by the Creditor of Certain Sums**

The Grantor hereby expressly acknowledges and agrees that the Creditor is entitled to and will collect, at any time, as of and from the date hereof, the following Claims:

* + 1. the principal of and all revenues arising, at any time and from time to time, from the proceeds of any insurance policy taken out by or on behalf of the Grantor in connection or relating to the Hypothecated Property; and
		2. the principal of and all revenues arising from the sale or other disposition of the Hypothecated Property or any part thereof to the extent that such sale or other disposition was not carried out in the ordinary course of the Grantor’s business.
	1. **Authorization of the Creditor to permit the Grantor to Collect the Principal and Revenues of the Other Claims**

The Creditor expressly authorizes the Grantor to collect, when and as the same shall become due, the principal of and revenues payable from time to time pursuant to the Claims other than those contemplated in Section 3.1 for so long as no Default hereunder shall have occurred and be continuing and the Creditor, shall not have notified the Grantor of the withdrawal of the present authorization. In the event that such principal or revenues are paid to the Grantor following the receipt of such a notice, the Grantor shall hold same under gratuitous deposit for and on behalf of the Creditor and shall deposit same, as depositary of the Creditor, in an account with a financial institution to be designated by the Creditor, which account shall be opened at such time as the Creditor shall so designate and shall only serve for the aforesaid purpose.

The Grantor shall pay over the amounts so deposited to the Creditor, on demand, the Grantor hereby expressly acknowledging the Creditor’s rights of ownership to said principal and revenues. The Grantor hereby expressly acknowledges that it shall be bound to perform its obligation to so hold such principal and revenues on deposit and all obligations accessory thereto immediately upon receipt from the Creditor of a notice of withdrawal of the authorization given in this Section irrespective of whether or not the withdrawal of such authorization shall have been served upon any debtor of such Claims or registered in the appropriate register. Moreover, the Grantor hereby expressly waives its rights to be reimbursed for the expenses incurred in connection with the preservation of the amount in principal and revenues to be held on deposit and to be indemnified for any loss caused by such deposit or by the payment over to the Creditor of the whole or any portion of the amount of principal and revenues held in deposit prior to the maturity of any such deposit.

* 1. **Exercise of Rights in respect of the Claims**

The Creditor shall not be bound to exercise any rights in respect of the Claims or to collect or recover the payment thereof, whether by judicial process or otherwise. The Creditor may grant releases for all amounts collected by the Creditor, and the Creditor, may, but without any obligation to do so, proceed with the realization of the whole or any part of the Claims, grant extensions or postponements of the term of any Claim accept the amount of any Claim, and any surety ship, or security accessory thereto and may take any action and exercise any right in order to preserve, protect or secure such Claims, the whole at such time and in such manner as the Creditor may deem appropriate, without any notice to or a consent from the Grantor.

Any action taken or not taken, as the case may be and any right exercised or, not, as the case may be shall be without any liability on the part of the Creditor, other than with respect to its gross negligence or willful misconduct and without any obligation to render an accounting for any such action taken or omitted to be taken, any such right exercised or omitted to be exercised and any amount collected, save and except for the obligation to pay over to the Grantor at the end of the process of realization all amounts collected in excess of the then outstanding amount of the Obligations.

* 1. **Imputation of the Claims Collected by the Creditor**

Notwithstanding the provisions of Article [NUMBER] and the second paragraph of Article [NUMBER] of the Civil Code of [STATE/PROVINCE] as well as every other legal rule concerning the imputation of payments, the Creditor may apply the amounts collected pursuant to the provisions of Section 3.1 and the amounts deposited pursuant to the provisions of Section 3.2 to the full or partial reduction of the Obligations, as the Creditor may deem appropriate.

* 1. **Renunciation by the Grantor to its Right to Information concerning the Claims**

The Grantor hereby expressly renounces to any right which it may have to be informed by the Creditor of any irregularity in the payment of the amounts due in virtue of the Claims or of any other matter relating to the Claims.

* 1. **Obligation of the Grantor to Provide Information relating to the Claims**

Upon demand of the Creditor, the Grantor undertakes to provide the Creditor with a list of all its debtors and all its books, accounts, letters, invoices, papers, contracts, negotiable instruments, title documents, Liens and other documents attesting to the existence of the whole or any part of the Claims or relating thereto, and to permit the Creditor access to the Grantor’s premises in order to inspect and make copies of the aforementioned books and documents. The Grantor is also bound to assist the Creditor and provide it with all information, which the Creditor may find useful in the collection of the Claims.

* 1. **Guaranteed Claims**

The Grantor represents and warrants that none of the Claims which are presently vested in the Grantor are themselves secured by a Lien or by the surety ships of a third Person in favor of the Grantor, and the Grantor undertakes to notify the Creditor without delay of any Claim, which now is or may at any time hereafter become vested in the Grantor and which, following the date hereof, is or becomes secured by a Lien or by the surety ships of a third Person in favor of the Grantor and to provide the Creditor with copies of the agreements or other documents evidencing such Liens or such surety ships.

1. **POSSESSION, USE AND RELEASE OF THE HYPOTHECATED PROPERTY**
	1. **Possession and Use**

Until the Grantor has surrendered or is bound to surrender the whole or any part of the Hypothecated Property under the terms of any [YOUR COUNTRY LAW], the Grantor, subject, however, to the express terms hereof, shall be entitled and permitted to possess the Hypothecated Property and to manage, develop, operate, use and enjoy the same.

* 1. **Appointment of a Receiver**

If a receiver, a sequestrator or any other similar officer, lawfully appointed, takes possession of the Hypothecated Property, the powers herein conferred upon the Creditor with respect to the sale, transfer and disposition of the Hypothecated Property may be exercised by such receiver, sequestrator or other similar officer subject to the limitations imposed upon the Creditor in that respect under the provisions of Article [NUMBER]; likewise, if the Creditor takes possession of the Hypothecated Property pursuant to the terms hereof, it, in its discretion, may exercise the same powers, subject to the limitations imposed upon it under the provisions of Article [NUMBER].

1. **REPRESENTATIONS AND COVENANTS OF THE GRANTOR**

So long as any Obligation is outstanding and unpaid, the Grantor makes the following representations, provides the following warranties and covenants and agrees as follows:

* 1. **Title to Hypothecated Property**

That it alone is the duly registered and lawful owner and is now lawfully seized and possessed of the Hypothecated Property; that it has full, good and lawful authority to hypothecate the Hypothecated Property as provided in this Deed. The Hypothecated Property is free and clear of all Liens, except Permitted Encumbrances, and the Grantor will maintain the Hypothecated Property free and clear of all Liens, except Permitted Encumbrances. It shall preserve, warrant and defend the title to said properties and rights and every part thereof, as well as to all other property and rights hereafter acquired by the Grantor and which may, for the time being and from time to time, form part of the Hypothecated Property, for the benefit of the Creditor, against the claims and demands of all Persons whomsoever.

* 1. **Payment of Taxes**

That all federal, provincial and other tax returns of the Grantor which are required to be filed have been duly prepared and timely filed and all taxes, assessments and other governmental levies or charges of any nature or kind whatsoever payable by the Grantor in respect of its property, income. Profits and assets or otherwise have been paid. That it will pay or cause to be paid as and when due and payable all taxes, rates, charges, levies or assessments, ordinary or extraordinary, governmental levies or other charges of a like nature, assessed or payable in respect of any of the Hypothecated Property or the Grantor, its property, income or profits, it being expressly agreed that the Grantor shall not be in Default hereunder in the payment of any such taxes, rates, charges, levies or assessments if it shall be contesting the same in good faith, and shall have furnished the Creditor, at the option of the Grantor either an amount in cash or a letter of credit or a surety ship satisfactory to the Creditor, in each case sufficient to pay for any loss or liability which may result from such contestation, and if it shall not be necessary in the sole judgment of the Creditor to pay such taxes, rates, charges, levies or assessments to prevent a sale or foreclosure of any property or rights comprised in the Hypothecated Property.

* 1. **Maintenance of Security**

That it will fully and effectively maintain the Liens hereby constituted as valid and effective security, subject only to Permitted Encumbrances, and that it will perform all acts and execute and publish all documents as may be necessary to ensure that the Liens hereof remain effective and at all times opposable to third Persons.

* 1. **Insurance Coverage**

That it will insure the Hypothecated Property and keep it insured at all times for an amount not less than the full replacement value thereof in accordance with standard replacement value principles against all risks and losses by fire, theft and other perils which are now or may at any time hereafter be covered by or contemplated in a standard fire insurance policy with extended coverage or additional perils, supplemented coverage and all such other risks against which the Creditor may request that the Grantor be insured. The Grantor shall forthwith provide the Creditor with evidence of such insurance and evidence that the Creditor’s rights have been made known to the insurer.

All insurance policies shall contain no co-insurance clause and shall provide for at least [NUMBER] days’ prior written notice to the Creditor of any cancellation, modification or non-renewal. At least [NUMBER] days prior to the expiry of an insurance policy, the Grantor shall deliver to the Creditor evidence of its renewal or replacement. All insurance policies must be in form and substance acceptable and with insurers approved by the Creditor.

All insurance policies shall designate the Creditor as a named insured and loss payee and shall provide that the indemnities owing to the insured shall be attributed first to the Creditor; however, any indemnity or amount received by the Creditor shall not operate as payment, in whole or in part, of the Grantor’s indebtedness or effect a reduction in the Obligations unless the indemnity or amount received by the Creditor is applied expressly by it in reduction of the Obligations, and to the extent only of such application. In case of failure by the Grantor to fulfill any of its obligations hereunder, the Creditor may, without being obliged to do so, at the Grantor’s expense, take out or keep any insurance policy that it may deem appropriate.

* 1. **Insurance Proceeds not payment of Obligations**

That in no case shall the receipt by the Creditor of any proceeds of insurance under the terms of this Deed be deemed to be a payment on account of any Obligation, unless such proceeds are expressly and effectively imputed to the Obligation, nor shall the Liens hereby created be lessened, prejudiced or in any other way interfered with by reason of any such receipt, any [YOUR COUNTRY LAW], usage, or custom to the contrary notwithstanding.

* 1. **Restriction on Alienation of Hypothecated Property**

That the Grantor shall not sell, transfer or otherwise dispose of any of the Hypothecated Property save and except for the sale of Inventory in the ordinary course of its business and for the purpose of carrying on same.

* 1. **No Inchoate Liens**

The Grantor represents and warrants that (y) it has not executed or agreed to execute any deed, document, contract or agreement with any Person whomsoever which would necessitate or result in the creation in favor of such Person of any Lien whatsoever on the Hypothecated Property, subject however to Permitted Encumbrances, and (z) no creditor of the Grantor has, within the meaning of Articles [NUMBER] and [NUMBER] of the Civil Code of [STATE/PROVINCE], given value to the Grantor in the [NUMBER] days preceding the execution of this Deed.

* 1. **No Change to the Hypothecated Property**

That it will not make or cause to be made any material change to, nor change nor cause to be changed the use or destination of, the Hypothecated Property, without having first notified the Creditor in writing of every such change and having obtained the prior written consent of the Creditor.

* 1. **Payment of Moneys Advanced by the Creditor**

That it will pay to the Creditor, on demand, all expenditures incurred by the Creditor in order to preserve and protect the Liens created hereunder or to perform or cause the performance of any obligation of the Grantor hereunder, with interest thereon calculated and payable and the rate of [PERCENTAGE %] percent per annum calculated daily and payable on demand, the whole without prejudice to any other rights the Creditor may now or at any time hereafter have in this respect.

* 1. **Facilitating Realization of Security**

That it will, from time to time, execute and do or cause to be executed and done all such documents, instruments and things and provide all such assurances as the Creditor, may reasonably require in order to facilitate the realization of the Hypothecated Property, exercise all the powers and discretions hereby conferred upon the Creditor and confirm to any purchaser of any of the Hypothecated Property the title to the property sold or proposed to be sold, and the Grantor will give or cause to be given all notices and directions as the Creditor, may consider appropriate.

* 1. **Leased Premises**

That, if the Hypothecated Property is situated in premises leased pursuant to a lease concluded prior to [DATE] or, if the Hypothecated Property is at any time placed in such premises, it shall give the lessor of such premises, immediately following the execution of these presents or immediately following the transfer of the Hypothecated Property into such premises, written notice of the Liens created hereunder and provide the Creditor with proof of such notification within [NUMBER] days of it having been given.

* 1. **[SPECIFY] Indebtedness**

That the Grantor’s aggregate indebtedness to the [COMPANY NAME] is [AMOUNT] as at [DATE] and that Grantor will not increase or allow an increase in its indebtedness to the [COMPANY NAME] beyond said amount without the prior written consent of the Creditor.

1. **EVENTS OF DEFAULT**
	1. **Events of Default**

The occurrence of any one or more of the “Events of Default” under the Contract or the Acknowledgement shall constitute an event of default hereunder and the occurrence of any one or more of the following events shall also constitute an event of default hereunder (herein collectively referred to as an “Event of Default”):

* + 1. should the Grantor fail to pay, observe or perform all or any part of its Obligations when such payment, observance or performance becomes due or payable;
		2. should any representation or warranty which has been made by the Grantor in Article [NUMBER] or pursuant to these presents prove to be either incorrect or substantially inaccurate at any time and from time to time;
		3. should the Grantor cease to operate its enterprise or a substantial part thereof;
		4. should the Grantor be in default under any agreement or contract binding it to the Creditor;
		5. should the Grantor make an assignment for the benefit of creditors, or file or consent to the filing of a petition in bankruptcy, a proposal or a notice of intention under the Bankruptcy and Insolvency [YOUR COUNTRY ACT/LAW/RULE] or be adjudicated insolvent or bankrupt, or petition or apply to any tribunal for any receiver, trustee, liquidator or sequestrator of, or for any substantial portion of its property or if the Grantor commences any proceeding relating to it or its property or any substantial portion thereof under any reorganization, arrangement, readjustment, composition
		6. or liquidation [YOUR COUNTRY LAW] of any jurisdiction, whether now or hereafter in effect (any of which proceedings, including, without limitation, the making of an assignment for the benefit of creditors, or the filing or consenting to the filing of a petition in bankruptcy, a proposal or a notice of intention under the Bankruptcy and Insolvency [YOUR COUNTRY ACT/LAW/RULE] shall be referred to herein as a “Proceeding”);
		7. or if there is commenced against the Grantor any Proceeding and such Proceeding remains un-dismissed for a period of [NUMBER] days; or any receiver, trustee, liquidator or sequestrator of, or for the Grantor or any substantial portion of its property is appointed or if the Grantor consents to or approves or accepts any Proceeding or the appointment of any receiver, trustee, liquidator or sequestrator of, or for, the Grantor or any substantial portion of its property;
		8. should any process of execution be enforced or levied upon any of the property of the Grantor and remain unsatisfied for a period of [NUMBER] days, provided that such process is not in good faith disputed by or on behalf of the Grantor and, if it is so disputed, provided further that non-payment shall not, in the judgment of the Creditor, jeopardize or impair the security created hereby and that the Grantor shall also give or cause to be given security which, in the discretion of the Creditor, shall be sufficient to pay in full the amount claimed in the event that it shall be held to be a valid claim;
		9. should the Grantor fail to obtain the cancellation of any prior notice of exercise of hypothecary rights or any other registered entry affecting the whole or any part of the Hypothecated Property by or in favor of any other creditor of the Grantor within [NUMBER] days of their respective publication or registration, as the case may be.
	1. **Lapse of Time**

The Grantor shall be in default of performing its Obligations by the mere lapse of time stipulated for performance without the necessity of any notice whatsoever.

1. **REMEDIES**
	1. **Exercise of Rights**

If an Event of Default shall occur and be continuing, to the extent and in the manner permitted by [YOUR COUNTRY LAW] and subject to any preliminary measures thereby contemplated, but without in any way limiting any of the rights, remedies or recourses which the Creditor may otherwise have under any [YOUR COUNTRY LAW] or under any other deed or document:

* + 1. Declaration by the Creditor. The Creditor may declare the whole or any part of the Obligations as being immediately due and payable, without presentment, demand, protest or other notice of any kind, all of which are hereby expressly waived by the Grantor, anything in this Deed to the contrary notwithstanding;
		2. Entry. The Creditor by its officers, agents or attorneys, may enter into and take possession of all or any part of the Hypothecated Property, with full power to carry on, manage and conduct the business operations of the Grantor, including the power to borrow money on commercially reasonable terms for and on behalf of the Grantor or for itself or on its own behalf and to advance its own moneys on commercially reasonable terms for the purposes of the undertaking, the maintenance and preservation of the Hypothecated Property or any part thereof, the payment of taxes, wages and other Liens ranking in priority to the Liens created hereunder and for the payment of current operating expenses and those incurred not more than [NUMBER] days prior to such taking of possession by the Creditor.
		3. The Creditor shall have full power, in the name of and as the attorney of the Grantor, to grant and create Liens upon all or any part of the Hypothecated Property ranking in priority to the Liens created hereunder, as security for the repayment of the moneys so borrowed or advanced (and the moneys so borrowed or advanced by the Creditor shall be repaid by the Grantor on demand and, until repaid, together with the interest thereon, shall be secured by the Liens created hereunder and shall constitute a first ranking Lien on the Hypothecated Property in priority to the Obligations).
		4. The Creditor, shall also have full power to collect rents, revenues, fruits and profits and to pay therefrom all the expenses, costs and advances of the Creditor in carrying on the said business operations or otherwise, and all taxes, assessments, insurance premiums and other Liens against the Hypothecated Property ranking in priority to the Obligations or the payment of which may be necessary to preserve the Hypothecated Property, and to apply the balance of the moneys so received in the same manner as if same constituted the proceeds of a sale or other realization of the Hypothecated Property;
		5. Sale. The Creditor either after such entry as aforesaid or after other entries by its officers or agents, or without any entry, may sell, lease, liquidate, transfer, alienate, create a Lien upon or otherwise dispose of or deal with the whole or any part of the Hypothecated Property, as a whole or in parts, by private agreement, by a call for tenders, by public auction or by judicial authority, at such prices and upon such terms and conditions as the Creditor may consider advisable, the whole without any notice or formality whatsoever other than those expressly provided by [YOUR COUNTRY LAW], the Creditor being hereby constituted the irrevocable attorney of the Grantor for the aforesaid purposes.
		6. Any such sale, lease, liquidation, transfer, alienation, Lien or other disposition of the Hypothecated Property made as aforesaid, shall be a perpetual bar both as a matter of [YOUR COUNTRY LAW] and as a matter of fact against the Grantor and its assigns and all other Persons claiming the Hypothecated Property or any part or parcel thereof by, from, through or under the Grantor or its assigns. The Creditor or any agent or representative thereof may become purchasers at any sale of the Hypothecated Property whether made under the power of sale herein contained or pursuant to foreclosure or other judicial proceedings.
	1. **Grantor to Surrender**

The Grantor binds and obliges itself to voluntarily surrender and to yield up possession of the Hypothecated Property and the conduct of its business in connection therewith to the Creditor on demand whenever the Creditor shall have a right to exercise any hypothecary or other right or recourse provided by [YOUR COUNTRY LAW], and the Grantor agrees not to in any way hinder but to facilitate by all legal means, the actions of the Creditor hereunder and not to interfere with the carrying out of the powers hereby granted to the Creditor.

* + 1. Furthermore, the Grantor by and through its officers and directors, shall forthwith execute, on demand, such documents and transfers as may be necessary to place the Creditor or other officer in legal possession of the Hypothecated Property and the business of the Grantor related thereto and thereupon all the powers, functions, rights and privileges of each and every one of the Grantor’s directors and officers shall cease and terminate with respect to the Hypothecated Property. Without in any way limiting the generality of any of the foregoing or affecting any other rights or recourses which the Creditor may have under any applicable [YOUR COUNTRY LAW], the Grantor hereby expressly acknowledges and agrees that in the event of either the surrender by the Grantor or the taking of possession by the Creditor of all or any part of the Hypothecated Property as contemplated in this Article [NUMBER]:
		2. the Creditor shall be under no obligation to make the Hypothecated Property productive in any manner whatsoever, it being expressly understood and agreed that the sole objective of such possession following such a surrender or such a taking of possession (hereinafter referred to in this Section 7.2 as the “Possession”) shall be to collect the revenues, fruits and profits of the Hypothecated Property and to apply same to the payment of the Obligations, in principal, interest, fees and accessories;
		3. the Creditor shall have the right, at any time and from time to time during such Possession, to change the destination of the Hypothecated Property;
		4. the Creditor shall be the primary beneficiary of any administration by the Creditor of the Hypothecated Property under any such Possession and, to the extent that, pursuant to any applicable provision of any [YOUR COUNTRY LAW], the Grantor is a beneficiary of such administration, any and all rights of the Grantor as such a beneficiary shall be fully subordinated and postponed to any and all rights the Creditor shall have as primary beneficiaries of such administration;
		5. the Creditor at any time and from time to time during such Possession, may renounce to any right of the Grantor even without any valid consideration; and
		6. the Creditor shall have no obligation to make an inventory of the Hypothecated Property, to take out any kind of insurance with respect to the Hypothecated Property or to furnish any type of security whatsoever in order to secure its obligations under this Deed, the whole notwithstanding any provision to the contrary herein contained.
	1. **Creditor Appointed Mandatory of the Grantor**

The Grantor hereby irrevocably appoints the Creditor to be its mandatory to execute and perform, for and in the name of and on behalf of the Grantor, all deeds, documents, transfers, conveyances, consents, assignments, assertions, and things which the Grantor must sign, execute and do hereunder and generally to use the name of the Grantor in the exercise of all or any one of the powers hereby conferred on the Creditor with full power of substitution and revocation, it being expressly understood that such mandate of the Creditor is not governed by Articles [NUMBER] to [NUMBER] of the Civil Code of [STATE/PROVINCE], the Grantor expressly renouncing to the benefit of each and every one of the aforementioned articles.

* 1. **Protection of the Creditor in respect of any Realization of the Hypothecated Property**

Notwithstanding any applicable provision of any [YOUR COUNTRY LAW] to the contrary, in the context of any realization of the whole of any part of the Hypothecated Property:

* + 1. the Creditor may, in relation to these presents, act on the opinion or advice of or information obtained from any advocate, appraiser, evaluator, auditor, engineer, surveyor, broker, auctioneer or other expert, whether obtained by the Creditor or otherwise, and the Creditor shall not be responsible for any loss whatsoever occasioned by acting or not acting thereon, as the case may be, and it may employ any third party assistance as may be necessary for the performance of its duties and may reasonably and adequately compensate such agents and attorneys for all such information or such legal or other advice or assistance as aforesaid;
		2. the Creditor shall have, as regards any administration by it of the Hypothecated Property and as regards all the powers and discretions vested in it under the terms of this Deed or any applicable provision of any [YOUR COUNTRY LAW], absolute discretion as to the exercise thereof, whether in respect of the manner, the mode or the time for the exercise thereof, and the Creditor shall not be in any way responsible for any loss, costs, damages or inconvenience whatsoever that may result from the exercise or non-exercise thereof;
		3. the Creditor may appoint, designate or employ as its sub-agents, any attorneys, bankers, receivers, advocates, agents, officers or other Persons and any national firm of independent chartered accountants of recognized standing in order to act for and in the name of the Creditor in any realization of the whole or any part of the Hypothecated Property and such sub-agent:
			1. shall only be authorized to act under the terms of demands, requests or instructions issued or made by the Creditor in respect of any procedure, act, power, right, matter or thing relating to or granted under the terms of its mandate;
			2. may be replaced by the Creditor; it being expressly understood, however, that the Creditor shall not be in any way responsible for the misconduct of any such sub-agent so appointed or for any loss whatsoever resulting from such misconduct or any failing of any such sub-agent and the Creditor shall not be bound to supervise the actions of any such sub-agent.
1. **MISCELLANEOUS**
	1. **Separate Security**

The security granted to the Creditor under these presents shall be in addition to and without prejudice to or novation of any other security, by whomsoever given, held at any time by the Creditor, and the Creditor shall be under no obligation to exercise any right, whether hypothecary or otherwise, or realize upon such other security or any of the funds or assets the Creditor may be entitled to receive or have a claim upon and the Creditor may in its absolute discretion and without diminishing the security created hereunder, grant extensions of time or other indulgences with respect to the Obligations and security given therefor and give up or modify, vary, exchange, renew or abstain from perfecting or taking advantage of any security and may discharge any party or parties and accept or make any compositions or arrangements and realize upon any security when and in such manner as the Creditor may see fit and such security shall not be reduced, affected or amended by these presents.

* 1. **Application of Money received by Creditor**

Any and all monies received by the Creditor from the Grantor or others or from any hypothec or other security by whomsoever granted to the Creditor to secure the performance of the Obligations of the Grantor, including the capital and interest of the Claims, may be applied by the Creditor upon such part of the Obligations as the Creditor in its absolute discretion sees fit, the whole notwithstanding the rules governing the application of payments.

* 1. **Remedies Cumulative**

The rights and remedies of the Creditor under this Agreement shall be cumulative and not exclusive of any rights or remedies which it would otherwise have, and no failure or delay by the Creditor in exercising any right shall operate as a waiver thereof, nor shall any single or partial exercise of any power or right preclude its other or further exercise or the exercise of any other power or right. The Creditor hereby undertakes to exercise its rights and remedies under this Deed in good faith.

* 1. **Delegation of Exercise of Rights**

The Creditor may delegate to any other person the exercise of its rights or the performance of its duties hereunder and may provide such agents or mandataries with any information that the Creditor may possess with respect to the Grantor or the Hypothecated Property.

* 1. **Performance by Creditor**

The Creditor may, without being obliged to, perform any one of the Obligations of the Grantor hereunder should the latter fail to do so and the Grantor shall, forthwith after demand therefor, reimburse the Creditor for all costs incurred by the Creditor in so doing with interest on such sums at the rate of the [PERCENTAGE %] percent per annum.

* 1. **Notices**

Any notice, request or other communication hereunder to any party hereto in connection with this agreement shall be deemed to have been duly given or made to the party to which such notice, request or other communication is required or permitted to be given or made under this agreement, when delivered to such party (by prepaid courier, by telecopier or by hand delivery) at its address set forth with its signature below or at such other address as any of the parties hereto may hereafter notify the others in writing.

* 1. **Governing [YOUR COUNTRY LAW]**

This Agreement and the interpretation and enforcement thereof shall be governed by and in accordance with the [YOUR COUNTRY LAW] of the Province of [STATE/PROVINCE].

* 1. **Continuing Security**

The Liens created hereunder shall constitute continuing security which shall remain in full force and effect until the Obligations shall have been fulfilled in full and the Liens hereof shall have been cancelled. The Grantor expressly acknowledges, for the purpose of Article [NUMBER] of the Civil Code of [STATE/PROVINCE], that until it shall have received a written notice from the Creditor to the effect that the Obligations have been fulfilled in full, it binds and obliges itself anew continuously under the Obligations.

IN WITNESS WHEREOF, each party to this agreement has caused it to be executed at [PLACE OF EXECUTION] on the date indicated above.

## GRANTOR CREDITOR

Authorized Signature Authorized Signature

Print Name and Title Print Name and Title