



PROMISSORY NOTE WITH SECURITY AGREEMENT  
(PNSA)

No. \_\_\_\_\_ Maturity Date \_\_\_\_\_

FOR VALUE RECEIVED. the Borrower/Grantor hereby unconditionally promises to pay to the order of \_\_\_\_\_ (the "Secured Creditor") at its office the sum of \_\_\_\_\_ (P\_\_\_\_\_)(the "Principal") Philippine Currency with interest at the rate of \_\_\_\_\_ and the charges due thereon (the "Obligation" and in the manner indicated below:

\_\_\_\_\_ successive monthly installments of \_\_\_\_\_ (P\_\_\_\_\_), with the first installment to be paid on \_\_\_\_\_ and the succeeding installments on the \_\_\_\_\_ day of each and every month thereafter until the Obligations are fully paid. In this consideration of the credit facility covered by this agreement and to secure the payment of the aforesaid Obligations and the other amounts payable by the Borrower/Grantor under the Other Terms and Conditions, as well as the faithful performance of each and all of his/her/their/its undertakings therein, the Borrower/Grantor hereby conveys by way of first security and a security interest is hereby created in favor of the Secured Creditor, to cover all present and future obligations of the Grantor to the Secured Creditor contemplated in this Agreement and the Other Terms and Conditions of this PNSA, free from any and all liens, claims and encumbrances thereon whatsoever, all of the following personal property/ies situated in the Municipality/City of \_\_\_\_\_, Province of \_\_\_\_\_, Philippines, which Collateral Property/ies is/are now in the possession of the Borrower/Grantor unpledged and unencumbered, to wit:

Year/Model \_\_\_\_\_  
Motor No. \_\_\_\_\_  
Serial No. \_\_\_\_\_

Together with the body built or that may be built thereon, all the equipment and the other accessories which may now or from time to time be used in connection with or attached to the property/ies above set forth.

It is understood that this PNSA covers any total or partial renewal or extension of the credit facility covered by this agreement.

The conditions of this agreement are such that in the event that Borrower/Grantor or his/her/their/its heirs, executors, administrators or assigns shall fully pay the outstanding Obligations and shall well and truly perform the obligations under this instrument, then the Obligation shall thereupon become null and void; otherwise, the Obligation shall remain in full force and effect.

The Grantor authorizes the Secured Creditor to register any notices and to take any other action necessary or useful to make the Secured Creditor's security interest effective against third parties by registration.

The Secured Creditor may inspect the Collateral property and the documents or records evidencing the same and for such purposes may enter into the Grantor's premises, upon giving prior reasonable notice to the Grantor.

The rights and privileges of the Borrower/Grantor shall inure to the benefit of its successors and assigns, and the duties and obligations of the Borrower/Grantor shall bind his/her/their/its heirs, executors, administrators, representatives, and assigns.

THE BORROWER/GRANTOR HEREBY AFFIRMS THAT HE/SHE/THEY/IT/WAS/WERE MADE AWARE OF THE TRUE COST OF CREDIT THROUGH THEIR RECEIPT AND REVIEW OF THE DISCLOSURE STATEMENT ON LOAN/CREDIT TRANSACTION PRIOR TO THEIR SIGNING OF THIS INSTRUMENT. THE BORROWER/GRANTOR FURTHER AFFIRMS THAT HE/SHE/THEY/IT/HAS/HAVE CAREFULLY READ, FULLY UNDERSTOOD AND VOLUNTARILY CONFORMED TO THE FOREGOING STIPULATIONS, AS WELL AS TO THE OTHER TERMS AND CONDITIONS CONTAINED ON THE REVERSE SIDE OF THIS DOCUMENT. AS PARAGRAPHS 1 TO 15, WHICH FORM AN INTEGRAL PART HEREOF. THE BORROWER/GRANTOR ACKNOWLEDGES RECEIPT OF AN EXACT COPY OR THIS DOCUMENT. THE BORROWER/GRANTOR FURTHER AFFIRMS THAT AT THE TIME HE/SHE/THEY AFFIXED HIS/HER/THEIR SIGNATURES HERETO, ALL THE BLANK SPACES HAVE BEEN CORRECTLY AND COMPLETELY FILLED UP. HOWEVER, SHOULD THERE BE TYPOGRAPHICAL ERRORS INADVERTENTLY MADE, SUCH AS BUT NOT LIMITED TO THE NAMES OF THE PARTIES, ADDRESSES, OR DESCRIPTION/S OF THE SUBJECT PROPERTY/IES, THE BORROWER/GRANTOR AUTHORIZES THE SECURED CREDITOR OR ITS SUCCESSORS/ASSIGNS TO MAKE THE NECESSARY CORRECTIONS,

Executed this \_\_\_\_\_ at \_\_\_\_\_ . Philippines.

For Individuals:

\_\_\_\_\_  
Name/s of Borrower/Grantor

With my marital consent:

\_\_\_\_\_  
Name/s of Spouse of Borrower Grantor

For Corporations/Partnerships:

\_\_\_\_\_  
Name/s of Borrower/Grantor

By:

\_\_\_\_\_  
Name/s of Authorized Signatory/ies

DISCLOSURE STATEMENT ON LOAN/CREDIT TRANSACTION  
(As required under R.A. 3765 Truth in Lending Act)

NAME OF BORROWER \_\_\_\_\_  
ADDRESS \_\_\_\_\_

1. Purchase Price (SRP)

P \_\_\_\_\_
2. Less: Down Payment

P \_\_\_\_\_
3. Loan Amount (Item 1-Item 2)

P \_\_\_\_\_
- 3.1 Residual Value (payable at the end of term)

P \_\_\_\_\_
4. Other Bank Charges/ Deductions Collected
- a. Registration Cost

P \_\_\_\_\_
- b. Documentary Stamps

P \_\_\_\_\_
- c. Processing Fee

P \_\_\_\_\_
- d. Total on-Finance Charges (sum of A to C)

P \_\_\_\_\_
5. Net Proceeds of Loan
6. Schedule of Payments
- a. First Payment Due on

\_\_\_\_\_ P \_\_\_\_\_
- b. Installment Payments

(Please see attached amortization schedule)
7. Effective Interest Rate

\_\_\_\_\_ %
- Explanation:

The effective interest rate is higher that the contractual interest rate of \_\_\_\_\_ % because of Other Bank Charges (item 4)
8. Additional/Conditional charges in case stipulations in the contract are not met by the debtor:
- a. Late Payment Fee

3% of the monthly installment due, per instance of delay
- b. Penalty Interest

5% per month or a fraction thereof
- c. Service Fee

\_\_\_\_\_
- d. Interest for Advances

3% per month
- e. Collection Fees

P 5,000.00 or actual expense, whichever is higher

- f. Attorney's Fees

P 10,000.00 or 25% of the total sum due, whichever is higher
- g. Costs and Legal Expenses

Actual Expense
- h. Liquidated Damages

25% of the outstanding Obligations
- i. Late Submission Fees

P 1,500.00 per instance of delay
- j. Penalty for fraudulent sale

P 20,000.00 or 50% of the outstanding obligations, whichever is higher
- k. Storage Fee
- l. Others:

CERTIFIED CORRECT: \_\_\_\_\_  
Signature of Creditor/Authorized Representative over Printed Name and Position

THE BORROWER/GRANTOR CONFIRMS RECEIPT OF A COPY OF THIS STATEMENT PRIOR TO THE CONSUMMATION OF THE CREDIT TRANSACTION AND HIS/HER/THEIR FULL UNDERSTANDING THEREOF.  
DATE:

\_\_\_\_\_  
Signature over Printed Name of Authorized Signatory

ASSIGNMENT

For valuable consideration, \_\_\_\_\_ (THE "Assignor") (the "Assignor") hereby absolutely assigns, conveys and transfers to Rizal Commercial Banking Corporation (the" Assignee") all of its rights and interest in and arising out of the foregoing Promissory Note with Security Agreement("PNSA"), and the property/ies described therein, including spare parts, replacements, substitutions, attachments and accessories. The Assignor hereby confirms its warranties under any and all agreements that it has executed with the Assignee.

The Assignee shall not be responsible for any act or omission of the Borrower/Grantor and the Assignor in connection with the executions and delivery of the PNSA or this Assignment. The Assignor shall continue to be bound to the Borrower/Grantor under the warranties that the former guaranteed to the latter as seller and under the (Auto/Truck) Sales Invoice, Delivery Noted, Vehicle Invoice or similar agreement. Should any of the representations or warranties of the Assignor be false or should any claim for breach of warranty be made by the Borrower/Grantor, the Assignee may recover from the Assignor, without need of prior recourse and/or demand to the Borrower/Grantor, the balance due on the PNSA and any loss, claim, or damage which the Assignee may incur including reasonable attorney's fees and cost of suit.

By: \_\_\_\_\_  
Signature over Printed Name of Authorized Signatory

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)  
\_\_\_\_\_)  
BEFORE ME, personally appeared:

Name	Capacity	Competent Evidence of Identity	Place and Date of Issue
	Borrower/Grantor		
	Spouse of Borrower/Grantor		
	Authorized Signatory of Borrower/Grantor		
	Authorized Signatory of Secured Creditor/Assignor		

known to me to be the same person who executed the foregoing **Promissory Note with Security Agreement** and its **Other Terms and Conditions**, the **Disclosure Statement on Loan/Credit Transaction**, made under oath to the truth thereof, and the **Assignment**, who were identified by me through their competent evidence of identity, and who acknowledged before me that they voluntarily affixed their signature on the documents for the purposes stated therein, and that they executed the documents as their free and voluntary act and deed and that of the natural/juridical person/s that he/she/ /they has/have been duly authorized to represent.

WITNESS MY HAND AND SEAL this \_\_\_\_\_at \_\_\_\_\_, Philippines.

Doc. No. \_\_\_\_\_  
Page No. \_\_\_\_\_  
Book No. \_\_\_\_\_  
Series of \_\_\_\_\_

OTHER TERMS AND CONDITIONS

1. **DEFINITIONS.** In this Agreement, each term which is defined in the Republic Act No. 11057 or the Personal Property Security Act ("PPSA") has the meaning given to it in the PPSA.
2. **ADDITIONAL AND CONTINUING SECURITY.** The Security created by this PNSA is in addition to, and not a substitution for, any other security held by the Secured Creditor and is a continuing security in the collateral notwithstanding the payment from time to time, in whole or in part, of any of the obligations, and of sale, lease, license, exchange, or other disposition of the collateral, except as otherwise provided in the PPSA and its IRR and as stated in this Agreement.
3. **SECURED OBLIGATIONS.** The Security Agreement secures the following Obligations of the Borrower/Grantor:
  - a) the payment of the Principal and the interests and charges due thereon; b) the faithful performance of each and all of the undertakings; c) the repayment of the advances made and expenses incurred by the Secured Creditor in relation to or arising from this agreement, the penalties and other amounts payable by Borrower hereunder, as well as any and all other obligations of whatever nature that the Borrower may have with the Secured Creditor, now existing or which may hereafter arise; and d) any total or partial renewal or extension of the Promissory Note with Chattel Mortgage ("PNSA");
4. **ADDITIONAL SECURED OBLIGATIONS.** The collateral shall also secure
  - a) all increases, renewals, amendments, conversions, novations, extensions or restructurings of this loan; b) all other loans, obligations and credit accommodations which may now be existing or which may hereinafter be obtained by the Borrower/Grantor from the Bank/Secured Creditor, its subsidiaries and affiliates including Borrower/Grantor's obligations as surety; c) advances made by the Bank/Secured Creditor for insurance premiums, taxes, expenses and fees incurred for or in connection with this Agreement and the Mortgaged Property; and d) attorney's fees, taxes, legal and other expenses incurred for the collection and enforcement of the Bank/Secured Creditor's rights under this Agreement.
5. **THE BORROWER/GRANTOR.** In case there is more than one Borrower/Grantor, the term shall be understood to refer to each and all of them and they shall be jointly and severally liable under the PNSA. Each of them hereby consents any renewal or extension of the credit facility covered by this agreement in whole or in part and/or partial payment thereof which may be requested by and granted to any of them without notice to the rest of them, and in case of such a renewal or extension all of them shall continue to be jointly and severally liable thereon.
6. **THE SECURED CREDITOR.** In case the Secured Creditor under PNSA is other than the Rizal Commercial Banking Corporation ("RCBC") and the original Secured Creditor has assigned all of its rights and interest therein to RCBC, the term "Secured Creditor" shall be construed as RCBC.
7. **UNDERTAKINGS OF THE BORROWER/GRANTOR.** The Borrower/Grantor understands and accepts that the following obligations, which must be faithfully performed are also secured by the mortgage;
  - a. **Execution and Registration.** The Borrower/ Grantor undertakes to pay for the expenses for the execution and registration of this instrument and the Collateral Property/ies with the relevant government offices, including the notarial fees and documentary stamps, 'and the registration and license fees, and/or penalties, if any. The Borrower/Grantor shall likewise be liable for any future tax, fees, levy or assessment or any increase in taxes, direct or indirect, that may be imposed on this transaction. The Borrower/Grantor shall do all necessary acts and deeds as required by the Secured Creditor in relation to the execution and registration of this instrument to ensure that it shall be valid and enforceable under the PPSA, and its Implementing Rules and Regulations and for the security interest to be at all times enforceable and effective and enjoy priority against third parties in all jurisdictions where the collateral property may be located or where the security interest may be enforced.
    - I. **In the event of a free security program and/or similar promos, the Bank shall have the option of registering the instrument and/or collateral property/ies before the PPSPR at its own time. It is understood that the deferred registration shall not dispense the Borrower/Grantor of his/her Obligations as enumerated in the PNSA. Furthermore, the unauthorized disposal of the Collateral Property/ies by the Borrower/Grantor, without consent of the Secured Creditor, shall merit the latter to take legal actions, whether criminal and/or civil, against the former.**
    - II. **The aforementioned program and/or promo shall only cover the registration fee of the instrument and Collateral Property/ies. Other expenses such as, but not limited to, notarial fees and documentary fees shall be at the expense of the Borrower/Grantor.**
  - b. **Insurance.** The Borrower/Grantor undertakes to cause the Collateral Property/ies herein to be insured against loss or damage arising from: accident, theft, fire, flood and Acts of God until the Obligation is fully paid, in an amount not less than the outstanding balance of the Obligation, with an insurance company acceptable to the Secured Creditor, the Borrower/Grantor shall make all loss payable to the Secured Creditor and shall properly endorse the policy and its renewals to the latter. The Borrower/Grantor shall deliver to the Secured Creditor the policy/ies duly endorse the Secured Creditor and the receipt/s of premium payment/s before the signing of this instrument (for insurance for the first year) and at least thirty (30) days before the expiration of the previous insurance policy (for the insurance for the subsequent years)  
In the event that the Borrower/Grantor fails to effect/renew such insurance, the Secured Creditor, at its sole discretion and without need of any notice or demand, may procure the insurance coverage for the account of the Borrower/Grantor for this purpose, The Borrower/Grantor irrevocably appoints the Secured Creditor as his/her/their/its Attorney-In-Fact to procure and renew the insurance; and in the event of loss and damage, to claim, file, prosecute, compromise or settle with the insurance company and in relation thereto, sign, execute and deliver the required documents, and collect the insurance proceeds to the extent of its interest. Any money advanced by the Secured Creditor shall be added to the Principal and shall become due and payable on the due date of the immediately following installment after the date of such insurance renewal and shall bear interest and/or finance charge at the same rate as the Principal.  
It is understood that the failure of the Grantor to deliver the policy/ies and receipt/s within the stipulated period shall constitute conclusive proof that the Grantor's failure to effect/renew the insurance thereby allowing the Secured Creditor to exercise the option above discussed.
  - c. **Assessments.** The Borrower/Grantor undertakes to timely pay any and all taxes, fees and assessments that may be levied on the Collateral Property/ies. The Borrower/Grantor will promptly notify the Secured Creditor of any levy, assessment or imposition of any charge or the filing of any lien, or enforcement of any writ of attachment, garnishment, execution or similar writ on the Collateral Property/ies and shall take the necessary steps to prevent the loss, forfeiture, or sale of the property/ies or any part thereof.
  - d. **Care and Restriction on Use.** The Borrower/Grantor undertakes to keep and maintain the Collateral Property/ies in good and running condition. The Borrower/Grantor shall not use the Collateral Property/ies for any unlawful purpose, neither shall it be used as a public utility vehicle ("PUV") (e.g. taxi, car for rent, FX, school bus) or a transport network vehicle service (TNVS) nor shall it be leased, sold pledged, further mortgaged or encumbered without the previous written consent of the Secured Creditor. In case the Collateral Property/ies shall be used as a PUV or TNVS, the Borrower/Grantor undertakes to secure the approval of the Land Transportation Franchising and Regularity Board to this security at his/her/their/its expense. The Secured Creditor or its duly authorized representative shall, at all times, have the right to inspect the Collateral Property/ies.
  - e. **Collateral Deterioration.** In case the Secured Creditor determines that the Collateral Property/ies has deteriorated or its value has considerably diminished for any cause, even by force majeure, the Borrower/Grantor shall either immediately totally or partially pay off his/her obligation or immediately give additional securities acceptable to the Secured Creditor.
  - f. **Expropriation.** If the Collateral Property/ies is expropriated, the compensation thereof shall be paid directly to the Secured Creditor. The Borrower/Grantor hereby appoints the Secured Creditor as attorney-in-fact to demand, collect and receive such payment and issue receipt therefore on behalf of the Borrower/Grantor.
  - g. **Delivery of the Collateral Property/ies.** The Borrower/Grantor agrees that in default of any installment or part thereof of interest thereon as and same shall become due and payable, he/she/they/it shall deliver the Collateral Property/ies to the Secured Creditor at its principal place of business, free of all charges, should the Borrower/Grantor fail to deliver the said property/ies, the Secured Creditor shall have the right to get the said property/ies wherever it /they may be found and have the same brought to the place of business of the Secured Creditor the expense of the Borrower/Grantor.
  - h. **Change in Borrower Information.** The Borrower/Grantor undertakes to immediately notify the Secured Creditor in writing of (I) any change in his/her/their/its Personal and Business Data (including civil status, residence, office and/or billing address/es, contact details and/or telephone number/s, employment, business and all related information); and (II) a change in financial status that may prejudice or adversely affect its being Borrower/Grantor. The Secured Creditor may, at its option, update the Borrower/Grantor's Personal and Business Data when he/she/it apply for or avail/s of other products and/or services of the Secured Creditor.
8. **PAYMENT.**
  - a. **Place of Payment.** All amounts payable shall be paid to the Secured Creditor at its place of business indicated herein or such other address as may be advise to the Borrower/Grantor.
  - b. **Due Date.** If the due date falls on a holiday or a non-working day, the due date shall be understood to be the immediately following business day.
  - c. **Acceptance of Payments.** Subject to the application of Art. 1252 of the Civil Code of the Philippines (R.A. No. 386, as amended), the acceptance by the Secured Creditor of late or partial payments, or those made after the Borrower/Grantor has delayed or defaulted in the performance of his/her/their/its obligations shall not be construed as a waiver of rights and remedies of estoppel. Payment/s made by third person shall not constitute a novation of the original loan/mortgage agreements.
9. **EVENTS OF DEFAULT.** Each of the following events, irrespective of the reasons for its occurrence or whether it is voluntary or involuntary, constitutes an event of default a) failure to pay on a due date any installment, interest, penalty or amount payable under PNSA, whether maturity, acceleration or otherwise; b) failure to perform any of its undertakings under paragraph 7 of this Agreement; c) The Secured Creditor is unable to register this instrument and the Security as priority security in the Personal Property Security Registry ("PPSR"), due to an act or omission of the Borrower/Grantor; d) Violation of any of the Terms and conditions of this PNSA, or of any agreement with the Secured Creditor or any third- party, whether executed prior to or after the date of this Note, if the effect of the failure to pay or observe such conditions is the acceleration of the obligation or the substantial impairment of the rights of the Secured Creditor under this agreement; e) The Borrower/Grantor 's death, dissolution, termination of existence or cessation of business operations, bankruptcy, liquidation, insolvency, receivership/ levy/garnishment/attachment of property. Conviction or a criminal offense by final judgment carrying with it the penalty of civil interdiction; f) Any case covered by Article 1198 of the New Civil Code and by the provisions of the PPSA and its IRR; g) The collateral property/ies be lost, destroyed, damaged, from any cause whatsoever including fortuitous event it being considered lost to all intents and purposes if the Borrower/Grantor shall fail to produce the same or any part thereof on demand by the Secured Creditor. h) Circumstances that would lead the Secured Creditor to believe that the capacity of Borrower/Grantor to pay the outstanding Obligations is impaired, such as but not limited to Borrower/Grantor's default under any other credit accommodation, or its sale or disposition of any substantial portion of his her/their/its assets not in the ordinary course of business; i) Fraud or Misrepresentation by the Borrower/Grantor.
10. **CONSEQUENCES OF DEFAULT.** Upon the occurrence of any event of default, the Secured Creditor may invoke, simultaneously or successively in any order, the following consequences remedies, which are cumulative and not alternative, and shall be without prejudice to other remedies under the present or future law or equity:
  - a. **Acceleration.** The Secured Creditor may, at its sole option, consider all obligations of the Borrower/Grantor with it immediately due and demandable, and accelerate the maturity thereof without need of demand of notice or presentation of this Note to the Borrower/Grantor.
  - b. **Legal Compensation.** Effective upon the occurrence of any event of default, the Secured Creditor is authorized to immediately debit, without need of notice to the Borrower/Grantor, a sufficient amount and set-off or apply to the payment of any amount due under this instrument any deposit of the Borrower/ Grantor with the Secured Creditor, as well as any long-term investment (which the Secured Creditor is hereby authorized to pre-terminate accordingly, to convert the funds into Philippine peso if denominated in foreign currency at the prevailing exchange rate at the time of set-off or pre-termination it being understood that all taxes, expenses and charges arising from the pre-termination of the account or investment shall be shouldered the Borrower/Grantor).
  - c. **Sale of Things Value.** Effective upon the occurrence of any event of default, the Secured Creditor is hereby appointed attorney-in-fact of the Borrower/Grantor to sell and dispose of any of the Borrower/ Grantor's securities and a things of value which may be with the Secured Creditor on deposit or otherwise, by public or private sale, under such terms or at such price deemed best by Secured Creditor. The net proceeds from said sale (after deducting the amounts for taxes, fees, and other related expenses) shall be applied to the payment of any amount due under this instrument. It is understood, however, that the Secured Creditor has no obligation to carry out this authority.
  - d. **Retention of Collateral by the Secured Creditor.** After default, the secured creditor may opt for the retention of the collateral and to take all or part of the collateral property/ies in total or partial satisfaction of the secured Obligations. The Secured Creditor shall cause the sending of the proposal for retention and acquisition of the collateral property to the Borrower/Grantor, any other secured creditor who registered their security interest five (5) days prior to the date of sending, and any other persons with an interest in the collateral who has given a written notification to the secured creditor before the proposal is sent to the Borrower/Grantor. The retention of the collateral shall take effect upon the receipt of the consent of the Borrower/Grantor and the other recipients, if any, from the proposal for retention and acquisition.
  - e. **Repossession and Sale.** Effective upon the occurrence of any event of default, the Secured Creditor is hereby appointed attorney-in-fact of the Borrower/Grantor with full power and authority to take actual possession of the Collateral Property/ies without necessity of any judicial order or any other permission or power to remove, sell dispose of the Collateral Property/ies in accordance with the provisions of the PPSA and its IRR through public or private sale, and in connection therewith execute and deliver such deed of conveyance as may be necessary or proper for the purpose of vesting in the purchaser at such sale, absolute title to the property (so) sold, free from all liens and encumbrances or whatsoever. In such case and until be Collateral Property/ies is/are sold, the Payee/Secured Creditor is authorized to; (I) hold and

retain possession of said property/ies; (II) lease any of the property/ies and collect rents there from; (III) execute bill of sale, lease or agreements that may be deemed convenient; (IV) make repairs or improvements; (V) perform all other acts of administration and management.

The Secured Creditor shall have full power and authority to apply the proceeds of the sale of the collateral property in payment of the Obligation in the following order: (I) the reasonable expenses of taking, holding, preparing for disposition, and disposing of the collateral, including reasonable attorneys's fees and legal expenses incurred by the secured creditor, (II) the satisfaction of all the Obligations secured by the security interest/Collateral Property/ies of the enforcing Secured Creditor, (III) the satisfaction of all the Obligations secured by any subordinate security interest or lien in the collateral, if a written demand and a proof of the interest are received before distribution of the proceeds is completed in such manner as it may deem proper.

If the proceeds of the sale are insufficient, the Borrower/Grantor shall pay the deficiency within fifteen (15) days after such sale.

In the public auction, the Secured Creditor shall be entitled to bid for the Collateral Property/ies, by the same, and to have the amount of its bid applied to the payment of all the outstanding Obligations without requiring payment in cash of such bid.

- f.

**Waiver of Right to Receive Notice of Sale or Disposition.** The Borrower/Grantor, after default, and upon repossession of the collateral unit, deems to have waived the right to receive the notice of sale or disposition from the Secured Creditor.

g.

**Criminal and Civil Action.** The following shall be construed as a deliberate act of the Borrower/Grantor to defraud the Secured Creditor; (I) Collateral property/ies is/are used for an unlawful purpose or and as Civil a PUV/TVNS without the written consent of the Secured Creditor: or (II) The Insurance coverage of the property is invalidated due to the illegal conversion in the use of the property/ies or any misrepresentation of the Borrower/Grantor to the insurer. In either case, the Borrower/Grantor shall be deemed to be fully aware that the Secured Creditor would not have granted the loan and executed this instrument had the Collateral Property/ies not been for private/personal use. Therefore the Borrower/Grantor can be held criminally and civilly liable under Article 319 of the Revised Penal Code and for fraud and damages.

h.

**Attachment.** Failure on the part of the Borrower/Grantor to produce and/or surrender possession of the Collateral Property/ies to the Secured Creditor within three (3) days from demand shall be construed as an admission that the collateral property/ies has/have been fraudulently sold, transferred, encumbered or otherwise disposed of, thereby constituting a ground for attachment under Rule 57 of the Rules of Court.

i.

**Payment of Deficiency.** It is understood that the exercise of any or all of those remedies shall be without prejudice to the right of the Secured Creditor to demand payment for any deficiency.

j.

**Payment of Damages.** The Secured Creditor shall have the right to the payment of any and all damages which it may have sustained by reason of the default of the Borrower/Grantor.

k.

**Secured Creditor's Right of Retention of Proceeds.** The Secured Creditor shall have the right to retain any and all amounts on the Principal and interest already paid by the Borrower/Grantor.
11.

**INTEREST, FEES, AND CHARGES**
- a.

**Interest Compounding.** Interest on all outstanding Obligations accruing from the last installment date are treated immediately due and payable and shall be compounded every 30 days until the Obligations is fully paid.

b.

**Interest Rate Adjustment.** The interest rate on the outstanding Principal or on any amount due herein may be subject to upward or downward adjustment in these instances a) change in the prevailing cost of money at any given time or there be any law, circular, rule or regulation enacted, issued or promulgated which has the effect of increasing or decreasing the cost of funds to the Secured Creditor as determined by the latter; b) change of at least fifteen percent (15%) in the Consumer Price Index for Manila from the date of execution of this agreement as set forth in the figures released by the Bangko Sentral ng Pilipinas (BSP), or other agencies of the Philippine Government should the figures of BSP be unavailable, which shall be regarded as an extraordinary increase or decrease in the effective purchasing power of the Philippine currency.  
Any adjustment pursuant to the foregoing occurrences shall be communicated in writing by the Secured Creditor to the Borrower/Grantor prior to its implementation. The Borrower/Grantor shall have the option of the pre-paying the Obligations without service fee, within period of thirty (30) days following receipt of the notice otherwise, the Borrower/Grantor shall be deemed to have agreed to the adjustment effective upon the expiration of the 30-day period. **Late Payment Fee.** In the event that the Borrower/Grantor fails to pay on the due date, a fee at the rate of three percent (3%) of the monthly installment shall be charged per instance of default.

c.

**Penalty Interest.** For as long as an installment due remains unpaid a penalty interest at the rate of five percent (5%) for every month or fraction thereof shall be imposed.

d.

**Service Fee.** In the event that the entire loan would be paid before maturity date, the Borrower/Grantor has to pay a service fee computed based on the rate provided in the Disclosure Statement x principal amount pre-        paid. Partial prepayments will not incur such fee and it shall be applied to the principal amount of installments in the inverse order of their maturity (i.e., to the last maturing installment or installments or principal) or, at the sole option of the Secured Creditor to installments of principal and interest succeeding the date of prepayment.

e.

**Interest for Advances.** In the event that the Secured Creditor exercises its option to advance the payment of execution and registration expenses or insurance premium under paragraphs 7(a) and 7(b) The Borrower/Grantor shall repay the amount with interest at three (3%) per month from the date of each advance until its complete reimbursement. The Borrower/Grantor gives consent to such payments or advances to be made by the Secured Creditor by virtue of this condition and now and henceforth renounces all protests and defenses against the said payments.

f.

**Late Submission Charge.** A penalty amounting to One Thousand Five Hundred Pesos (1,500.00) shall be imposed upon failure of the Borrower/Grantor to deliver the insurance policy/ies/renewals/ and receipt/s within the stipulated period.

g.

**Collection Fees, Attorney's Fees, Costs, and Legal Expenses.** If upon default by the Borrower/Grantor. The Secured Creditor avails of the services of a collection agency or a lawyer to assert or protect its rights and interests under the PNSA and in the Collateral Property/ies, the Borrower/Grantor shall pay following upon Secured Creditor's demand; (I) expenses of collection or repossession, which in no case shall be less than Five Thousand Pesos (P5, 000.00); (II) attorney's fees equivalent to twenty-five percent (25%) of the total sum due, which in no case shall be less than Ten Thousand Pesos (P10,000.00); (III) legal costs provided for in the Rules Of Court and (IV) filing of the case and the bond itself, and the premium for the replevin bond.

h.

**Penalty for Fraudulent Disposition.** A penalty of Twenty Thousand Pesos (P20,000.00) or (50%) of the outstanding Obligation, whichever is higher, shall be imposed in case the Collateral Property/ies is/are fraudulently sold, transferred, encumbered or disposed.

i.

**Storage Fee.** The Borrower/Grantor must claim the collateral documents within one (1) month from full payment of the obligations, otherwise, a fee of One Hundred Pesos (P100) per month of delay shall be charged.

j.

**Non-waiver of Consequences of Default.** The imposition, payment, acceptance or waiver of these interests, fees, and charges shall not prejudice the right of the Secured Creditor to invoke the Consequences of Default.
12.

**RELEASE OF COLLATERAL.** The Secured Creditor shall be entitled to and retain possession of the original copy of the Official Receipt and Certificate/s of Registration of the collateral property/ies until such time that the account/Obligations contemplated by this PNSA and/ or other obligations of the Borrower/ Secured Creditor as may be found in the books of RCBC or any of its subsidiaries or affiliates are fully paid or settled. The collateral documents shall be released only to the registered owner or to his/her/their/its authorized representative. Where the Collateral Property/ies is/are owned by more than one Borrower/Grantor, each of them hereby consents to the release of the collateral documents to any one of them, and they shall hold the Secured Creditor free and harmless from any liability damage, or loss in connection therewith. In the event that the Dealer/Assignor delays or fails to deliver the documents to RCBC, the Borrower/Grantor shall similarly hold RCBC and any of its officers and employees free from liability and responsibility.
13.

**WAIVER AND GRANT OF AUTHORITY TO RCBC:**
- a.

**Waiver of Confidentiality and Authority to Disclose.** The Borrower/Grantor waives confidentiality of client information (including without limitation, the provisions of Republic Act (RA) Nos. 1405 as amended and any law relating to the secrecy of bank deposits, and pursuant to BSP Circular No. 472 Series of 2005 as implemented by BIR Revenue Regulation No. RR-4- 2005, and authorize the Secured Creditor to: (I) conduct random verification with the Bureau of Internal Revenue in order to establish the authenticity of the Borrower/Grantor's Income Tax Return and its accompanying financial statements, and other documents/information/data submitted; (II) obtain or disclose such information regarding the Borrower/Grantor or the loan/credit facilities obtained hereunder for/to any party deemed proper by the Secured Creditor, or as may require or allowed under applicable laws, rules and regulations. Should document/s submitted prove to be spurious or incorrect in any material detail, the Secured Creditor may terminate any loan or other credit accommodation granted on the basis of said document/s and shall have the right to demand immediate repayment or liquidation of the obligation. Moreover, the Secured Creditor may seek redress from the court for any harm done by the submission of spurious documents.  
The Borrower/Grantor authorizes the Secured Creditor to disclose information relating to the Borrower/Grantor, the Obligation and/or the performance of the obligations under this PNSA to the Secured Creditor's subsidiaries, affiliates, agents and third parties that are authorized by the Secured Creditor to receive such information, for confidential use in connection with the Secured Creditor's exercise of its functions to provide banking and related services as well as for any business purposes(including, but not limited to, sales and marketing credit investigation and collection information technology system and processes, data processing, imaging and storage, back-up and recovery, and statistical and risk and analysis purposes.)  
The Borrower/Grantor shall indemnify and hold the Secured Creditor and/or its directors, officers, employees and authorized representatives free and harmless from any and all liability out of arising of any violation by third parties authorized to receive information under the preceding paragraphs, of the Law on Secrecy of Bank Deposits, the provisions of the General Banking Law and/or other related Law and/or government regulation on the subject of disclosure of bank transactions.

b.

**Waiver of Application of Payments.** The Borrower/Grantor waives all his/her/their/its right under Art. 1252 of the Civil Code of the Philippines (R.A. No. 386, as amended).
14.

**NOTICES AND CORRESPONDENCES.** The parties agree that all agreements and notices in relation to the credit accommodation and Security Agreement and enforcement of its provisions shall be written in English. Without prejudice to the application of Section 10 (g), the Borrower/Grantor agrees that all notices and correspondences relative to this PNSA, including demand letters, summonses, subpoenas, or notifications of any judicial or extrajudicial action, shall be given or made in writing, such as but not limited to mail, electronic mail or facsimile transmission, at the option of the Borrower/Grantor as stated in his/its loan application. In case the Borrower/Grantor opted for communication by mail the notices and correspondences shall be delivered to the address stated on the face of this PNSA unless the Borrower/Grantor notifies the Secured Creditor of the change in address or, in the case of other modes of communication, contact information, shall be deemed valid and effective notice for all legal purposes, such that the fact that the notice or correspondence had not actually been received by the Borrower/Grantor, or had been returned to the Secured Creditor, or the address is fictitious/cannot be located, shall not use excuse or relieve the Borrower/Grantor from the effects of such notice.
15.

**SECURED CREDITOR'S RIGHT TO ASSIGN.** The Secured Creditor reserves the right to sell, cede, transfer, or assign to any person or entity its rights and interests in and to this PNSA and the Collateral Property/ies, for which the Borrower/Grantor hereby gives his/her/their/its consent.
16.

**DATA PRIVACY.** The Secured Creditor may appoint or designate a representative, agent, attorney-in-fact, or collection agency to perform any and all acts which may be required or necessary to enforce Secured Creditor's right. For such purpose, the Borrower/Grantor hereby gives his/her consent as to the disclosure of all relative information in connection with the subject loan or his account to such authorized representative, agent or attorney-in-fact and agrees to hold the Bank free and harmless against any and all damages, cost, or liability arising from such disclosure.
17.

**VENUE.** Any action of suit under the PNSA or any other document related hereto shall be instituted in the proper courts in Metro Manila, or in province, city or municipality where any branch, Consumer Lending Center, or Business Center of the Secured Creditor is located, at the exclusive option of the Secured Creditor, to the exclusion of other courts.
18.

**SEVERABILITY OF PROVISIONS.** In case any one or more the provisions contained herein shall be declared by final order of a court of competent jurisdiction to be invalid, illegal, or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

THE BORROWER/GRANTOR CONFIRMS THAT HE/SHE/THEY HAS/HAVE CAREFULLY READ. FULLY UNDERSTOOD AND VOLUNTARILY CONFORMED TO THE FOREGOING TERMS AND CONDITIONS.

For individuals:

For corporations/partnerships:

Name/s of Authorized. Signatory/ies

Name/s of Authorized. Signatory/ies

