

PURCHASE - MONEY SECURITY AGREEMENT

THIS AGREEMENT made effective as of the ____ day of _____, _____.

BETWEEN:

[SECURED PARTY]
[address]
(the "Secured Party")

OF THE FIRST PART

- and -

[DEBTOR]
[address]
(the "Debtor")

OF THE SECOND PART

FOR VALUABLE CONSIDERATION the Debtor hereby covenants and agrees as follows:

1. PURCHASE OF SECURED PROPERTY

The Secured Party shall sell to the Debtor that [secured property] described in Schedule "A" attached hereto and forming part hereof (which is hereinafter referred to as the "Secured Property") and the Debtor shall pay for the same, in part by execution of this Agreement. This Agreement provides for and secures advances from the Secured Party to the Debtor in the principal amount presently of [PRINCIPAL AMOUNT] (\$_____) DOLLARS in lawful money of Canada, to be repaid to the Secured Party together with interest from the date of the advance of funds at the rate per annum of [interest rate] (____%) per cent per annum, calculated semi-annually, not in advance, as well before as after maturity and both before and after default, by way of equal monthly payments of [PAYMENT AMOUNT] (\$_____) DOLLARS (the "Instalments") commencing on the ____ day of _____, _____ and continuing on the ____ day of each and every month thereafter until the ____ day of _____, _____ when the then outstanding balance shall become wholly due and payable. The said principal amount [PRINCIPAL AMOUNT] (\$_____) DOLLARS may be paid in full only upon Thirty (30) days notice without bonus or penalty. In the event any of the Instalments are not paid when due, at the option of the Secured Party, the entire outstanding balance shall become wholly due and payable. All payments shall be applied firstly against interest and secondly against the said principal amount.

2. SECURITY INTEREST

The Debtor grants to the Secured Party a Purchase Money Security Interest in:

- (a) all Secured Property (including any Secured Property returned to or repossessed by the Debtor) supplied to, or financed to the Debtor by the Secured Party, whether now owned or hereafter acquired and in all proceeds thereof of every kind or type, including, but not limited to, trade-ins, equipment, cash, notes, chattel paper, goods, contract rights, accounts, and any other property or obligations received when the Secured Property or proceeds are sold, exchanged, collected or otherwise disposed of (the "Proceeds"); and
- (b) all Documents of Title, Chattel Paper, Instruments and other documents relating to, being records of, or securing or evidencing the Secured Property or Proceeds and all rights or claims with respect thereto;

and a security interest in:

- (a) any improvements, additions and enhancements of the Secured Property, whether attached as a fixture to the Secured Property or not, and whether now owned or hereafter acquired and in all Proceeds thereof;

