

**PLEDGE AGREEMENT  
FOR SECURITY COLLATERAL TO PROMISSORY NOTE**

THIS AGREEMENT made effective as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**BETWEEN:**

[NAME OF PARTY PLEDGING THE PROPERTY]  
[address]  
(the "Pledgor")

- and -

[NAME OF SECURED PARTY]  
[address]  
(the "Pledgee")

**RECITALS:**

WHEREAS the Pledgor is duly indebted to the Pledgee in the aggregate principal amount of \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_) evidenced by a promissory note of the Pledgor dated \_\_\_\_\_ [insert date] (the "Note");

WHEREAS, in order to induce the Pledgee to loan to the Pledgor the principal amount of the Note, the Pledgor has agreed to pledge the following personal property as collateral security for the prompt payment of the Note in accordance with its terms:

*[List the personal property being pledged]*  
(collectively, the "Pledged Property")

NOW THEREFORE, and intending to be legally bound thereby, the parties agree as follows:

1. In consideration of the foregoing, the Pledgor herewith pledges, delivers and assigns to the Pledgee all of the Pledged Property.
2. The Pledgor does hereby represent and warrant that:
  - (a) Except as pledged herein, the Pledgor has not sold, assigned, transferred, pledged, granted any security interest in or otherwise hypothecated the Pledged Property in any manner whatsoever, and that the Pledged Property is free and clear of any and all liens, encumbrances, pledges, restrictions, security interests and agreements; and
  - (b) The Pledgor has the full power and authority to execute and deliver this Pledge Agreement and to pledge the Pledged Property, that this Agreement constitutes the valid and binding obligation of the Pledgor enforceable in accordance with its terms, and that the pledge of the Pledged Property contained herein is not in violation of any agreement, undertaking or obligation of Pledgor.
3. The Pledgee shall hold the Pledged Property as security for the payment of the Note and shall not at any time dispose of or encumber the same except as herein provided.
4. Upon the occurrence of an Event of Default (as hereinafter defined), the Pledgee is hereby granted all of the rights and remedies accorded a secured party under the Uniform Commercial Code and may, upon ten (10) days prior written notice to the Pledgor, sell, lease or otherwise dispose of the Pledged Property, at any time or from time to time, in whole or in part, at public or private sale, without advertisement or notice of sale, all of which are hereby waived, and apply the proceeds of any such sale:

**THIS IS A 2-PAGE FORM.**