

Security, Collateral, and Guarantees in Capital Expansion Agreements

1. Security

To secure the obligations of the Borrower under this Capital Expansion Agreement dated ____/____/____, the Borrower hereby undertakes to provide security to the Lender in the following manner:

- **Fixed Charge:** A fixed charge over the plant, equipment, and real property located at **[Project Address]**.
- **Floating Charge:** A floating charge over all present and future assets and undertakings of the Borrower.

2. Collateral

The Borrower agrees to provide the following collateral to the Lender as surety for the fulfillment of financial obligations pursuant to this Agreement:

- **Movable Assets:** Machinery and vehicles with a combined appraised value not less than **[Amount]**.
- **Receivables:** Assignment of rights to receivables from key contracts as listed in Schedule A.

3. Guarantees

The Borrower agrees to procure the following guarantees in favor of the Lender:

- **Corporate Guarantee:** Guarantee provided by **[Parent Company Name]** guaranteeing full performance of all the Borrower's obligations.
- **Personal Guarantee:** Joint and several personal guarantees by the principal shareholders/directors of the Borrower.

4. Representations and Warranties

The Borrower hereby represents and warrants that all assets offered as security or collateral are free from encumbrances, other than as disclosed to the Lender, and that all approved guarantees are valid and enforceable.

5. Enforcement

In the event of default by the Borrower, the Lender shall have the right to enforce any or all of the security, collateral, or guarantees described herein, subject to the terms of this Agreement and applicable law.

Signed for and on behalf of the Borrower:

Name:
Title:
Date:

Signed for and on behalf of the Lender:

Name:
Title:
Date:

Important Notes:

- Always ensure all security, collateral, and guarantees are properly documented and registered where required.

- Carefully review all representations and warranties for accuracy and completeness before signing.
- Consult legal counsel to confirm enforceability of guarantees in relevant jurisdictions.
- Any changes to collateral or guarantor status should be promptly disclosed and documented.
- The agreement should specify the process for release of securities upon full repayment.