**MOVABLE HYPOTHEC – PROMISSORRY NOTE**

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This Moveable Hypothec – Promissory Note (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 terms and expressions, wherever used in these presents or in any deed or agreement supplemental or ancillary thereto, unless there be something in the subject or the context inconsistent therewith, shall have the following meanings:

“Agreement” means that certain Agreement dated [DATE] between the Creditor as vendor and the Grantor as purchaser pursuant to which the Grantor purchased certain assets from the Creditor, which are now hypothecated hereunder;

“Balance of Price” means the sum of [AMOUNT], subject to certain adjustments provided in the Agreement;

“Note” means that certain promissory note in a principal amount corresponding to the Balance of Price, bearing interest at the rate of [PERCENTAGE %] Percent per annum, computed and compounded monthly, as provided for in the Agreement;

“Obligations” means the payment and satisfaction of any and all obligations, indebtedness and liability of the Grantor to the Creditor (including interest thereon) on account of the Note including without limitation any ultimate unpaid balance thereof;

“Other Assets” means the assets acquired by the Grantor from the Creditor pursuant to the Agreement but not included in the definitions of Property in Stock, Claim and Equipment herein provided, including without limitation those assets identified in Schedule A hereto;

“Security Agreement” means that certain Security Agreement dated [DATE] granted by the Grantor in favor of the Creditor pursuant to [SPECIFY] of the Agreement as security for the performance by the Grantor of the Obligations.

All capitalized terms not otherwise specifically defined hereunder shall have the meanings assigned thereto by the Agreement.

1. **OBLIGATIONS SECURED**

The hypothec hereby constituted secures the performance by the Grantor of all its Obligations, direct and indirect, absolute and contingent, presently due and hereafter to become due to the Creditor, as such Obligations may be amended, extended or renewed at any time and from time to time. Without in any way limiting the generality of the foregoing, the hypothec secures the payment by the Grantor to the Creditor of the Balance of Price and any and all interest accrued thereon and thereunder from time to time, the whole as provided for in the Note.

1. **HYPOTHEC**
   1. As security for the full and final performance of the Obligations, the Grantor hereby hypothecates to and in favor of the Creditor and, with respect to that property which is incorporeal, situated outside [STATE/PROVINCE] or used in more than one State, grants a security interest to and in favor of the Creditor in, the following universalities of present and future property (collectively referred to herein as the “Charged Property”) to the extent of [AMOUNT], with interest thereon at the rate of [PERCENTAGE %] Percent per annum:
      1. the property in stock and inventory owned by the Grantor or held on its behalf, including raw materials, products in process, merchandise, finished or manufactured products, products worked, manufactured or finished by the Grantor or others, as well as all materials related to the fabrication, packaging and expediting of same, property held by third parties pursuant to a lease, leasing contract, franchise or license agreement or any other agreement entered into with the Grantor, goods represented by bills of lading or warehouse receipts, (collectively referred to herein as the “Property in Stock”);
         1. the property having formed part of the Property in Stock at any time which remains the property of the Grantor pursuant to a reserve of property in its favor, notwithstanding any contract of alienation concluded with respect to such property in favor of third parties, remains subject to this hypothec so long as its ownership has not been transferred to such third parties;
      2. the Property in Stock which following its alienation becomes the property of the Grantor once again in virtue of a resolution, resiliation or repossession is also subject to the hypothec hereby constituted;
      3. all the Grantor’s claims, books debts, accounts receivable, debts, book accounts, demands and rights of action against third parties which now are or may at any time hereafter be due or owing to or owned by the Grantor, including, without in any way limiting the generality of the foregoing, the rights of the Grantor in its capacity as a seller under instalment sales in respect of claims arising from such sales, any and all claims for insurance against loss as well as all indemnities payable to the Grantor in virtue of civil liability insurance contracts, property insurance contracts and contracts of insurance of persons
      4. and the rights of the Grantor in the credit balance of the accounts maintained in its favor by the Creditor (subject to the latter’s rights of compensation), any financial institution or any other person, and all books, accounts, letters, invoices, papers and documents in any way evidencing or relating to the said claims, book debts, accounts receivable, debts, book accounts, demands and rights of action, together with all judgments, securities, contracts, bills of exchange, notes, hypothecs, suretyships, guarantees, security interests, letters of credit and all other rights and benefits in respect thereof which now are or may hereafter become vested in the Grantor (collectively referred to herein as the “Claim”);
         1. a claim, demand or right shall not be excluded from the Claim by reason only that its debtor is domiciled outside [STATE/PROVINCE] or is an affiliate (as defined in the [COUNTRY] Business Corporations Act) of the Grantor (irrespective of its [YOUR COUNTRY LAW] of incorporation), or that the claim, demand or right is not related to the Grantor’s activities);
      5. all the machinery, equipment, furniture, fixtures and other movables acquired by the Grantor from the Creditor pursuant to the Agreement, as more particularly described in Schedule B hereto, including the electrical wiring to the motor starter and any process piping related to the operation of each particular piece of equipment mentioned in Schedule B hereto, including switches, starters and necessary accessories to operate such equipment now present at the location identified in Schedule C hereto (collectively, the “Equipment”); and
      6. the fruits and revenues of the Property in Stock, Claims and Equipment, as well as all the bills of exchange, bank drafts, securities, sums of money and expropriation indemnities delivered or paid pursuant to a sale, repurchase, distribution or other operation in respect of any of the property hypothecated in favor of the Creditor hereunder or in virtue of any other deed or contract.
   2. The Grantor and Creditor have expressly agreed that the hypothecs herein granted shall at all times be (i) first-ranking only on that portion of the Charged Property composed of Property in Stock which was purchased by the Grantor from the Creditor and Sternson Limited (“Sternson”) pursuant to the Agreement (hereinafter, the “Inventory”) and (ii) second-ranking in respect of the Claim and subordinate to all charges, liens, security interests and hypothecs granted by the Grantor to its principal banker(s) (the “Bank”) for the present and future financings and borrowings of the Grantor from the Bank. The Creditor hereby undertakes to execute an appropriate Subordination Agreement in form reasonably required from time by the Bank in its favor within [NUMBER] Business Days of receipt of a written request for same from the Grantor to confirm and acknowledge that the security granted by the Grantor to the Bank in the Claim ranks ahead and in priority to the security granted by the Grantor to the Creditor in the Claim.
2. **ADDITIONAL HYPOTHEC**

As security for the full and final performance of the Obligations which are not secured by the principal hypothec granted under the provisions of Section 3.1, including, without in any way limiting the generality of the foregoing, interest on overdue interest, and all costs and expenses arising from the preservation of the Mortgaged Property and the realization of the hypothecs created herein, the Grantor hereby hypothecates the Mortgaged Property to and in favor of the Creditor to the extent of [AMOUNT] with interest thereon at the rate of [PERCENTAGE %] per annum, subject to the ranking and priorities established in Section 3.2 above.

1. **SPECIAL PROVISIONS RELATING TO THE HYPOTHEC ON CLAIMS**
   1. The Creditor expressly authorizes the Grantor to collect, when and as due, the capital and interest of the Claim becoming due from time to time until the Creditor notifies the Grantor of the withdrawal of the present authorization.
   2. In the event that the capital or interest of any of the Claim is paid to the Grantor following the receipt of such a notice, the Grantor shall hold same on gratuitous deposit on behalf of and for the benefit of the Creditor and shall deposit same, as depositary of the Creditor, in an account with a financial institution designated by the Creditor, which account shall be opened at that moment and for that purpose only, and shall pay over said amounts to the Creditor forthwith following demand therefor, the Grantor hereby expressly acknowledging the Creditor’s rights of ownership to said capital and interest.
   3. Notwithstanding the fact that the deposit shall be gratuitous, the Creditor hereby acknowledges that the Grantor shall be entitled to the interest on the capital and interest held on deposit provided that the Grantor is not in default in restoring the capital and interest deposited to the Creditor following a demand from the latter to that effect.
   4. The Grantor hereby acknowledges that it shall be bound by the obligation to hold the capital and interest of the Claim on deposit and all obligations accessory thereto immediately upon receipt from the Creditor of a notice of the withdrawal of the authorization given in this Article. In respect of such deposit, the Grantor expressly renounces to its rights to be reimbursed for the expenses incurred for the preservation of the capital and interest held on deposit and to be indemnified for any loss caused by the capital and interest deposited or by their premature restitution.
   5. The Grantor hereby assigns to the Creditor in any absolute manner all its present and future claims falling within the scope of Articles [NUMBER] and [NUMBER] of [YOUR COUNTRY LAW/ACT/RULE] as additional and continuing security for the performance of the Obligations. The Creditor may, at any time and from time to time, accomplish the formalities required by law in order to perfect the present assignment.
2. **REPRESENTATIONS AND WARRANTIES**
   1. The Grantor hereby represents and warrants that:

6.1.1 the Grantor is a corporation;

6.1.2 the Grantor’s head office or domicile is situated in [STATE/PROVINCE];

6.1.3 the Grantor has the necessary power and capacity to grant the hypothecs hereby constituted and to bind and oblige itself as set forth in this agreement;

6.1.4 neither the execution, delivery and performance by the Grantor of this agreement in accordance with its terms, nor the consummation of the transaction contemplated thereby conflicts with or results in a breach of the documents of incorporation or the by-laws of the Grantor or of any provision of any contract or other instrument by which the Grantor is bound;

6.1.5 the Grantor alone hold the rights of ownership in all of the Charged Property, save and except for future property, free and clear of all priorities, hypothecs, charges or other rights existing in favor of any person other than the Creditor and, in respect of the Claim only, the Bank;

6.1.6 the Grantor is a validly organized and subsisting corporation in good standing under the laws of its jurisdiction of incorporation;

6.1.7 this agreement has been duly authorized by all necessary corporate action on the part of the Grantor and duly executed and delivered by its duly authorized officers such that the obligations which it evidences are in full force and effect and constitute binding obligations of the Grantor;

6.1.8 no creditor of the Grantor has, within the meaning of Articles [NUMBER] and [NUMBER] of the Civil Code of [STATE/PROVINCE], given value in the [NUMBER] days preceding the execution of these presents;

* + 1. the Property in Stock is and shall be located in the place or places designated in Schedule C attached hereto, and every other place or places wheresoever situated which may at any time be owned, occupied or used by the Grantor and in transit to and from each and everyone of the aforesaid places;

6.1.10 the Grantor is not a creditor of any claim referred to in paragraph 5.4;

6.1.11 all federal, provincial and other tax returns of the Grantor have been duly filed and all federal, provincial and other taxes, assessments and other governmental charges or levies upon the Grantor and any of its property, income, profits and assets, which are due and payable, have been paid; and

6.1.12 it is in the ordinary course of the Grantor’s enterprise to sell property of the same kind as the Charged Property, with the exception of the Claim.

1. **COVENANTS**
   1. The Grantor hereby covenants and agrees that it will:

7.1.1 not create, assume, incur or suffer to exist, directly or indirectly, any hypothec, priority, charge or any other right whatsoever on the Charged Property other than in favor of the Creditor, and in respect of the Claim only, the Bank;

7.1.2 give the Creditor notice in writing of:

7.1.2.1 any change in the representations and warranties made by the Grantor in Section 6;

7.1.2.2 the name of any surety having guaranteed the payment of the Claims;

7.1.2.3 the name of the insurers who are party to the insurance contracts envisaged herein;

7.1.2.4 the existence of any hypothec, priority, charge or security created, as well as the existence of any right of property reserved or transferred in order to secure the Claim and, in this case, to provide the Creditor upon demand with satisfactory proof that the rules of publicity provided by the law have been respected in order to render the Creditor’s rights against third parties opposable to them;

7.1.3 inform the Creditor of each new claim contemplated at Section 5.4;

7.1.4 provide the Creditor with any information that the latter could reasonably require in relation to the Charged Property or in order to verify whether the Grantor is respecting its Obligations. The Grantor shall inform the Creditor of any fact or event that might have an adverse effect on the value of the Charged Property or on the Grantor’s financial situation;

7.1.5 keep proper books of accounts in respect of the Charged Property, in accordance with sound accounting practice, including a list of the names of the debtors of the Claim and their addresses, and will permit the Creditor, its officers, employees and authorized representatives to examine and obtain copies of same;

7.1.6 at the Grantor expense and at any time and from time to time, permit the Creditor, its officers employees and authorized representatives to examine, inspect or evaluate the Charged Property and, in this respect, will give the Creditor, its officers, employees and authorized representatives unrestricted access to the places where the Charged Property is located;

7.1.7 perform all acts and things and execute all documents as may be necessary to ensure that this hypothec remains effective and at all times opposable to third parties. The Grantor shall in particular execute at the request of the Creditor a timely notice of renewal hereof;

7.1.8 pay, upon demand, all fees and expenses including legal, notarial and professional fees incurred from time to time by or on behalf of the Creditor in connection with the negotiation, preparation, delivery, publication, amendment, renewal and discharge of this agreement and in connection with the enforcement of any of Creditor’s rights hereunder or the recovery or conservation of the Charged Property including all costs and expenses of maintenance, operation, administration, conservation and/or collection of the Charged Property and reasonable compensation for any person or firm engaged, employed or consulted by or on behalf of the Creditor to act in connection with the maintenance, operation, administration, conservation and or collection of any of the Charged Property;

7.1.9 pay to the Creditor, on demand, all sums expended by the latter for the fulfillment of any of the Grantor’s obligations hereunder, with interest thereon at the rate of [PERCENTAGE %] Percent per annum, calculated and compounded monthly and payable on demand, the whole without prejudice to the other rights of the Creditor;

* + 1. insure the Charged Property and maintain same insured at all times for an amount acceptable to the Creditor, against theft, fire, and any other cause or peril which in the opinion of the Creditor should be insured against. The policies evidencing such insurance shall contain no co-insurance clause and shall specifically provide that they cannot be cancelled unless the Creditor has been given written notice by the insurer of such proposed cancellation at least [NUMBER] days in advance.
    2. 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 and, at least [NUMBER] days prior to expiry of a policy, the Grantor shall deliver to the Creditor evidence of the renewal or replacement thereof. Each insurance policy shall be made on such terms and with such insurer as may be approved by the Creditor. The loss under each policy shall be made payable to the Creditor as named insured but the receipt by the Creditor of the proceeds of any insurance shall not operate as payment of the Obligations hereby secured unless such proceeds are expressly applied by the Creditor in reduction thereof, and to the extent only of such application. In the event of failure on the part of the Grantor to perform any obligation set forth in this Section, the Creditor may, at the expense of the Grantor, purchase such insurance, as it may deem appropriate;

7.1.11 protect, use and maintain the Charged Property and carry on and conduct its business so as to protect the value thereof. The Grantor shall comply with all requirements of the [YOUR COUNTRY LAW] and regulations applicable to the operation of its business and the ownership of the Charged Property, including [YOUR COUNTRY LAW] and regulations relating to the environment;

7.1.12 ensure that the Grantor’s rights of ownership in the Charged Property held by third persons remain opposable to such third persons and, in this respect, will publish same in accordance with the requirements of the [YOUR COUNTRY LAW];

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

7.1.14 not change the use or destination of the Charged Property nor the places where same are situated without the prior written consent of the Creditor;

7.1.15 pay and discharge all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or upon any properties belonging to it prior to the date on which penalties attach thereto;

7.1.16 not sell, alienate, assign or otherwise dispose of the Charged Property other than the Property in Stock, which may be rented or sold in the ordinary course of the Grantor’s enterprise.

1. **EVENTS OF DEFAULT**
   1. The occurrence of any of the following events shall constitute an event of default (herein referred to as an “Event of Default”):

8.1.1 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;

8.1.2 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;

8.1.3 should the Grantor cease to operate its enterprise or a substantial part thereof;

8.1.4 should the Grantor be in default under any agreement or contract binding it to the Creditor or to any other creditor;

8.1.5 should the Grantor destroy or deteriorate any Charged Property or materially diminish its value or the hypothecs hereby constituted;

* + 1. 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 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,
    2. 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 [ACT/LAW/RULE] of [COUNTRY] shall be referred to herein as a “Proceeding”); or if there is commenced against the Grantor any Proceeding and such Proceeding remains undismissed 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;

8.1.7 should any process of execution be enforced or levied upon the Charged Property 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;

8.1.8 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 Charged 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. 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. **RECOURSES**
   1. Upon the occurrence of an Event of Default, the Creditor may terminate forthwith any commitment that it had to make any advances or payments to the Grantor. The Creditor may also declare 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, an amount equal to the aggregate Obligations and exercise any rights it has in virtue of these presents or the [YOUR COUNTRY LAW].
   2. Upon the occurrence of an Event of Default, whatever hypothecary right the Creditor elects to exercise, the following provisions shall apply:
      1. the Creditor shall have the right, at the expense of the Grantor and in order to preserve or realize upon the Charged Property:

9.2.1.1 to transform the Charged Property or subject it to the operations to which the Grantor normally subjects it in the operation of its business;

9.2.1.2 to dispose of the Charged Property that may perish or deteriorate rapidly;

9.2.1.3 to use any information obtained by reason of the exercise of its rights;

9.2.1.4 to perform any of the Grantor’s Obligations;

9.2.1.5 to exercise any right with respect to the Charged Property;

9.2.1.6 in order to exercise any one of its rights, to use the places where the Grantor’s property is situated.

9.2.2 the Creditor may acquire directly or indirectly any of the Charged Property;

9.2.3 the Creditor may from time to time in the course of the exercise of its rights, renounce, with or without consideration, any right of the Grantor;

9.2.4 the Creditor shall not be bound to make an inventory, to take out insurance or to furnish any security;

9.2.5 the Creditor shall not be bound to continue operating the Grantor’s business nor to make the Charged Property productive or to preserve the same; and

9.2.6 the Creditor shall be deemed to have acted in the best interest of the Grantor and its successors if the Creditor has acted in good faith.

* 1. Where the Creditor exercises a right of taking in payment and the Grantor, inasmuch as it has the right to do so, requires that the Creditor sell the Charged Property upon which such recourse was exercised, the Grantor acknowledges that the Creditor shall not be bound to abandon the right of taking in payment unless the Creditor has obtained, before the end of the period allowed for surrender, (i) a satisfactory security guaranteeing that the sale will be made at a sufficiently high price to enable the Creditor’s claim to be paid in full, (ii) the full reimbursement of all costs thus incurred by it, including lawyers’ fees and consultants’ fees and (iii) an advance of the funds needed for the sale of the said property. The Grantor hereby acknowledges that the Creditor may elect the method of such sale.
  2. The Grantor shall be deemed to have surrendered the Mortgaged Property held by or on behalf of the Creditor if the Creditor shall not have received, within the delays prescribed by [YOUR COUNTRY LAW] or by a court for surrender, a written notice from the Grantor to the effect that it opposes the exercise of the hypothecary right specified in the prior notice.
  3. If the Creditor itself sells the Charged Property, it shall not be required to obtain any prior appraisal thereof.
  4. The sale by the Creditor of the Charged Property may be concluded by the Creditor without legal warranty or, at its option, without any warranty whatsoever.

1. **MISCELLANEOUS**
   1. 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.
   2. 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 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.
   3. 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 or right.
   4. The Creditor is not bound by any degree of care beyond a reasonable diligence in the exercise of its rights or in the performance of its duties, and it shall not be liable for any loss or damage resulting therefrom except as a result of its own intentional or gross fault.
   5. 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 Mortgaged Premises.
   6. The property or sums of money received or held by the Creditor by reason of these presents may be invested by the Creditor in such manner, as it shall deem appropriate without regard to rules governing the administration of the property of others.
   7. This Agreement shall continue in full force and effect until the Creditor shall have discharged the Grantor of all its Obligations hereunder.
   8. Every obligation of the Grantor hereunder is and will remain indivisible and the performance thereof in its entirety may be claimed from each of the heirs, legatees, liquidators of any succession, trustees or legal representatives of the Grantor.
   9. If there be more than one Grantor hereunder, all of the obligation of the Grantor shall be and remain solidary obligations of such persons, each waiving the benefits of division and discussion such that each of them may be compelled separately to perform all of the Grantor’s obligations hereunder.
   10. 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 [PERCENTAGE %] Percent per annum.
   11. 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.
   12. 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 all references to [AMOUNT] shall mean [COUNTRY].
   13. The division of these presents 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 these presents.
   14. 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].

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

**SCHEDULE A**

OTHER ASSETS

(a) Computer Equipment: all of the Creditor’s right, title and interest in laboratory computer hardware equipment used in the Business.

(b) Customer Lists and Information: all customer lists, files, data and information, or copies thereof at the Creditor’s discretion, relating to customers and prospective customers of the Business as of the Closing Time including, without limitation, any customer list which shall have been delivered by the Creditor to the Grantor prior to Closing.

(c) Customer Contracts: all right, title and interest of the Creditor in and to sales orders relating to the Elected Groups accepted by the Creditor prior to the Closing Date as provided in [SPECIFY] of the Agreement.

(d) Business Records: all sales and purchase records, lists of suppliers, credit information, costs and pricing information, business reports, current operating manuals, data and information, financial and otherwise, in any format and media whatsoever, relating to the Purchased Assets, provided that at the Creditor’s option the Creditor may elect to deliver only copies of any of the foregoing to the Grantor.

(e) Goodwill, Name: the goodwill of the Business insofar as it relates to the Purchased Assets, including the right to the use of the name Sternson as part of the name [SPECIFY] in accordance with the Name License.

(f) Technology, Intellectual Property and Software: all trade secrets, formulae and information to produce Elected Groups, research designs, proprietary know-how, technical information, specifications and materials in whatever form or media recording or evidencing technology or proprietary information used in or relating to the Purchased Assets, and all rights and interests in and to all inventions, patents, applications for patents, copyrights, trademarks, trade mark registrations, trade names, industrial designs and other intellectual property used in connection with or relating to the Purchased Assets, and all computer software used in the laboratory computer equipment including all related code, to the extent to which the same may be transferable by the Creditor, specifications, documentation, revisions, enhancements and modifications thereto, in whatever form and media.

(g) License Rights: all license and distribution rights relating to the Elected Groups granted to the Creditor by any third party under all contracts and agreements (written or oral) to the extent to which the same are transferable by the Creditor to the Grantor.

(h) Regulatory Licenses: all licenses, registrations and qualifications of the Creditor relating to the Purchased Assets required by any governmental or regulatory authority, to the extent transferable.

(i) Supply Contracts: the full benefit of all contracts providing for the supply of goods and services to the Business relating to the Purchased Assets.

(j) Warranty Rights and Maintenance Contracts: the full benefit of all warranties and warranty rights (express and implied) against manufacturers or Creditors, which apply, to any of the Purchased Assets.

(k) Other Agreements: the benefit of the Lease and all of the Creditor’s rights, title and interest and obligations to and under all other contracts and agreements (written or oral) relating directly or indirectly to the Purchased Assets.

**SCHEDULE B**

EQUIPMENT

QTY DESCRIPTION MODEL # COMMENTS

Warehouse

[SPECIFY]

Office

[SPECIFY]

**SCHEDULE C**

[COMPANY NAME]LOCATION OF PROPERTY IN STOCK

[FULL ADDRESS]

[STATE/PROVINCE]