

A SIMPLE SECURED TRANSACTION

NOT PRECEDENTS: For teaching purposes only

SECURITY AGREEMENT dated as of July 1, 2012, between ABC Company, a Florida corporation, located at 123 Main Street, Allemonde City, State of Utopia 123456 (the “Debtor”) and Big Bank, N. A. (the “Secured Party”), located at One Capitalist Plaza, Coconut Beach, State of Sunshine 920311.

1. The Debtor hereby grants and creates a security interest in favor of the Secured Party in the Collateral to secure repayment of the Secured Obligations.

2. As used in this Agreement, the following terms have the meanings indicated:

“Collateral” means all right, title and interest of the Debtor in its personal property assets, whether tangible or intangible, including without limitation: accounts, chattel paper, commercial tort claims, deposit accounts, equipment, fixtures, insurance policies, intellectual property, inventory, investment property and vehicles, whether now owned or hereafter acquired, together with all distributions, products and proceeds of the foregoing (all as defined in the Uniform Commercial Code).

“Secured Obligations” means the U.S.\$ 1,000 loan made by the Secured Party to the Debtor on the date hereof pursuant to that certain SECURED NOTE dated as of the date hereof, and all interest, fees and other charges with respect thereto, including attorney’s fees and legal expenses incurred by the Secured Party with respect to (i) any Secured Obligation or (ii) retaking, holding, preparing for disposition, processing or disposing of any Collateral.

3. The Debtor agrees that 5 business days advance notice constitutes reasonable notice for any proposed disposition of Collateral by the Secured Party.

In Witness whereof, ABC Company has caused this Security Agreement to be signed by its duly authorized officer.

ABC COMPANY

By: /s/ Carlotta Careful

Name:

Title:

SECURED NOTE

Date: July 1, 2012

ABC Company promises to pay to the Order of BIG BANK, N.A., its successors or assigns, the sum of ONE THOUSAND DOLLARS (\$1,000), on July 1, 2015, with interest thereon at 10.0% per annum commencing from the date of this Note, with interest payable on the first business day of each quarter, commencing on October 1, 2012.

BIG BANK, N.A., has the right to demand payment of the principal amount outstanding, together with any unpaid interest thereon prior to the maturity of the principal amount thereof on July 1, 2015, at any time if BIG BANK, N.A. deems itself insecure with respect to the payment hereunder. Failure to pay all principal and interest upon such a demand shall constitute a default for which ABC Company may exercise any and all remedies available at law or equity.

IN WITNESS WHEREOF, a duly authorized officer of ABC Company has set his/her hand, acting for ABC Company, and affixed the seal of ABC Company, on the above date in Coconut Beach, State of Sunshine.

ABC COMPANY [SEAL]

by /s/ Carlotta Careful

Name: Carlotta Careful

Title: Vice President and Treasurer

ABC Company

**STATE OF FLORIDA UNIFORM COMMERCIAL CODE
FINANCING STATEMENT FORM**

A. NAME & DAYTIME PHONE NUMBER OF CONTACT PERSON
B. SEND ACKNOWLEDGEMENT TO: Name
Address
Address
City/State/Zip

**THE ABOVE SPACE IS FOR
FILING OFFICE USE ONLY**

1. DEBTOR'S EXACT FULL LEGAL NAME – INSERT ONLY ONE DEBTOR NAME (1a OR 1b) – Do Not Abbreviate or Combine Names

1.a ORGANIZATION'S NAME				
1.b INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
1.c MAILING ADDRESS Line One		This space not available.		
MAILING ADDRESS Line Two		CITY	STATE	POSTAL CODE COUNTRY
1.d TAX ID#	REQUIRED ADD'L INFO RE: ORGANIZATION DEBTOR	1.e TYPE OF ORGANIZATION	1.f JURISDICTION OF ORGANIZATION	1.g ORGANIZATIONAL ID# NONE <input type="checkbox"/>

2. ADDITIONAL DEBTOR'S EXACT FULL LEGAL NAME – INSERT ONLY ONE DEBTOR NAME (2a OR 2b) – Do Not Abbreviate or Combine Names

2.a ORGANIZATION'S NAME				
2.b INDIVIDUAL'S LAST NAME		FIRST NAME	MIDDLE NAME	SUFFIX
2.c MAILING ADDRESS Line One		This space not available.		
MAILING ADDRESS Line Two		CITY	STATE	POSTAL CODE COUNTRY
2.d TAX ID#	REQUIRED ADD'L INFO RE: ORGANIZATION DEBTOR	2.e TYPE OF ORGANIZATION	2.f JURISDICTION OF ORGANIZATION	2.g ORGANIZATIONAL ID# NONE <input type="checkbox"/>

[THE UCC-1 FORM CONTINUES ON NEXT PAGE OF TEACHING MATERIALS; NORMALLY, THE UCC-1 FORM APPEARS ON A SINGLE PAGE]

3. SECURED PARTY'S NAME (or NAME of TOTAL ASSIGNEE of ASSIGNOR S/P) – INSERT ONLY ONE SECURED PARTY (3a OR 3b)

3.a ORGANIZATION'S NAME				
3.b INDIVIDUAL'S LAST NAME	FIRST NAME	MIDDLE NAME	SUFFIX	
3.c MAILING ADDRESS Line One	This space not available.			
MAILING ADDRESS Line Two	CITY	STATE	POSTAL CODE	COUNTRY

4. This FINANCING STATEMENT covers the following collateral:

5. ALTERNATE DESIGNATION

(if applicable)

LESSEE/LESSOR CONSIGNEE/CONSIGNOR BAILEE/BAILOR
 AG. LIEN SELLER/BUYER NON-UCC FILING

6. Florida DOCUMENTARY STAMP TAX – YOU ARE REQUIRED TO CHECK EXACTLY ONE BOX

All documentary stamps due and payable or to become due and payable pursuant to s. 201.22 F.S., have been paid.

Florida Documentary Stamp Tax is not required.

7. OPTIONAL FILER REFERENCE DATA

STANDARD FORM - FORM UCC-1 (REV.01/2009) Filing Office Copy Approved by the Secretary of State, State of Florida