

No. 2084

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**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
and  
COLOMBIA**

**Guarantee Agreement — *Lebrija Hydroelectric Project* —  
(with annexed Loan Regulations No. 4 and Loan  
Agreement — *Lebrija Hydroelectric Project* — between  
the Bank and Central Hidroeléctrica del Río Lebrija,  
Limitada). Signed at Washington, on 13 November 1951**

*Official text: English.*

*Registered by the International Bank for Reconstruction and Development on  
9 February 1953*

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**BANQUE INTERNATIONALE POUR  
LA RECONSTRUCTION ET LE DÉVELOPPEMENT  
et  
COLOMBIE**

**Contrat de garantie — *Projet d'aménagement hydro-  
électrique de la Lebrija* — (avec, en annexe, le Règle-  
ment n° 4 sur les emprunts et le Contrat d'emprunt  
— *Projet d'aménagement hydro-électrique de la Le-  
brija* — entre la Banque et la « Central Hidroeléctrica  
del Río Lebrija, Limitada ». Signé à Washington, le  
13 novembre 1951**

*Texte officiel anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement  
le 9 février 1953*

No. 2084. GUARANTEE AGREEMENT<sup>1</sup> (*LEBRIJA HYDRO-ELECTRIC PROJECT*) BETWEEN THE REPUBLIC OF COLOMBIA AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 13 NOVEMBER 1951

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AGREEMENT, dated November 13, 1951, between REPUBLIC OF COLOMBIA (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by an agreement of even date herewith between the Bank and Central Hidroeléctrica del Río Lebrija, Limitada, (hereinafter called the Borrower), which agreement and the Schedules therein referred to are hereinafter called the Loan Agreement,<sup>2</sup> the Bank has agreed to make to the Borrower a loan in the aggregate principal amount of two million four hundred thousand dollars (\$2,400,000) or the equivalent thereof in other currencies on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agrees to guarantee such Loan and the obligations of the Borrower in respect thereof; and

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed to guarantee such Loan and the obligations of the Borrower in respect thereof;

NOW THEREFORE the parties hereto hereby agree as follows :

*Article I*

*Section 1.01.* The parties to this Guarantee Agreement accept all the provisions of Loan Regulations No. 4,<sup>3</sup> dated December 6, 1950, subject, however, to the modifications thereof set forth in Schedule 4<sup>4</sup> to the Loan Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations) with the same force and effect as if they were fully set forth herein.

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<sup>1</sup> Came into force on 26 February 1952, upon notification by the Bank to the Government of Colombia.

<sup>2</sup> See p. 84 of this volume.

<sup>3</sup> See p. 82 of this volume.

<sup>4</sup> See p. 100 of this volume.

*Section 1.02.* Wherever used in this Guarantee Agreement, unless the context shall otherwise require, the term Agency shall have the meaning set forth in Section 1.02 of the Loan Agreement.

### Article II

*Section 2.01.* Without limitation or restriction upon any of the other covenants on its part in this Guarantee Agreement contained, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and the interest, commitment charge and service charge, if any, on the Loan, the principal of and interest on the Bonds, the premium, if any, on the prepayment of the Loan or the redemption of the Bonds, and the punctual performance of all the covenants and agreements of the Borrower, all as set forth in the Loan Agreement and in the Bonds.

*Section 2.02.* Without limitation or restriction upon the provisions of Section 2.01 of this Guarantee Agreement, the Guarantor specifically undertakes, whenever there is reasonable cause to believe that the amount of currency of the Guarantor available to the Borrower will be inadequate to meet the estimated expenditures payable in such currency and required for carrying out the Project, to make arrangements, satisfactory to the Bank, promptly to provide the Borrower or cause the Borrower to be provided with such amounts of currency of the Guarantor as are needed to meet such expenditures.

### Article III

*Section 3.01.* The Guarantor covenants that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Guarantor or any of its political subdivisions or any Agency as security for the payment of any external debt, such lien shall *ipso facto* equally and ratably secure the payment of the principal of, and the interest and other charges on, the Loan and the Bonds, and that in the creation of any such lien express provision will be made to that effect ; provided, however, that this Section shall not apply (a) to any lien created on any property at the time of purchase thereof solely as security for the payment of the purchase price of such property ; or (b) to any lien created on commercial goods to secure debt maturing not more than one year after the date on which it is incurred and to be paid out of the proceeds of sale of such commercial goods.

*Section 3.02.* (a) The Bank and the Guarantor shall cooperate fully to assure that the purposes of the Loan shall be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Guarantor,

such information shall include information with respect to financial and economic conditions in the territories of the Guarantor and the international balance of payments position of the Guarantor.

(b) The Guarantor and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof; and the Guarantor shall promptly inform the Bank of any condition which shall arise that shall interfere with or threaten to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

(c) The Guarantor shall afford to the Bank all reasonable opportunity for accredited representatives of the Bank to visit freely any part of the territories of the Guarantor for the purpose of performing the functions set forth in Section 5.02 (a) of the Loan Agreement and for the purpose of studying the financial and economic conditions of the Guarantor and all other matters relating to the purposes of the Loan.

*Section 3.03.* The Guarantor covenants that the principal of and interest on the Loan and the Bonds, the premium on the prepayment of the Loan or the redemption of the Bonds, as specified in the Loan Agreement and the Bonds, and the commitment charge and service charge on the Loan, as specified in the Loan Agreement, will be paid without deduction for and free from any taxes, fees or charges imposed by the Guarantor or by any taxing authority thereof or therein or by any Agency and will be paid free from all restrictions of the Guarantor, its political subdivisions or any Agency. This Section shall not apply to taxation of, or charges or fees upon, payments made under the provisions of any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

*Section 3.04.* The Guarantor covenants that the Loan Agreement and the Bonds and the Guarantee Agreement shall be free of any issue, stamp or other tax, fee or charge imposed by the Guarantor or any taxing authority thereof or therein or by any Agency.

*Section 3.05.* The Guarantor covenants that it will not take, or permit any of its political subdivisions or any Agency to take, any action which would prevent or interfere with the performance by the Borrower of any of the covenants, agreements and obligations of the Borrower in the Loan Agreement contained, and will take or cause to be taken all reasonable action which shall be necessary in order to enable the Borrower to perform such covenants, agreements and obligations.

#### *Article IV*

*Section 4.01.* The Guarantor shall endorse, in accordance with the provisions of the Loan Regulations, its guarantee on the Bonds to be executed and delivered by the Borrower. The Minister of Finance and Public Credit of the Guarantor

and such person or persons as he shall designate in writing are designated as the authorized representatives of the Guarantor for the purposes of Section 6.12 (b) of the Loan Regulations.

*Article V*

*Section 5.01.* The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Guarantor : Ministerio de Hacienda y Crédito Público, Bogotá, Colombia.

For the Bank : International Bank for Reconstruction and Development, 1818 H Street, N. W., Washington 25, D.C., United States of America.

*Section 5.02.* The Minister of Finance and Public Credit of the Guarantor in office at the time in question is designated for the purposes of Section 8.03 of the Loan Regulations.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, have caused this Guarantee Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

Republic of Colombia :

By Cipriano RESTREPO J.  
Authorized Representative

International Bank for Reconstruction and Development :

By R. L. GARNER  
Vice President

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 4, DATED 6 DECEMBER 1950

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO BORROWERS OTHER THAN  
MEMBER GOVERNMENTS

[Not published herein. See *United Nations, Treaty Series, Vol. 158, p. 222.*]

LOAN AGREEMENT  
(LEBRIJA HYDROELECTRIC PROJECT)

AGREEMENT, dated November 13, 1951, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and CENTRAL HIDRO-ELÉCTRICA DEL RÍO LEBRIJA, LIMITADA (hereinafter called the Borrower).

*Article I*

LOAN REGULATIONS ; SPECIAL DEFINITION

*Section 1.01.* The parties to this Agreement accept all the provisions of Loan Regulations No. 4,<sup>1</sup> dated December 6, 1950, subject, however, to the modifications thereof set forth in Schedule 4<sup>2</sup> to this Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations) with the same force and effect as if they were fully set forth herein.

*Section 1.02.* Wherever used in this Agreement the term Agency shall mean any agency or instrumentality of the Guarantor or of any political subdivision of the Guarantor and shall include any institution or organization which is owned or controlled directly or indirectly by the Guarantor or by any political subdivision of the Guarantor or the operations of which are conducted primarily in the interest of or for account of the Guarantor or any political subdivision of the Guarantor.

*Article II*

THE LOAN

*Section 2.01.* The Bank agrees to lend to the Borrower, on the terms and conditions in this Agreement set forth or referred to, the sum of two million four hundred thousand dollars (\$2,400,000), or the equivalent thereof in currencies other than dollars.

*Section 2.02.* The Bank shall open a Loan Account on its books in the name of the Borrower and shall credit to such Account the amount of the Loan. The amount of the Loan may be withdrawn from time to time from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Loan Regulations.

*Section 2.03.* The Borrower shall pay to the Bank a commitment charge at the rate of three quarters of one per cent ( $\frac{3}{4}$  of 1%) per annum on the principal amount of the Loan not so withdrawn from time to time.

*Section 2.04.* The Borrower shall pay interest at the rate of four and one-half per cent ( $4\frac{1}{2}$  %) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

<sup>1</sup> See p. 82 of this volume.

<sup>2</sup> See p. 100 of this volume.

*Section 2.05.* Interest and commitment charge shall be payable semi-annually on January 1 and July 1 in each year.

*Section 2.06.* The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1<sup>1</sup> to this Loan Agreement.

### Article III

#### USE OF PROCEEDS OF THE LOAN

*Section 3.01.* The Borrower shall apply the proceeds of the Loan exclusively to the cost of goods which will be required for the carrying out of the Project as described in Schedule 2<sup>2</sup> to this Agreement. The specific goods to be purchased out of the proceeds of the Loan shall be determined by agreement between the Bank and the Borrower, and the list of such goods may be modified from time to time by agreement between them.

*Section 3.02.* The Borrower shall use all goods purchased out of the proceeds of the Loan in the territories of the Guarantor exclusively in the carrying out of the Project.

### Article IV

#### BONDS

*Section 4.01.* The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

*Section 4.02.* The Manager (*Gerente*) of the Borrower and such person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 6.12 (a) of the Loan Regulations.

### Article V

#### PARTICULAR COVENANTS

*Section 5.01.* (a) The Borrower shall carry out the Project with due diligence, efficiency and economy and in conformity with sound engineering practice, and for such purposes shall designate competent engineering consultants and contractors.

(b) The Borrower shall immediately upon the preparation thereof, furnish to the Bank the plans and specifications for the Project in such form and detail as the Bank shall reasonably request. Any material modifications or changes in such plans and specifications shall be promptly furnished to the Bank.

(c) The Borrower shall maintain or cause to be maintained books, accounts and records adequate to identify the goods purchased out of the proceeds of the Loan, to disclose the end-use thereof in the Project and the progress of the Project; and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of the Borrower.

<sup>1</sup> See p. 96 of this volume.

<sup>2</sup> See p. 98 of this volume.

*Section 5.02.* (a) The Borrower shall enable accredited representatives of the Bank to inspect any and all goods purchased out of the proceeds of the Loan and any of the properties owned or operated by the Borrower and to inspect, audit and make copies of, any books, accounts, records, contracts, orders, invoices, engineering studies and reports, and other documents relating to the goods purchased out of the proceeds of the Loan, and the use thereof in the Project, or to the progress of the Project, or otherwise relating to the operations and financial condition of the Borrower.

(b) The Borrower shall furnish to the Bank all such information, at such times, in such form and in such detail, as the Bank shall reasonably request, relating to the expenditure of the proceeds of the Loan, the use of the goods purchased therewith, the progress of the Project and the operations and financial condition of the Borrower.

*Section 5.03.* (a) The Borrower and the Bank shall cooperate fully to assure that the purposes of the Loan shall be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan.

(b) The Bank and the Borrower shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof; and the Borrower shall promptly inform the Bank of any condition that shall interfere with, or threaten to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof or shall increase or threaten to increase the estimated cost of the Project materially over the estimated cost set forth in Schedule 3<sup>1</sup> to this Agreement.

(c) If the Borrower shall propose to incur any external debt, the Borrower shall inform the Bank of such proposal and, before the proposed action is taken, shall afford the Bank all opportunity which is reasonably practicable in the circumstances to exchange views with the Borrower with respect thereto; provided, however, that the foregoing provisions shall not apply to: (i) the incurring of additional external debt through utilization, in accordance with the terms of any credit established prior to the date of this Agreement, of any unused amounts available under such credit; or (ii) the incurring by the Borrower in the ordinary course of its business of any external indebtedness maturing not more than one year after the date on which it is incurred.

*Section 5.04.* Except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower or of any corporation or company all or a majority of the capital stock of which shall be owned by the Borrower, as security for the payment of any debt, such lien shall *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, and in the creation of any such lien express provision shall be made by the Borrower to that effect; provided, however, that the foregoing provisions of this Section shall not apply to any lien created on any property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property.

*Section 5.05.* The Borrower shall pay or cause to be paid any and all taxes, duties, charges or fees that shall be imposed on or in connection with the execution, issue, de-

<sup>1</sup> See p. 100 of this volume.



livery or registration of this Agreement, the Bonds or the Guarantee Agreement, or that shall be imposed by the Guarantor or any political subdivision of the Guarantor or by any Agency or by any taxing authority thereof or therein upon this Agreement, the Bonds or the Guarantee Agreement, or the registration thereof with any Agency or official, or the payment of principal, interest or other charges thereunder. Such principal, interest and other charges shall be paid without deduction for and free of any and all such taxes, charges and fees. This Section shall not apply to taxation of any Bond, or payments made under the provisions of any Bond, when the beneficial holder thereof, other than the Bank, shall be an individual or corporate resident of the Guarantor.

*Section 5.06.* (a) The Borrower shall at all times maintain its existence and right to carry on operations and shall, except as the Bank shall otherwise agree in writing, maintain and renew all rights, powers, privileges and franchises owned by it and necessary or useful in the operation of its business.

(b) The Borrower shall operate and maintain its plants, equipment and property, and from time to time make all necessary renewals and repairs thereof, all in accordance with sound engineering standards ; and shall at all times operate its plants and equipment and maintain its financial position in accordance with sound business and public utility practices.

(c) The Borrower shall not, without the written consent of the Bank, sell or otherwise dispose of all or substantially all of its property and assets or all or substantially all the property included in the Project or any plant included therein, unless the Borrower shall first redeem and pay, or make adequate provision satisfactory to the Bank for redemption or payment of, all of the Loan which shall then be outstanding and unpaid.

(d) The Borrower shall not, without the prior consent of the Bank, sell or otherwise dispose of any of the goods purchased out of the proceeds of the Loan.

*Section 5.07.* Whenever there is reasonable cause to believe that the amount of currency of the Guarantor available to the Borrower will be inadequate to meet the estimated expenditures payable in such currency and required for carrying out the Project, the Borrower shall forthwith notify the Guarantor and the Bank of such fact and of the anticipated deficit.

*Section 5.08.* Except as shall be otherwise agreed between the Bank and the Borrower, the Borrower shall insure or cause to be insured with responsible insurers all goods purchased out of the proceeds of the Loan. Such insurance shall cover such marine, transit and other hazards incident to delivery of the goods into the territories of the Guarantor, and shall be for such amounts, as shall be consistent with sound commercial practice. Each contract of insurance shall be payable in dollars or in the currency in which the cost of the goods insured thereunder shall be payable.

*Section 5.09.* Until such time as the Project shall have been completed, the Borrower shall not, without the written consent of the Bank, directly or indirectly (i) declare or pay

any dividends, or acquire any shares of its capital stock for a consideration ; or (ii) undertake or execute any major projects or developments other than the Project or make any major additions to its plant and other properties at any time, unless at such time the Borrower has set aside and made available in a special reserve fund currency of the Guarantor sufficient to cover expenditures required for carrying out the Project.

*Section 5.10.* The Borrower shall not, without the prior approval of the Bank, incur any debt if thereby the aggregate amount required in any fiscal year of the Borrower (including the fiscal year in which the Borrower proposes to incur such debt) for the payment of principal (including amortization and sinking fund payments) of, and interest and other charges on, all outstanding debt (including said proposed debt) incurred by the Borrower would exceed fifty per cent (50 %) of the aggregate amount of the revenues of the Borrower during its fiscal year last preceding the date on which the Borrower proposes to incur such debt. For purposes of this Section :

(a) The term "revenues of the Borrower" shall be deemed to mean all current revenues of the Borrower less the amount of all operating, administrative and overhead expenses of the Borrower, but without deduction of any amounts for depreciation, retirement, obsolescence, interest, sinking fund or amortization of principal of indebtedness ;

(b) The term "debt" shall not include debt maturing by its terms in not more than one year after its date in an aggregate principal amount not exceeding the equivalent of 500,000 pesos in the currency of the Guarantor ;

(c) Sums in currency other than currency of the Guarantor shall be converted into currency of the Guarantor at the official selling rate of the *Banco de la República* for such other currency on the date on which the Borrower proposes to incur the debt in question.

*Section 5.11.* Unless the Bank shall otherwise agree, the Borrower shall not declare or pay any dividend, or make any distribution, on any shares of its capital stock, other than a dividend payable solely in shares of its capital stock, nor shall the Borrower acquire any shares of its capital stock for a consideration, if, as a result of any such dividend or distribution (other than those payable solely in shares of its stock) or such acquisition of shares of capital stock, the accumulated earned surplus of the Borrower, determined after adequate provision for maintenance and depreciation and otherwise in accordance with sound accounting practice, would be reduced below an amount equivalent to the Borrower's aggregate requirements for the next twelve-month period for the payment of principal (including amortization and sinking fund payments) of, and interest and other charges on, all outstanding debt other than debt incurred in the ordinary course of business and maturing by its terms in not more than one year after the date on which it is incurred.

*Section 5.12.* Within sixty days after the Effective Date, the Borrower shall pay in full any amounts due on the purchase price of the entire property and business purchased from *Compañía Eléctrica de Bucaramanga, S. A.*, in accordance with the provisions of the "Contract of Option to Purchase", dated August 27, 1951, between the Borrower and *Compañía Eléctrica de Bucaramanga, S. A.*, and shall have clear and unencumbered title to such property and business. Evidence thereof satisfactory to the Bank shall be furnished to the Bank within such period. As part of such evidence the Borrower shall furnish to the Bank an opinion satisfactory to the Bank of counsel acceptable to the Bank

showing that the Borrower has paid in full any amounts due on the purchase price of the entire property and business which it has purchased from *Compañía Eléctrica de Bucaramanga, S. A.*, and has clear and unencumbered title to such property and business.

#### Article VI

##### REMEDIES OF THE BANK

*Section 6.01.* If any event specified in paragraphs (a) or (b) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of thirty days or if an event specified in paragraph (c) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then at any subsequent time during the continuance thereof, the Bank, at its option, may declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Agreement or in the Bonds or in the Guarantee Agreement to the contrary notwithstanding.

#### Article VII

##### MISCELLANEOUS

*Section 7.01.* (a) The following are specified as additional conditions to the effectiveness of this Agreement within the meaning of Section 9.01 (c) of the Loan Regulations :

(i) The Borrower shall have exercised the option to purchase the entire property and business of *Compañía Eléctrica de Bucaramanga, S. A.*, in accordance with the provisions of the "Contract of Option to Purchase", dated August 27, 1951, between the Borrower and *Compañía Eléctrica de Bucaramanga, S. A.*, and title to such property and business shall have been obtained by the Borrower free from any liens other than liens created on such property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property ; and

(ii) arrangements satisfactory to the Bank shall have been made for provision of additional capital funds needed to carry out the Project.

(b) The following are specified as additional matters within the meaning of Section 9.02 (d) of the Loan Regulations :

(i) that the Borrower has been duly constituted and duly exists as a *compañía de responsabilidad limitada* under the laws of the Republic of Colombia ; and

(ii) that the Borrower has duly exercised the option to purchase the entire property and business of *Compañía Eléctrica de Bucaramanga, S. A.*, in accordance with the provisions of the "Contract of Option to Purchase", dated August 27, 1951, between the Borrower and *Compañía Eléctrica de Bucaramanga, S. A.*, and that title to such property and business has been obtained by the Borrower free from any liens other than liens created on such property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property.

*Section 7.02.* The Closing Date shall be January 15, 1954.

*Section 7.03.* The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Bank : International Bank for Reconstruction and Development, 1818 H Street, N. W., Washington 25, District of Columbia, United States of America.

For the Borrower : Central Hidroeléctrica del Río Lebrija, Ltda., Bucaramanga, Colombia.

*Section 7.04.* A date 60 days after the date of this Agreement is hereby specified for the purposes of Section 9.04 of the Loan Regulations.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Agreement to be signed in their respective names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

International Bank for Reconstruction and Development :

By R. L. GARNER  
Vice President

Central Hidroeléctrica Del Río Lebrija, Limitada

By B. GARCÍA C.  
Manager

#### SCHEDULE 1

##### AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (Expressed in dollars*)</i>	<i>Principal Amount Outstanding After Each Payment (Expressed in dollars*)</i>	<i>Date Payment Due</i>	<i>Payment of Principal (Expressed in dollars*)</i>	<i>Principal Amount Outstanding After Each Payment (Expressed in dollars*)</i>
July 1, 1953 . . .	\$ —	\$ 2,400,000.00	January 1, 1963	\$63,000.00	\$1,412,000.00
January 1, 1954 . . .	42,000.00	2,358,000.00	July 1, 1963 . . .	65,000.00	1,347,000.00
July 1, 1954 . . .	43,000.00	2,315,000.00	January 1, 1964	66,000.00	1,281,000.00
January 1, 1955 . . .	44,000.00	2,271,000.00	July 1, 1964 . . .	67,000.00	1,214,000.00
July 1, 1955 . . .	45,000.00	2,226,000.00	January 1, 1965	69,000.00	1,145,000.00
January 1, 1956 . . .	46,000.00	2,180,000.00	July 1, 1965 . . .	71,000.00	1,074,000.00
July 1, 1956 . . .	47,000.00	2,133,000.00	January 1, 1966	72,000.00	1,002,000.00
January 1, 1957 . . .	48,000.00	2,085,000.00	July 1, 1966 . . .	74,000.00	928,000.00
July 1, 1957 . . .	49,000.00	2,036,000.00	January 1, 1967	75,000.00	853,000.00
January 1, 1958 . . .	51,000.00	1,985,000.00	July 1, 1967 . . .	77,000.00	776,000.00
July 1, 1958 . . .	52,000.00	1,933,000.00	January 1, 1968	79,000.00	697,000.00
January 1, 1959 . . .	53,000.00	1,880,000.00	July 1, 1968 . . .	81,000.00	616,000.00
July 1, 1959 . . .	54,000.00	1,826,000.00	January 1, 1969	82,000.00	534,000.00
January 1, 1960 . . .	55,000.00	1,771,000.00	July 1, 1969 . . .	84,000.00	450,000.00
July 1, 1960 . . .	57,000.00	1,714,000.00	January 1, 1970	86,000.00	364,000.00
January 1, 1961 . . .	58,000.00	1,656,000.00	July 1, 1970 . . .	88,000.00	276,000.00
July 1, 1961 . . .	59,000.00	1,597,000.00	January 1, 1971	90,000.00	186,000.00
January 1, 1962 . . .	60,000.00	1,537,000.00	July 1, 1971 . . .	92,000.00	94,000.00
July 1, 1962 . . .	62,000.00	1,475,000.00	January 1, 1972	94,000.00	—

\* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.02) the figures in these columns represent dollar equivalents determined as for purposes of withdrawal.

## PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any part of the principal amount of the Loan pursuant to Section 2.05 (b) of the Loan Regulations or on the redemption of any Bond prior to its maturity pursuant to Section 6.16 of the Loan Regulations :

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than 5 years before maturity . . . . .	1/2 %
More than 5 years but not more than 10 years before maturity . . . . .	1 %
More than 10 years but not more than 15 years before maturity . . . . .	1 1/4 %
More than 15 years before maturity . . . . .	2 1/2 %

## SCHEDULE 2

## DESCRIPTION OF THE PROJECT

1. The project consists of the construction of a hydroelectric development located ten miles from Bucaramanga and of the expansion of the present distribution system in the Municipality of Bucaramanga. The plant, designed for a maximum output of about 19,000 kva, will be built in two stages, the first stage consisting of two generating units and related equipment having a total capacity of 9,500 kva. Only the first stage is included in the Project.

2. A low concrete diversion dam of the gravity type will be constructed across the Río Lebrija at a point just below its confluence with the Río del Oro and the Río Negro. The spillway will be 54 meters wide and, with additional capacity provided by four sluice gates, will handle 900 cubic meters per second. The reservoir, which will be used for daily regulation, will have a storage capacity of 185,000 cubic meters.

3. The water will be conducted from the reservoir by a reinforced concrete-lined tunnel, 25,000 feet long, to a surge tank, and thence through a power tunnel and valve house into one penstock which will discharge into the turbines. The turbines will be of the reaction type and when operating at 720 r.p.m. will be capable of developing 5,440 horse-power. The maximum head of the turbines will be 527 feet and the minimum head 423 feet. The alternators are rated at 4,160 volts, 60 cycles, 4,750 kva, or 3,800 kw at 0.8 power factor.

4. Each generator will be connected to a 4,750 kva, 4.2/33 kv step-up transformer to be located in an outdoor substation. The transformers will be connected to double-circuit transmission lines, 15.5 km in length, strung on steel towers. At Bucaramanga a step-down substation will be provided. The auxiliary, protective and metering equipment will all be of conventional design.

5. The distribution system now existing at Bucaramanga will be extended and modernized for the additional power generated by the Project. This system will have a North and South substation where power will be stepped down from 11 kv to 2,300 volts for distribution throughout the city. Single phase transformers will further reduce the voltage to 220 or 110 volts.

## SCHEDULE 3

ESTIMATED COST OF THE PROJECT  
(Expressed in dollars)

Items	Local Cur- rency Ex- penditures	Foreign Exchange		Total
		Expenditures		
		Financed by the Bank	Other	
1. Civil Works . . . . .	1,961,000	970,000	247,000	3,178,000
2. Power House and Step-up Substation	278,000	763,000	0	1,041,000
3. Transmission Line . . . . .	102,000	200,000	0	302,000
4. Bucaramanga Substation . . . . .	16,000	35,000	0	51,000
5. Distribution System . . . . .	12,000	119,000	0	131,000
6. Overhead and Contingencies . . . . .	1,708,000	180,000	174,000	2,062,000
7. Interest and Other Charges During Construction . . . . .	0	133,000	0	133,000
	<u>4,077,000</u>	<u>2,400,000</u>	<u>421,000</u>	<u>6,898,000</u>

## SCHEDULE 4

MODIFICATIONS OF LOAN REGULATIONS No. 4<sup>1</sup>

For the purposes of the Loan Agreement and the Guarantee Agreement, the second sentence of Section 2.02 of Loan Regulations No. 4 of the Bank, dated December 6, 1950, shall be deemed to read as follows: \*

“Such commitment charge shall accrue from the Effective Date or from January 15, 1952, whichever shall be the earlier, or from such other date as may be agreed upon between the Bank and the Borrower, to the respective dates on which amounts shall be withdrawn by the Borrower from the Loan Account as provided in Article IV or shall be cancelled pursuant to Article V.”

<sup>1</sup> See p. 82 of this volume.