**DEBENTURE PLEDGE AGREEMENT**

This Debenture Pledge Agreement, herein referred to as “the Agreement”, is legal and valid effective [DATE],

BETWEEN:

[COMPANY'S NAME], herein referred to as “the Company”, a company valid and existing under the laws of the [STATE/PROVINCE] OF [SPECIFY STATE/PROVINCE], with its company office located at:

[COMPLETE ADDRESS]

AND:

[COMPANY NAME], herein referred to as the “Lender”, a company valid and existing under the laws of the [STATE/PROVINCE] OF [SPECIFY STATE/PROVINCE], with its company office located at:

[COMPLETE ADDRESS]

IN CONSIDERATION HEREOF, both parties have come to agree on the following terms, to wit:

1. [COMPANY'S NAME] commits to the Lender the debenture listed in Schedule A (which shall be referred to as the Debenture), with all of its renewals, substitutions, accretions, and income as general and continuing collateral security, as well as a pledge for the payment or fulfillment of all the indebtedness, obligations and liabilities of any sorts, whether present and future, direct or indirect, absolute or contingent. The Lender, in return, shall take hold of the list and willingly acknowledge the same being [COMPANY'S NAME] Obligations.

2. Failure of [COMPANY'S NAME] to fulfill any of its Obligations, the Lender shall have the right to demand payment and realize by the security of his Debenture, from which the Lender may, at his disposal, exercise all the rights and remedies being the Debenture holder. Further, the Lender shall take charge of certain trust deed of hypothec, mortgage and pledge bearing formal date of [DATE] executed by [COMPANY'S NAME] in favor of [NAME] as if it is the absolute owner of the Debenture.

3. Lender shall take hold as security all income and realization of the Debenture, after all expenses have been deducted thereof, and with interest on these expenses at a rate of [NUMBER]% per year. The Lender may, likewise, apply at his disposal these income and realization against any of [COMPANY'S NAME] Obligations, whichever the Lender deems best.

4. The Lender shall be regarded as the owner of the Debenture with regard the Trustee under the Trust Deed for all intents and purposes of the Trust Deed in case there is an Event of Default on [COMPANY'S NAME] part. The Lender may exercise all rights, remedies, powers, privileges, guarantees, and recourses available being the known Debenture holder under the Trust Deed.

5. The Lender, however, shall not have the right to realize the Debenture or to permit the alienation of the same. It shall not likewise be responsible for any loss that may result from the sale of the Debenture, its retention or refusal to sell, dispose of or realize upon the same. Further, the Lender shall not collect or receive the interest or to demand payment as far as the Debenture is concerned.

6. The Lender may deal with [COMPANY'S NAME] and all other persons and securities if it deems needed when it comes to period, renewals, extensions, indulgences, releases and discharges to the Debenture. The Lender may likewise take securities from, accept compositions from, or surrender the same on the Debenture, but at the same time it is abstained from taking securities or from perfecting securities already received. Said acts can be conducted without prejudice to the Lender’s right to handle or realize on the Debenture in whatever manner which it considers practical.

7. The Lender, on realizing upon the Debenture, shall not be authorized to collect or claim a right to collect an amount in excess of the total of all sums of principal, interest and costs due to the Lender and arising from the Obligations as specified in the preceding clauses. Included as well are all other sums and/or expenses incurred by the Lender or those other dues in which [COMPANY'S NAME] is deemed liable for reasons set forth under any agreement and was entered into in relation with the Obligations.

8. [COMPANY'S NAME] shall carry out, at [COMPANY'S NAME]’s expense, every transfer and every document that the Lender may request to be carried out in order to give full force to the undertakings of [COMPANY'S NAME] as stipulated in this Pledge Agreement or other matters that are considered necessary to be conferred upon the Lender or its appointees to take ownership of the Debenture.

9. The present Pledge Agreement shall become continuous and enforceable whenever deemed necessary and as often similar to any existing Obligations.

10. This Pledge Agreement may be taken per section and executed in any number of counterparts, and each shall be considered original. Each separate counterparts, however, shall form and constitute one and of the same instrument.

11. This Pledge Agreement, its interpretation and enforcement shall have the laws of the [STATE/PROVINCE] of [SPECIFY STATE/PROVINCE] as its governing law.

IN WITNESS WHEREOF, each party to this agreement has willingly executed the same at [PLACE OF EXECUTION] on the date indicated herein.

COMPANY LENDER

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Authorized Signature Authorized Signature

Print Name and Title Print Name and Title

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# **SCHEDULE A**

**DESCRIPTION OF THE DEBENTURE / DEBENTURES**

Debenture Certificate No.:

Series:

Amount:

Nature: