



SECURITY AGREEMENT – CONSUMER CREDIT

TO: **LIBRO CREDIT UNION LIMITED** ("*Libro*") DATE: _____

FROM: _____ and _____ (*Collectively referred to hereinafter as the "Debtor"*)

Borrower Address _____

Borrower Address _____

1. Security Interest

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

Make	Year	Model	Vehicle Identification Number (17 Digits)

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 including any corrections to the above information (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:

Initial A or B (whichever is applicable)

- _____ a) secure payment to Libro 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 Libro or remaining unpaid by the Debtor to Libro and the Debtor or from other dealings or proceedings by which Libro may be or become in any manner whatever a creditor of the Debtor and wherever 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 Libro 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 interest, 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 if any payable to Libro and shall deliver to Libro evidence of such insurance satisfactory to Libro and if the Debtor fails to obtain satisfactory insurance, Libro 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 Libro, 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 Libro such information with respect to the Collateral and the insurance thereon as Libro may from time to time require and Libro 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 Libro, 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 Libro 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 Libro;

- 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 by the Debtor to perform any of the agreements described in paragraph 4 hereof, Libro is authorized and has the option of taking 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 Libro, 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 Libro in respect of the custody, preservation, use or operation of the Collateral shall be repaid forthwith by the Debtor to Libro 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 Libro, 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 Libro 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 Libro in good faith believes that the prospect of payment or performance of any of the Obligations is impaired.

7. Remedies

If pursuant to paragraph 6 hereof, Libro declares that the Obligations shall immediately become due and payable in full, the Debtor and Libro 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 Property Security Act, 1989 and those provided by this Agreement. Libro may take immediate possession of the Collateral and enforce any rights of the Debtor in respect of the Collateral by any manner permitted by law and may require the Debtor to assemble and deliver the Collateral or make the Collateral available to Libro at a reasonably convenient place designated by Libro. Libro 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 Libro 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 Libro towards the payment of the Obligations in such order of application as Libro 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 Libro, the Debtor shall be liable to pay for any deficiency on demand.

9. Miscellaneous

The Debtor and Libro 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 Libro 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 the Agreement;
- c) all rights of Libro 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 Libro;
- d) the Debtor agrees that all proceeds of the Collateral shall be held in trust by the Debtor for Libro;
- e) all rights of Libro 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.

Witness

Signature
Name:

Date

Witness

Signature
Name:

Date



Insurance Endorsement Request
(Motor Vehicles and Equipment)

Owner Number: _____

To:

Tel:

Fax:

Re: _____ and _____

Policy No.: _____

Libro Credit Union Limited ("Libro") holds an interest in the following vehicle(s)/equipment:

Table with 7 columns: Vehicle/Equipment, Year, Model, Serial Number, Licence No., Registered in the name of. Contains two rows of data.

Please make any loss payable to Libro Credit Union Limited and return a copy of this request, with the consent section completed to the Credit Department at:

217 York Street, 4th Floor
London, ON N6A 5P9
Phone: 519-672-0124
Fax: 519-672-1774

154 Talbot Street N.
Essex, ON N8M 2C7
Phone: 519-776-4373
Fax: 519-776-7929

Additional terms agreed to are as follow:

- (a) The vehicle(s) are to remain insured at all times to the full insurable value for fire, theft and the usual comprehensive coverage, as well as for collision (\$1,000 maximum deductible).
(b) The insured shall, at the request of Libro, pay such further premium as is necessary to obtain an endorsement that the security interest of Libro will not be invalidated by any breach of statutory condition.
(c) Any additional premium chargeable by virtue of the foregoing is to be charged to the undersigned insured.

Witness

Signature Name:

Date

Witness

Signature Name:

Date

CONSENT TO INSURANCE ENDORSEMENT

_____ hereby consents to the endorsement requested above, it being understood that the

(Name of Company)

insurance on the mortgaged vehicle(s) shall continue in the name of the Insured, with loss, if any, payable to Libro.

Date: _____

Signature of Authorized Representative