

Select One: Principal Amount: \$ _____
Credit Limit (SCOTIA STEP): \$ _____

Borrower's Name: _____ Co-Borrower's Name: _____

Real Property Address: _____
(real property means land, structures, buildings and fixtures (immovable property in Quebec))

WHEREAS you have executed or will execute either (i) a conventional type mortgage over the real property noted above (a "Real Property Mortgage"); or (ii) a Personal Credit Agreement (a "PCA") secured, in part, by a collateral mortgage over the real property noted above (the Real Property Mortgage and PCA are collectively or alternatively, as the case may be, referred to as the "Loan Agreement");

AND WHEREAS in addition to granting us security for the Loan Agreement in the real property noted above, you have agreed to grant us a security interest/hypothec in the modular/mobile/mini home located at or upon the real property noted above as well as any other personal property noted below;

NOW THEREFORE for good and valuable consideration, the receipt and sufficiency of which has been acknowledged by the party or parties hereto, you agree as follows:

You have agreed to give us this Chattel Mortgage in return for lending to you under the Loan Agreement, in addition to granting us a Mortgage.

Definitions

In this Chattel Mortgage, the words you and your mean the borrower and co-borrower. We, our, us and Scotiabank means The Bank of Nova Scotia and, as appropriate, any of our subsidiaries. Scotiabank acts as an agent for Scotia Mortgage Corporation, a wholly owned subsidiary. Chattel Mortgage includes in Quebec a moveable hypothec. Mortgage refers to either the Real Property Mortgage granted by you or the collateral mortgage granted by you to secure a PCA, as the case may be, secured by the real property noted above. Real Property Mortgage, PCA, Loan Agreement and real property have the meanings indicated above, property refers to the property described below under the heading "Security Pledged".

What this Chattel Mortgage does and the Property it Covers:

In addition to the Mortgage against the real property noted above, you grant us a security interest/hypothec in and grant and mortgage/hypothecate to us (as appropriate for the jurisdiction in which you live) the following property as security to us for the Loan Agreement:

Security Pledged - Description of chattel (mobile/mini/modular home or personal property) - including year, make and serial number.

The property covered by this Chattel Mortgage is consumer goods used or acquired primarily for personal, family or household purposes. Any attachments, accessories, repair or replacement parts or other equipment placed on the property are considered part of the property, and our security interest/hypothec in the property extends to any replacements or proceeds of the property (as defined in the applicable **Personal Property Security Act** or other relevant legislation), including the proceeds of sale of the property should it be sold either with or without our permission.

This Chattel Mortgage provides security to us for as continuing security for all your present and future obligations described in the Loan Agreement, when and as due, whether at maturity, by acceleration or otherwise, and all other present and future obligations and liabilities you may owe to us, including all fees and expenses, reimbursement obligations and other indemnities contained in the Loan Agreement and this Chattel Mortgage.

Value has been given and you have not agreed to postpone the time attachment of the security interest.

You promise to enter into any additional documents we may need to establish in our favour the security interest or hypothec intended to be created by this Chattel Mortgage and to accomplish the intention of this Chattel Mortgage, including to enforce the security interest or hypothec and for any remedies provided in this Chattel Mortgage, or to better evidence and perfect such security interest or hypothec over the property pledged in our favour.

Care and Maintenance of the 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.

Use of the Property

You will provide us with at least ten (10) business days notice prior to leasing the property or selling or transferring any interest in it or giving possession or control to anyone else. You agree not to lease the property or to sell or transfer any interest in it or to give possession or control to anyone else without our written permission. The property must not be used in any illegal manner. You will provide us with at least ten (10) business days notice prior to removing the property from your Province or Territory for more than thirty (30) days. You agree not to remove the property from your Province or Territory for more than thirty (30) days without our written approval.

Ownership/Claims Against the Property

You confirm that you are the sole legal and beneficial owner of the property and no one but us has any other interest in the property. You will keep the property clear of all legal claims against it except ours. If you do not, we may settle the claim and charge you what it cost, including incidental expenses which include our legal expenses.

Insurance/Loss or Destruction of the Property

You must keep the property insured against loss or damage from fire and theft. If the property is a modular/mobile/mini home, you must also insure it against wind damage. You agree to carry additional coverage if we ask. You may purchase any insurance required by this agreement from an insurance company lawfully licensed to do so or through an agent of your choice. You may purchase any insurance required by this Chattel Mortgage from an insurance company lawfully licensed to do so or through an agent of your choice. You also agree not to assign or hypothecate the insurance to any other person.

The insurance you carry must be equal to the fair market value of the property. You give us the right to receive proceeds of all insurance covering the property and you shall notify your insurer that you have done so. If you fail to carry adequate insurance, we may get it for you and charge you for the premium, the cost of which shall be secured by the property.

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 significantly damaged, we may 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.

Special Payments

If we make any payments to take, hold, repair, maintain, insure or to defend claims against the property or we make any other payments for the purpose of remedying any failure by you to do something required of you under this Chattel Mortgage, you will, reimburse us for such payments. These payments will bear interest at the rate set out in the Loan Agreement and will be secured by the property.

Power of Attorney

You constitute and appoint us (and any of our officers or employees) to be your true and lawful attorney (mandatary in Quebec) in accordance with applicable legislation with full power of substitution, with full authority in your place and stead and in your name or otherwise, from time to time in our discretion to take any action and to enter into any instrument which we may deem necessary or advisable to accomplish the purposes of this Chattel Mortgage (but we will not be obligated to and will have no liability to you or any third party for failure to do so or take action). This appointment, being coupled with an interest, will be irrevocable until the discharge of the security interest and hypothec. You ratify all that these attorneys lawfully do or cause to be done as power of attorney in connection with this Chattel Mortgage.

Total Balance Due

Without prejudicing our rights to receive any benefits from insurance, we can require you, to the maximum extent permitted by applicable law, to pay at once the total balance due and anything else you owe us under the Loan Agreement or this Chattel Mortgage, without prior notice or demand, if any of the following events takes place:

1. You fail to pay an installment of your loan on time;
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;
3. You break any of your promises under this Chattel Mortgage or the Loan Agreement;
4. You die, become insolvent or bankrupt;
5. The property is lost, stolen, destroyed or significantly damaged;
6. The property is seized in any legal proceeding;
7. The property you have pledged reduces in value to a level we consider unacceptable;
8. You use your property or allow it to be used for any illegal purposes;
9. Anything else happens that we believe endangers your ability to pay or that we believe endangers the property in any way.
10. Any other event giving us the right to require you to pay the total balance due set out in the Loan Agreement occurs.

Default

If you fail to perform any obligation contained in this Chattel Mortgage, we may perform, or cause performance of, such obligation, and our costs and expenses incurred in connection therewith will be payable by you; provided that we will not be required to perform or discharge any of your obligations and our performance will not waive our rights to enforce this Chattel Mortgage.

If you default under the Loan Agreement or this Chattel Mortgage and subject to provincial or territorial law, we have the right to be paid the total balance due by doing any of the following:

1. Suing you for what you owe;
2. Taking possession (obtaining surrender) of the property held as security and we can enter any of your premises to do so;
3. Both of the above;
4. Hold, insure, maintain, repair, process, protect preserve, prepare for disposition and dispose of the property;
5. Appointing a receiver or receiver-manager to administer the property. The receiver or receiver-manager will have all our rights, benefits and powers provided by this Chattel Mortgage or any law, including the right to sell or lease the property;
6. Seize or foreclose and take the property. If we do, we will consider the indebtedness to be repaid to the extent required by law;
7. We can choose how to deal with the property once we can realize. We are entitled to realize at any time after you default on any of the requirements of the Loan Agreement, Real Property Mortgage, this Chattel Mortgage or any other agreement or we have demanded payment and you have failed to pay in full. We are only required to give you the notice required by law.
8. We may take possession (obtain surrender) of the property (and if we do so, we will provide you with such notice as is required by law) by requiring you to assemble the property or any part of the property and deliver it or make it available, to us at a place and time to be designated by us. If we take possession of any of the property, you can regain possession of such property before we sell it or have agreed to sell it, by paying us any payments in default and related default charges, and any reasonable costs we incurred taking, holding, repairing and maintaining your property. We reserve the right to limit the number of times you take advance of such right of reinstatement under the applicable Personal Property Security Act to the maximum number of times such right of reinstatement is required by applicable law.
9. We may sell, lease, license, or otherwise dispose of all or any part of the property by private sale or public sale or otherwise, and upon deferred payment terms or other terms and conditions (including as to credit, upset or reserve bid or price) as we may deem commercially reasonable. If we exercise such rights, we will give you at least the amount of notice required by applicable law in the jurisdiction where you live of the date, time and place of any public sale or of the date after which any private sale will be made. We will give you the amount left after we subtract the total amount you owe us plus our reasonable legal and other expenses of taking, maintaining and selling the property (all our costs) plus any amount we are required to pay to any other person. We will only be responsible for amounts of money actually received by us.
10. You must pay any remaining amount if the proceeds from the sale or the value of the property pledged seized or foreclosed is not enough to repay your entire obligation to us. We are only required to be reasonable in the sale, seizure or foreclosure process. We are not required to get the best price or wait to sell if the market is not good.
11. Without limiting our remedies listed above, in Quebec, we may exercise any of our hypothecary rights available under the Civil Code of Quebec. You must pay any costs we incur in connection with any of the above immediately or we may choose to add them to your debt. If we add these amounts to your debt, interest will be charged at the interest rate(s) applicable to your Loan Agreement.
12. Exercising any other rights we may have.

Default under the Loan Agreement or this Chattel Mortgage is considered a default under all agreements. In that case, all amounts owing to us under all loans and credit accounts, including principal, interest and other costs and charges will be due and payable immediately.

If we appoint a receiver, the receiver will act as your agent and not as our agent and we will not in any way be responsible for any of the actions of the receiver, its employees, agents and contractors. We may from time to time remove and appoint replacements for, any receiver, and appoint another or others in their stead from time to time.

If we enforce our rights to be paid the balance due by court proceedings, you will pay to us all our costs including all our legal costs on a solicitor/client basis, to the maximum extent permitted by law.

In addition to the rights specified here, we also have all rights, remedies and powers of a secured party under the *Personal Property Security Act*, as appropriate, and under other relevant legislation.

You agree that the limitation period applicable to this Chattel Mortgage and the Loan Agreement is extended to the greater of six years (three years in Quebec) or any longer period permitted by law.

All rights and remedies in the Agreement are cumulative and are not exclusive of any rights or remedies provided by applicable law.

Extensions or renewals

We may extend, renew, or amend the Loan Agreement secured by this Chattel Mortgage or replace it with another agreement without diminishing our interest in the property or our rights or your obligations under the Loan Agreement or this Chattel Mortgage. In addition, no waiver or delay in enforcing our rights shall act to diminish or cancel our rights under the Loan Agreement or this Chattel Mortgage.

Termination/Discharge/Release of Security Interest

Unless otherwise agreed in writing by us, on the date on which all of your obligations under the Loan Agreement and this Chattel Mortgage have been paid and performed in full (as determined by us in our discretion) and, in the case of any revolving credit account, the credit account has been closed, canceled or otherwise terminated by us, the security interest, hypothec and all power of attorney (mandate in Quebec) rights granted hereunder will terminate and we will, at your request and sole expense (a) assign, transfer and deliver to or at your direction (without recourse and without any representation or warranty) such of the property as may then remain in our possession, and (b) sign and deliver to you a proper instrument or instruments acknowledging the satisfaction and termination of the security interest and hypothec.

When you pay us what you owe us under the Loan Agreement and this Chattel Mortgage in full, our interest in the property will come to an end.

Who is bound by this Chattel Mortgage

The Loan Agreement and this Chattel Mortgage are binding on you, your estate, your representatives and any person to whom it is assigned. This includes legal or personal representatives, or anyone else to whom this Chattel Mortgage (and the property covered by the security interest) is transferred.

If more than one person signs this Chattel Mortgage, the obligations set out in it are joint and separate (joint and several). This means each person is fully responsible for the entire debt. For joint accounts, each person may give us any instructions regarding this Chattel Mortgage without the agreement of any other person.

If any provision of this Chattel Mortgage is held to be invalid by a court, either completely or in part, the remaining provisions shall still be in effect and binding.

IN WITNESS WHEREOF this Chattel Mortgage has been duly executed by us and in the presence of a witness this _____ day of _____, 20____.

Borrower's Signature

Co-Borrower's Signature

Witness' Signature

Witness' Signature