

Third-Party Collateral Agreement

Date: [Insert Date]

Lender: [Lender Name]

Borrower: [Borrower Name]

Third-Party Pledgor: [Pledgor Name]

1. Recitals

1. The Borrower has requested a loan from the Lender under separate loan agreement(s) dated [date], and
2. The Third-Party Pledgor agrees to provide collateral as security for the obligations of the Borrower to the Lender.

2. Grant of Security Interest

The Third-Party Pledgor hereby grants to the Lender a security interest in the collateral described below to secure the obligations of the Borrower under the loan agreement(s):

- Description of Collateral: [Insert Details]
- Location of Collateral: [Insert Location]

3. Representations and Warranties

- The Third-Party Pledgor is the legal owner of the collateral and has full authority to pledge it.
- The collateral is free of any liens or encumbrances except as disclosed to the Lender.

4. Covenants

- The Third-Party Pledgor shall not sell, transfer, or encumber the collateral except as permitted in this agreement.
- The Borrower shall remain liable for all obligations under the loan irrespective of the pledge.

5. Default and Remedies

Upon the Borrower's default under the loan agreement, the Lender may enforce its security interest in the collateral in accordance with applicable law.

6. Miscellaneous

- This Agreement is binding on the parties and their respective successors and assigns.
 - Notice provisions and governing law: [Insert details].
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Lender: _____
[Authorized Signature]

Borrower: _____
[Authorized Signature]

Pledgor: _____
[Authorized Signature]

Important Notes

- A Third-Party Collateral Agreement allows a party other than the borrower to pledge assets as security.
- The pledgor should fully understand the risks, including potential loss of collateral upon borrower default.
- Legal and financial advice is strongly recommended for all parties.
- Clearly identify collateral and ensure documentation is accurate and complete.
- Proper registration or perfection of the security interest may be required for enforceability.