



SECURITY AGREEMENT - CONSUMER CREDIT -

DATE: _____

FROM: _____

Address: _____

Date of Birth: _____

and: _____

Address: _____

Date of Birth: _____

(collectively referred to hereinafter as the "Debtor")

TO: _____

(hereinafter called the "Credit Union")

1. SECURITY INTEREST

The Debtor for valuable consideration hereby assigns, transfers, sets over, mortgages, charges and grants to the Credit Union a security interest in the following motor vehicle(s):

Make	Year	Model	Style	Serial Number	Colour	Ontario Plate Number

and the property, if any, described in Schedule A attached hereto and any and all substitutions or replacements thereof, increases, additions or accessions thereto and any interest of the Debtor therein (all of which shall hereinafter be referred to as the "Collateral").

In this Agreement, any reference to the word "Collateral" shall, unless the context otherwise requires, refer to "Collateral or any part thereof". In this Agreement, the word "Collateral" shall include the proceeds thereof. Until default, the Debtor may have possession of the Collateral and enjoy the same subject to the terms hereof.

2. OBLIGATIONS SECURED

The fixed and specific mortgages, charges and security interests granted hereby (check and initial as appropriate):

- (a) secure payment to the Credit Union of all debts and liabilities, present or future, direct or indirect, absolute or contingent, matured or not, at any time owing by the Debtor to the Credit Union or remaining unpaid by the Debtor to the Credit Union, whether arising from dealings between the Credit Union and the Debtor from other dealings or proceedings by which the Credit Union may be or become in any manner whatever a creditor of the Debtor and whatever incurred, and in any currency, and whether incurred by the Debtor alone or with another or others and whether as principal or surety, including expenses under paragraph 5 of this Agreement and all interest, commissions, legal and other costs, charges and expenses (all of the foregoing being herein called, and included in, the "Obligations");
- (b) secure payment to the Credit Union of the principal amount of \$ _____ and interest on the unpaid principal amount at the rate of _____ % per year calculated daily and payable monthly, as well after as before maturity, default and judgment and interest on overdue interest at the rate aforesaid (the principal amount and accrued and unpaid interest being herein called, and included in, the "Obligations").

3. REPRESENTATIONS AND WARRANTIES

The Debtor represents and warrants as follows:

- (a) the Debtor is, or is to become, the beneficial owner of the Collateral;
- (b) the Collateral is, or will be when acquired, free and clear of all security interests, mortgages, hypothecs, charges, liens, encumbrances, taxes and assessments; and
- (c) the Debtor's name, address and the date of birth shown at the beginning of this agreement are correct.

4. COVENANTS

The Debtor hereby agrees that:

- (a) MAINTAIN, USE, ETC - the Debtor shall diligently maintain, use and operate the Collateral in a proper and efficient manner so as to preserve and protect the Collateral and the earnings, incomes, rents, issues and profits thereof;
- (b) INSURANCE - the Debtor shall cause all of the Collateral to be properly insured and kept insured with reputable insurers against loss or damage by fire or other hazards and shall maintain such insurance with loss payable to the Credit Union and shall deliver to the Credit Union evidence of such insurance satisfactory to the Credit Union and if the Debtor fails to obtain satisfactory insurance, the Credit Union shall have the right to obtain it at the Debtor's expense;
- (c) RENT, TAXES, ETC - the Debtor shall pay all rents, taxes, rates, levies, assessments and government fees or dues lawfully levied, assessed or imposed in respect of the Collateral or any part thereof as and when the same shall become due and payable, and shall exhibit to the Credit Union, when required, the receipts and vouchers establishing such payments;
- (d) OBSERVE LAW - the Debtor shall duly observe and conform to all valid requirements of any governmental authority relative to any of the Collateral and all covenants, terms and conditions upon or under which the Collateral is held;
- (e) INFORMATION - the Debtor shall furnish to the Credit Union such information with respect to the Collateral and the insurance thereon as the Credit Union may from time to time require and the Credit Union may examine and inspect the Collateral at any time upon reasonable notice;
- (f) OTHER ENCUMBRANCES - the Debtor shall not, without the prior consent in writing of the Credit Union, create any security interest, mortgage, hypothec, charge, lien or other encumbrance upon the Collateral of any part thereof;
- (g) DEFEND TITLE - the Debtor shall defend the title to the Collateral against all persons and shall, upon demand by the Credit Union, furnish further assurance of title and further security for the Obligations and execute any written instruments or do any other acts necessary, to make effective the purposes and provisions of this Agreement;

- (h) DEALINGS WITH THE COLLATERAL - the Debtor shall not sell, exchange, assign or lease or otherwise dispose of the Collateral or any interest therein without the prior written consent of the Credit Union;
- (i) MOTOR VEHICLE - the Debtor shall, if any part of the Collateral is a motor vehicle, not remove the motor vehicle from the Province of Ontario; and
- (j) CHANGE OF NAME - the Debtor shall not change its name.

5. IMMEDIATE POSSESSION

Upon failure of the Debtor to perform any of the agreements described in paragraph 4 hereof, the Credit Union is authorized and has the option to take immediate possession of the Collateral and, whether it has taken possession or not, to perform any of the agreements in any manner deemed proper by the Credit Union, without waiving any rights to enforce this Agreement. The expenses (including the cost of any insurance and the amount of taxes or other charges and reasonable solicitors' costs and legal expenses) incurred by the Credit Union in respect of the custody, preservation, use or operation of the Collateral shall be repaid forthwith by the Debtor to the Credit Union immediately after they are incurred, shall bear interest at the rate of 20% per annum and the repayment of such expenses and interest thereon shall be secured by this Agreement.

6. EVENTS OF DEFAULT

At the option of the Credit Union, the Obligations shall immediately become due and payable in full upon the happening of any of the following events:

- (a) if the Debtor shall fail to pay or perform when due any of the Obligations;
- (b) if the Debtor shall fail to perform any provisions of this Agreement or of any other agreement to which the Debtor and the Credit Union are parties;
- (c) if any of the representations and warranties herein is or becomes incorrect in any respect at any time;
- (d) if the Debtor or any guarantor of any of the Obligations dies, commits an act of bankruptcy, assigns or is petitioned into bankruptcy, becomes insolvent, or proposes a compromise or arrangement to its creditors;
- (e) if any execution, sequestration or any other process of any court becomes enforceable against the Debtor or any guarantor of any of the Obligations or if any distress or analogous process is levied upon the Collateral or any part thereof;
- (f) if the Credit Union in good faith believes the prospect of payment or performance of any of the Obligations is impaired.

7. REMEDIES

If pursuant to paragraph 6 hereof, the Credit Union declares that the Obligations shall immediately become due and payable in full, the Debtor and the Credit Union shall have, in addition to any other rights and remedies provided by law, the rights and remedies of a debtor and a secured party respectively under the PERSONAL PROPERTIES SECURITY ACT, 1989 and those provided by this Agreement. The Credit Union may take immediate possession of the Collateral and enforce any rights of the Debtor in respect of the Collateral to assemble and deliver the Collateral or make the Collateral available to the Credit Union at a reasonably convenient place designated by the Credit Union. The Credit Union may take proceedings in any court of competent jurisdiction to sell, lease or otherwise dispose of the whole or any part of the Collateral at public auction, by public tender or by private sale, either for cash or upon credit, at such time and upon such terms and conditions as the receiver may determine.

8. EXPENSES

Any proceeds of any disposition of any of the Collateral may be applied by the Credit Union to the payment of expenses incurred in connection with the retaking, holding, repairing, processing, preparing for disposition and disposing of the Collateral (including solicitors' fees and legal expenses and any other expenses), and any balance of such proceeds may be applied by the Credit Union towards the payment of the Obligations in such order of application as the Credit Union may from time to time effect. All such expenses and all amounts borrowed on the security of the Collateral under paragraph 7 hereof shall bear interest at 20% per annum and shall be Obligations under this Agreement. If the disposition of the Collateral fails to satisfy the Obligations and the expenses incurred by the Credit Union, the Debtor shall be liable to pay for any deficiency on demand.

9. MISCELLANEOUS

The Debtor and the Credit Union further agree that:

- (a) the Debtor shall not be discharged by any extension of time, additional advances, renewals and extensions, the taking of further security, releasing security, extinguishment of mortgages or charges or the security interest as to all or any part of the Collateral, or any other act except a release or discharge of the mortgages or charges or security interest upon the payment in full of the Obligations including charges, expenses, fees, costs and interest;
- (b) any failure by the Credit Union to exercise any right set out in this Agreement shall not constitute a waiver thereof; nothing in this Agreement or in the Obligations shall preclude any other remedy by action or otherwise for the enforcement of this Agreement or the payment or performance in full of the Obligations secured by this Agreement;
- (c) all rights of the Credit Union hereunder shall be assignable and in any action brought by an assignee to enforce such rights, the Debtor shall not assert against the assignee any claim or defence which the Debtor now has or may hereafter have against the Credit Union;
- (d) the Debtor agrees that all proceeds of the Collateral shall be held in trust by the Debtor for the Credit Union;
- (e) all rights of the Credit Union hereunder shall enure to the benefit of its successors and assigns and all obligations of the Debtor hereunder shall bind the Debtor, his heirs, executors, administrators, successors and assigns;
- (f) if more than one person executes this Agreement as Debtor, their obligations under this Agreement shall be joint and several;
- (g) this Agreement shall be governed in all respects by the laws of the Province of Ontario;
- (h) the Debtor hereby acknowledges receipt of an executed copy of this Agreement; and
- (i) this Agreement shall become effective when it is signed by the Debtor.

SIGNED, SEALED AND DELIVERED as of the date first above written.

Witness

Debtor



Debtor

