

# Security Agreement

OMB No. 3316-0019  
Expires: MM/DD/YYYY

Account No. \_\_\_\_\_

Distributor No. \_\_\_\_\_

Participant(s)

Address

(hereinafter called "Debtor") for valuable consideration, receipt of which is hereby acknowledged, grants to

Distributor

(hereinafter called "Secured Party") a purchase money security interest in the property described

Address

below (or set out in Schedule A attached hereto) and all parts, replacements, and accessions thereto and all proceeds thereof (hereinafter called the "Collateral"):

This Security Agreement secures the payment of the obligations under the Repayment Agreement dated \_\_\_\_\_ between Participant(s) and Secured Party (and any extensions, renewals, or modifications thereof), performance of Debtor's obligations under this Security Agreement, and all other obligations of Debtor to Secured Party direct or indirect, absolute or contingent, now or hereafter existing relating to Secured Party's *energy right*<sup>®</sup> Program (Program).

**Location and Use of Collateral.** Debtor Represents and Warrants That: The Collateral will be used primarily for (check one):  personal, family, or household purposes:  business. Debtor's residence (principal place of business) is that shown with Debtor's name above. The Collateral is or will be located at \_\_\_\_\_ county, State/Commonwealth of \_\_\_\_\_. Debtor will not permit any of the Collateral to be removed from this county without the prior written consent of Secured Party.

The Collateral may be attached to real estate commonly known as \_\_\_\_\_ (street address) in such a manner as to become a fixture. Debtor will furnish Secured Party a legal description of the real estate.

The name of the record owner of the real estate is \_\_\_\_\_. On demand of Secured Party, Debtor will furnish a written disclaimer of any interest in the Collateral by the record owner and any encumbrancer of the real property.

The proceeds of the obligation(s) secured by this agreement are to be used to purchase all or part of the Collateral. Secured Party is authorized to disburse the proceeds directly to the installers or suppliers of the Collateral.

**Debtor Warranties.** Debtor hereby makes the following warranties: (1) Debtor has legal capacity to make this agreement. Debtor has (or immediately will acquire) full title to the Collateral and will at all times keep the Collateral free of all liens and claims other than the security interest granted herein unless otherwise agreed in writing with Secured Party. Debtor will defend the Collateral against all claims and demands of any persons not party to this agreement. Debtor will not sell or otherwise transfer any of the Collateral or any interest therein without Secured Party's prior written consent. (2) Debtor will keep the Collateral in good order and repair and will not waste or destroy the Collateral or any part thereof. Debtor agrees to comply with any governmental regulations or statute affecting the use of the Collateral or any part thereof. Secured Party may examine and inspect the Collateral or any part thereof wherever located at any reasonable time. (3) Debtor will keep the Collateral insured against such risks, in such amounts, with such companies, and under such policies and in such form as shall be satisfactory to Secured Party. Such policies shall provide that loss thereunder shall be payable to Secured Party as Secured Party's interest may appear, and Secured Party may apply any proceeds of such insurance that may be received by Secured Party to payment of any liabilities of Debtor to Secured Party relating to Secured Party's Program regardless of whether due. Such application of proceeds may be made in such order as Secured Party determines proper. Assurances of such insurance coverage shall be provided at Secured Party's request. (4) Debtor will pay promptly when due all taxes and assessments upon the Collateral or for its use or operation or upon this agreement.

Secured Party may, at its option, perform any obligations of Debtor under Debtor Warranties which Debtor fails to perform, and Secured Party may take any other action that it deems necessary for the maintenance or preservation of any of the Collateral or its interest therein. Debtor shall immediately reimburse Secured Party on demand for any expenses incurred by Secured Party in connection with the foregoing.

Secured Party shall be Debtor's attorney-in-fact to protect the Collateral and to do all acts which Secured Party may deem necessary to perfect, and continue perfected, the security interest created by this agreement.

**Default.** The occurrence of any of the following events shall constitute a default under this agreement: (a) Failure by Debtor to pay when due any amount payable under the Repayment Agreement(s) or hereunder, to perform any other obligation secured hereby, or to perform or observe any term or agreement herein; (b) Any warranty, representation, or statement made or furnished to Secured Party by or on behalf of Debtor proves to have been false or misleading in any material respect when made or furnished; (c) Loss, theft, substantial damage, destruction, sale, or encumbrance to or of any of the Collateral, or the making of any levy, seizure, or attachment thereon or thereto; (d) Death, dissolution, termination of existence, merger, consolidation, transfer of a substantial part of the property, insolvency, business failure, appointment of a receiver of any part of the property of Debtor, assignment for the benefit of creditors by Debtor, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor; (e) Institution of any suit against Debtor deemed by Secured Party to affect adversely its interest hereunder in the Collateral or otherwise; or (f) Secured Party's belief in good faith that the prospect of payment or performance is impaired.

**Remedies on Default.** Upon default the entire unpaid balance of the obligations under the Repayment Agreement(s) and all other sums for which Debtor is liable under this agreement shall at Secured Party's option without notice to Debtor become immediately due and payable, and Secured Party shall have the immediate right to pursue all remedies provided by law, together with all rights provided in this agreement, in any Repayment Agreement(s), and in any other applicable security or repayment agreements. All of these rights and remedies shall, to the full extent permitted by law, be cumulative.

Upon default, Secured Party shall have the right to take possession of the Collateral and to enter any premises on which all or any part of the Collateral is located without notice and demand and without judicial process. Upon default, Secured Party may require Debtor to assemble all or any part of the Collateral and make it available to Secured Party at a place to be designated by Secured Party that is reasonably convenient to both parties. Debtor agrees that a notice sent to it by first class mail ten days before the time of any public sale or the time after which any private sale or other disposition of the Collateral is to be made shall be deemed to be reasonable notice of such sale or disposition.

Any proceed or the disposition of the Collateral shall be applied at Secured Party's discretion to the reasonable attorneys' fees, costs, and charges incurred by Secured Party in the collection of all amounts due hereunder.

**Waiver.** No failure or delay by Secured Party in exercising any right or remedy hereunder shall operate as a waiver thereof, and no single or partial exercise by Secured Party of any such right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy, any notice required to be given may be given by mailing such notice first class to Debtor's address as it appears in this Security Agreement or such other address of Debtor as may then be shown on Secured Party's records.

**Construction and Effect.** It is the intent of Secured Party and Debtor that the Collateral covered by this agreement shall be  equipment or  consumer goods as that term is used in the Uniform Commercial Code. If any part of the Collateral is deemed to be fixtures, upon any default, Secured Party has the right to remove such Collateral, but will reimburse the property owner for the cost of repair of any physical injuries to property related to the removal of such Collateral.

Whenever possible, each provision of this agreement shall be interpreted in such manner as to be effective and valid under applicable law. If any provision of this agreement shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this agreement.

All rights of Secured Party hereunder shall inure to the benefit of Secured Party's successors and assigns, and all obligations of Debtor shall bind Debtor's heirs, executors, administrators, successors, or assigns.

This Security Agreement may not be changed orally, but only by a writing signed by the party against whom enforcement of any waiver, modification, or discharge is sought.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

Debtor: \_\_\_\_\_

Debtor: \_\_\_\_\_

Debtor: \_\_\_\_\_

Debtor: \_\_\_\_\_

**Consent to Security Agreement.** In consideration of the financing made available to Debtor, the undersigned grants to Secured Party a security interest in the Collateral and its proceeds under the terms and conditions of this Security Agreement. The undersigned is not personally liable for the obligations under the Repayment Agreement(s).

Property Owner: \_\_\_\_\_

Witness \_\_\_\_\_

Date \_\_\_\_\_