

TRANSMITTAL LETTER REQUESTING INFORMATION FROM BORROWER

[Introductory Note: Preparing a secured transaction takes a great deal of advance preparation. Part of this preparation requires that the secured lender and its counsel obtain information from the borrower so that they may prepare various documents—typically the security agreement and various filings—the most common of which is the UCC-1. In addition, other filings and procedures might be needed depending on the nature of the collateral. Further, the secured creditor often wants to conduct independent due diligence on the borrower's condition—particularly to learn about other creditors who may hold liens or security interests on the borrower's property. These searches can take time, both to obtain and to evaluate. Further time may be consumed if liens and security interests must be terminated or subordinated. What follows is a very practical approach to getting the secured transaction started on the right path. If counsel to the secured creditor does not act quickly, and does not document actions taken, the borrower will try to pin blame on the secured creditor's counsel and use any delays as a bargaining chip for an early closing on a basis that is less secure for the lender. Note that a secured lender often will be unwilling to rely solely on representations and warranties of a potential borrower.]

[FORM OF COVER LETTER TRANSMITTING PERFECTION CERTIFICATE]

[Letterhead of Counsel to Secured Party/Collateral Agent]

[Name of Borrower]

[Address of Borrower]

Attention of [Name of contact person at Borrower]

Re: [Identify Transaction]

Enclosed is a form of Perfection Certificate reflecting the scope of information that [name of Borrower] (the “Borrower”) [and each additional grantor of an interest in collateral] will be expected to execute and deliver at the closing of the above referenced transaction. Note that the Borrower is requested at this time, in advance of the closing, to provide certain information[both as to itself and for each additional grantor of an interest in collateral to secure advances and other extensions of credit made to Borrower pursuant to the transaction].

Although the Borrower [and each additional grantor of an interest in collateral] will not be required to deliver an executed Perfection Certificate prior to closing, the information required by the Perfection Certificate is needed as promptly as possible in order to permit Uniform Commercial Code and similar searches to be conducted in the proper names and jurisdictions prior to closing and to arrange for preparation of the necessary filings to perfect security interests. [In addition, I need to receive a list of all real property owned or leased by the Borrower [or each additional grantor], including the name of the record owner and copies of any deeds, title insurance policies, surveys and other records relating thereto that are available to you.]

It will be necessary to order searches and prepare filings, as promptly as possible. There may be some delay before search results can be obtained and any problems disclosed by the search can be identified and resolved. Information obtained at a later date (and corrections to earlier provided information) may result in increased expenses or delays in closing. Accordingly, I would be grateful if you would provide to me all information required by the Perfection Certificate as accurately, completely and promptly as possible.

If you have any questions regarding the scope of information requested, please do not hesitate to contact me at [specify contact method].

[I would be grateful if you would sign, date and return to me the extra copy of this letter provided for that purpose[to authorize the [name of Secured Party/Collateral Agent] to file financing statements and other similar documents in advance of the closing of the transaction].]

Very truly yours,

[Name of Borrower]

By _____

Name:

Title:

Date:

cc: [Name and address of counsel for Borrower]
enclosures/draft of Perfection Certificate