

**SECURITY AGREEMENT
CONSUMER CREDIT**

\$ _____

ACCOUNT NO. _____

Date _____

Date of Birth _____

Registration Period _____ Mos

BETWEEN

Borrower's Full Legal Name and Usual Address:

Co-borrower's Full Legal Name and Usual Address:

AND:
Name and Address of Lender:

(" the Mortgagee ")

In this security agreement, the words you and your mean both the borrower and co-borrower, if any. We, our and us means the Mortgagee.

We have made a loan to you in the amount of \$ _____

as evidenced by a promissory note or personal line of credit agreement executed by yourself and delivered to us.

1. WHAT THIS SECURITY AGREEMENT DOES AND THE PROPERTY IT COVERS. In return for us lending you money under the promissory note or personal line of credit agreement secured by this security agreement and as further security to cover all loans and monies which may now or hereafter be due by the borrowers to the Mortgagee, including a ten dollar (\$10.00) discharge fee to discharge our security interest under the Personal Property Security Act of Nova Scotia ("PPSA"), you grant to us a security interest in the personal property listed below (which may include serial numbered goods such as motor vehicles, trailers, mobile homes, aircraft, boats or outboard motors for boats) and in any substitutions, replacements, additions or accessories to the personal property listed below, all of which will be referred to in this security agreement as "the property".

Make	Year	Model	Style	Asset Identification No./ Serial No.	Colour

1A. The Borrower hereby grants to the secured party a purchase money security interest in the goods enumerated in Section 1 above to the extent of \$ _____

Under the security agreement you grant a security interest in the property to us as security for the repayment of the loan evidenced by the promissory note or personal line of credit agreement, all monies which you may presently owe or hereafter owe to us and of any additional amounts which we may become entitled to charge you under this security agreement. When you pay in full what you owe us under the promissory note, personal line of credit agreement, security agreement and any other monies which you may owe us from time to time, including a ten dollar (\$10.00) discharge fee to discharge our security interest under the PPSA, our security interest in the property will come to an end. Any attachments, accessories or repairs made to the property are considered part of the property and our security interest under the security agreement extends to any proceeds from the sale, transfer and insurance of the property.

All words and phrases which are defined in the PPSA and not otherwise defined in this security agreement shall have the meanings respectively ascribed to them in the PPSA.

2. CARE OF PROPERTY. You promise to keep the property in good repair and replace all worn, broken or defective parts. If you fail to do this, we can make repairs and charge you for them. We have the right to inspect the property at any reasonable time.

3. USE OF THE PROPERTY. You agree not to lease the property or to sell or transfer any interest in it or to give possession or control to any one else without our written permission. The property must not be used in any illegal manner. You also agree not to remove the property from the Province of Newfoundland for more than 30 days without our written approval.

4. CLAIMS AGAINST THE PROPERTY. You confirm that no one but us has any legal interest in the property. You will keep the property clear of all legal claims against it except ours. If you don't, we have the right to settle the claim and charge you what it cost, including incidental expenses which include our legal expenses.

5. LOSS OR DESTRUCTION OF THE PROPERTY. You must keep the property insured against loss or damage from fire and theft. If the property is an automobile, you must also insure it against collision. If it is a mobile home you must also insure it against wind damage. You agree to carry additional insurance coverage if we ask.

The insurance you carry on the property must be equal to its fair market value or replacement cost, whichever is greater. If you fail to carry adequate insurance, we have the right to get it for you and charge you for the premium and administration fee. You must notify any insurance company which has provided coverage to you on the property of our interest in the property, and you must also ensure that the proceeds payable under all insurance policies issued with respect to the property are made payable to us as our interest may appear.

If the property is damaged, you will use the proceeds of the insurance to repair the property. However if the property is lost, stolen or substantially destroyed, we have the right to decide whether to use insurance proceeds to replace the property or to apply them to what you owe.

The loss, destruction or damage of the property does not excuse you from making payments unless the insurance proceeds paid to us pay the total balance due.

6. SPECIAL PAYMENTS. If we make any payments for repairs, insurance, to defend claims against the property or to register, renew or maintain our security interest under the PPSA, you will reimburse us, with interest, when we ask. Any such payments will bear interest at the rate specified in the promissory note or personal line of credit agreement from the date we made them until you have reimbursed us in full.

7. TOTAL BALANCE DUE. We can require that the total balance of the promissory note; and anything else you owe us under this security agreement be paid at once, without prior notice or demand, if any of the following events take place:

- (1) You fail to pay the loan plus interest in accordance with the terms of the promissory note or personal line of credit agreement; or
- (2) You fail to pay, when we ask, any amount we are entitled to charge you for making repairs, maintaining insurance or clearing claims against the property; or
- (3) You break any of your promises under this security agreement; or any other agreement with us; or
- (4) You become insolvent or bankrupt; or
- (5) The property is destroyed or substantially damaged; or
- (6) The property is seized in any legal proceeding; or
- (7) Anything else happens that we believe endangers your ability to pay or that we believe endangers the property in any way.

8. ENFORCING OUR RIGHTS. We may enforce our rights to be paid the total balance due by you, by:

- (1) Suing you for what you owe; or
- (2) Enter, without notice or demand, with or without legal process, any premises where the property is located and take possession of the property. We have the right to sell the property in accordance with law at private or public sale or auction upon such terms and manner as we may see fit and we have the right to bid and purchase the property. Proceeds on disposition of the property will be distributed in accordance with the PPSA. If there is a balance still owing to us after we have sold the property and subtracted the total amount you owe us plus all our costs, you must pay us the deficiency; or
- (3) Taking such other action as we see fit; or
- (4) Exercising, in addition to any other rights and remedies provided by law, the rights and remedies of a secured party under the PPSA.

9. PREPAYMENT OPTIONS. If the Chattels securing this Mortgage consist of a mobile home or a mini home, the following prepayment options will apply:

A. Prepayment Privileges

- 1. MONTHLY You are permitted to pay up to double the monthly principal and interest contracted mortgage payment without prepayment charges regardless of the contracted rate or the current rate, provided payments are up-to-date. This privilege is non-cumulative.
- 2. ANNUALLY In addition to increasing the monthly repayment, you are permitted to prepay, without prepayment charges, up to twenty (20%) percent of the outstanding principal balance once in any twelve (12) month period. Regular monthly payments must continue without interruption. This privilege is non-cumulative.

B. Prepayment Charges

You are permitted to pay off your Mortgage, in whole or in part, upon payment of the greater of a bonus equal to three (3) months interest at the rate set out in the Note or the Extending Agreement, or an amount in compensation for loss of interest (if any) on the amount of the prepayment, where the interest rate of your Note and any subsequent renewals is greater than the current League Savings and Mortgage interest rate for mortgages of a similar term to maturity.

10. EXTENSIONS OR RENEWALS. We have the right to extend, renew, amend or replace the promissory note or personal line of credit agreement secured by this security agreement with another promissory note or personal line of credit agreement without diminishing our interests in the property, or our rights or your obligations under this security agreement. Likewise, we may extend, renew, amend or replace the security agreement or the financing statement representing same without diminishing our interest in the property or our rights or your obligations under this security agreement and the financing statement.

11. WHO IS BOUND BY THIS SECURITY AGREEMENT. This security agreement is binding not only on all parties to it, but on their legal or personal representatives as well as anyone else to whom this security agreement is transferred.

12. SIGNING THIS SECURITY AGREEMENT. If you have read this security agreement and you agree to its terms, sign in the spaces provided for your signatures. You acknowledge receiving a completely filled in copy of it and waive your right to receive a verification statement regarding registration of our security interest under the PPSA. Witness must sign in the spaces provided for the witnesses signature.

Witness Signature

Witness Signature

Borrower Signature Seal

Co-borrower Signature Seal