

No. 3494

---

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

**Guarantee Agreement — *Railroad Extension Project*  
(with annexed Loan Regulations No. 4 and Loan  
Agreement — *Railroad Extension Project* — between  
the Bank and Ferrocarriles Nacionales de Colombia).  
Signed at Washington, on 15 June 1955**

*Official text: English.*

*Registered by the International Bank for Reconstruction and Development on 20 August 1956.*

---

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

**Contrat de garantie — *Projet relatif au développement  
du réseau ferroviaire* (avec, en annexe, le Règlement  
n° 4 sur les emprunts et le Contrat d'emprunt — *Projet  
relatif au développement du réseau ferroviaire* —  
entre la Banque et les Ferrocarriles Nacionales de  
Colombia). Signé à Washington, le 15 juin 1955**

*Texte officiel anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement  
le 20 août 1956.*

No. 3494. GUARANTEE AGREEMENT<sup>1</sup> (*RAILROAD EXTENSION PROJECT*) BETWEEN THE REPUBLIC OF COLOMBIA AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 15 JUNE 1955

---

AGREEMENT, dated June 15, 1955, between REPUBLIC OF COLOMBIA (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by an agreement dated August 26, 1952<sup>2</sup> between the Guarantor and the Bank, the Bank agreed to lend to the Guarantor the sum of \$25,000,000 or the equivalent thereof in currencies other than dollars to assist in financing the costs of a project included in a program of the Guarantor for the reorganization of the railway system of Colombia and for the expansion, rehabilitation and improvement of the lines operated by the Consejo Administrativo de los Ferrocarriles Nacionales or its successor organization ; and

WHEREAS, as contemplated by such Loan Agreement, Ferrocarriles Nacionales de Colombia (hereinafter called the Borrower) was organized by Decree No. 3129 of 1954 as an autonomous non-political organization to administer the railway system of Colombia on a financially self-supporting basis ; and

WHEREAS by an agreement of even date herewith between the Bank and the Borrower, which agreement and the schedules therein referred to are hereinafter called the Loan Agreement,<sup>3</sup> the Bank has agreed to make to the Borrower a loan in various currencies in an aggregate principal amount equivalent to fifteen million nine hundred thousand dollars (\$15,900,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the payment of the principal, interest and other charges on such loan and the obligations of the Borrower in respect thereof and to undertake to carry out an additional program of public works supplemental to the Project ; and

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed to guarantee the payment of the principal, interest and other charges on such loan and the obligations of the Bor-

---

<sup>1</sup> Came into force on 2 June 1956, upon notification by the Bank to the Government of the Republic of Colombia.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 159, p. 339.

<sup>3</sup> See p. 172 of this volume.

rower in respect thereof and to undertake to carry out the additional program of public works ;

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 of the Bank dated February 15, 1955<sup>1</sup> (said Loan Regulations No. 4 being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

*Section 1.02.* Except where the context otherwise requires, wherever used in this Guarantee Agreement the terms defined in Section 1.02 of the Loan Agreement shall have the respective meanings therein set forth.

### *Article II*

*Section 2.01.* Without limitation or restriction upon any of the other covenants on its part in this 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 and other charges 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 Agreement, the Guarantor specifically undertakes, whenever there is reasonable cause to believe that the funds available to the Borrower will be inadequate to meet the estimated expenditures 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 funds as are needed to meet such expenditures. Any funds supplied to the Borrower by the Guarantor pursuant to this Section will be supplied in such manner as to be recoverable only out of net earnings of the Borrower.

### *Article III*

*Section 3.01.* (a) The Guarantor shall cause the Public Works Program to be carried out with due diligence and efficiency.

(b) The Guarantor shall cause the Public Works Program to be carried out in conformity with sound engineering and financial practices.

---

<sup>1</sup> See p. 172 of this volume.

(c) The Guarantor shall retain consultants satisfactory to the Bank upon terms and conditions satisfactory to the Bank to supervise the execution of the portions of the Public Works Program described in paragraph (b) of Schedule 1<sup>1</sup> to this Guarantee Agreement.

(d) The Guarantor shall cause to be furnished to the Bank, in such detail as the Bank shall from time to time request, and promptly upon their preparation, the plans and specifications for the Public Works Program and any material modifications subsequently made therein.

(e) The Guarantor shall maintain or cause to be maintained records adequate to record the progress of the Public Works Program (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the financial condition and operations of the agency or agencies of the Guarantor responsible for the construction or operation of the Public Works Program or any part thereof; shall enable the Bank's representatives to inspect the Public Works Program and any relevant records and documents; and shall furnish to the Bank all such information as the Bank shall reasonably request concerning the Public Works Program and the financial condition and operations of the agency or agencies of the Guarantor responsible for the construction or operation of the Public Works Program or any part thereof.

*Section 3.02.* It is the mutual intention of the Guarantor and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end, the Guarantor undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Guarantor as security for any external debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and 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 the foregoing provisions of this Section shall not apply to: (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; (ii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods; or (iii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

As used in this Section, (a) the term "assets of the Guarantor" includes assets of the Guarantor or of any of its political subdivisions or of any Agency including the Banco de la República, and (b) the term "Agency" means 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

<sup>1</sup> See p. 172 of this volume.

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.

*Section 3.03.* (a) The Guarantor and the Bank shall cooperate fully to assure that the purposes of the Loan will 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. The Guarantor shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

(c) The Guarantor shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Guarantor for purposes related to the Loan.

*Section 3.04.* The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes or fees imposed under the laws of the Guarantor or laws in effect in its territories; provided, however, that the provisions of this Section shall not apply to taxation of, or fees upon, payments under 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 3.05.* This Agreement, the Loan Agreement and the Bonds shall be free from any taxes or fees that shall be imposed under the laws of the Guarantor or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof.

*Section 3.06.* The principal of, and interest and other charges on, the Loan and the Bonds shall be paid free from all restrictions imposed under the laws of the Guarantor or laws in effect in its territories.

#### *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 :

Republic of Colombia  
Ministerio de Hacienda y Crédito Público  
Palacio de los Ministerios, Plaza San Agustín  
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 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 Eduardo ZULETA-ANGEL  
Authorized Representative

International Bank for Reconstruction and Development :  
By Eugene R. BLACK  
President

## SCHEDULE 1

## DESCRIPTION OF THE PUBLIC WORKS PROGRAM

The Public Works Program is supplementary to the Project and includes the following :

(a) Completion of stage 1 of the program of the Ministry of Public Works of the Guarantor for expansion of the facilities of the port of Santa Marta, including the construction of additional piers, sheds and storage space.

(b) Construction of approximately 60 kilometers of paved highway to standards adequate for the use of the tractor-trailer units mentioned in paragraph 5 of Schedule 2<sup>1</sup> of the Loan Agreement. The highway will run from Cienaga on the railroad between Fundación and Santa Marta to a point on the east bank of the Magdalena River opposite the port of Barranquilla, where it will connect with the ferry to be provided as part of the Project.

## INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

## LOAN REGULATIONS No. 4, DATED 15 FEBRUARY 1955

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

[Not published herein. See *United Nations, Treaty Series, Vol. 221, p. 160.*]

LOAN AGREEMENT (*RAILROAD EXTENSION PROJECT*)

AGREEMENT, dated June 15, 1955, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and FERROCARRILES NACIONALES DE COLOMBIA (hereinafter called the Borrower).

WHEREAS by an agreement dated August 26, 1952<sup>2</sup> between the Guarantor and the Bank, the Bank agreed to lend to the Guarantor the sum of \$25,000,000 or the equivalent thereof in currencies other than dollars to assist in financing the costs of a project included in a program of the Guarantor for the reorganization of the railway system of Colombia and for the expansion, rehabilitation and improvement of the lines operated by the Consejo Administrativo de los Ferrocarriles Nacionales or its successor organization ; and

WHEREAS, as contemplated by such Loan Agreement, the Borrower was organized by Decree No. 3129 of 1954 as an autonomous non-political organization to administer the railway system of Colombia on a financially self-supporting basis ; and

<sup>1</sup> See p. 188 of this volume.

<sup>2</sup> United Nations, *Treaty Series*, Vol. 159, p. 339.

WHEREAS the Borrower desires to carry out a further expansion of its railway system and the Guarantor proposes simultaneously to carry out a coordinated program of public works ;

NOW THEREFORE, the parties hereto hereby agree as follows :

### Article I

#### LOAN REGULATIONS ; SPECIAL DEFINITIONS

*Section 1.01.* The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated February 15, 1955<sup>1</sup> (said Loan Regulations No. 4 being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

*Section 1.02.* Except where the context otherwise requires, wherever used in this Agreement or in any Schedule hereto, the following terms shall have the following meanings :

- (a) "Public Works Program" means the program described in Schedule 1<sup>2</sup> to the Guarantee Agreement, as such Schedule may be amended from time to time by agreement between the Guarantor and the Bank ;
- (b) "MVRR Agreement" means the Loan Agreement dated August 26, 1952, between the Guarantor and the Bank ;
- (c) "MVRR Project" means the Project described in Schedule 2 to the MVRR Agreement ;
- (d) "MVRR Program" means the portions of the Program described in paragraphs I (a) (iii), I (b) and II of Schedule 2 to the MVRR Agreement.

### 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, an amount in various currencies equivalent to fifteen million nine hundred thousand dollars (\$15,900,000).

*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 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-fourths 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 three-fourths per cent ( $4\frac{3}{4}$  %) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

<sup>1</sup> See p. 172 of this volume.

<sup>2</sup> See p. 172 of this volume.



*Section 2.05.* Except as the Bank and the Borrower shall otherwise agree, the charge payable for special commitments entered into by the Bank at the request of the Borrower pursuant to Section 4.02 of the Loan Regulations shall be at the rate of one-half of one per cent ( $\frac{1}{2}$  of 1 %) per annum on the principal amount of any such special commitments outstanding from time to time.

*Section 2.06.* Interest and other charges shall be payable semi-annually on May 1 and November 1 in each year.

*Section 2.07.* 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 Agreement.

### Article III

#### USE OF PROCEEDS OF THE LOAN

*Section 3.01.* The Borrower shall apply the proceeds of the Loan exclusively to financing the cost of goods required to carry out the Project described in Schedule 2<sup>2</sup> to this Agreement. The specific goods to be financed out of the proceeds of the Loan shall be determined by agreement between the Bank and the Borrower, subject to modification by further agreement between them.

*Section 3.02.* The Borrower shall cause all goods financed out of the proceeds of the Loan to be imported into the territories of the Guarantor and there to be used 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 *Administrador General* 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 and efficiency and in conformity with sound engineering and financial practices.

(b) The Borrower shall retain consultants satisfactory to the Bank upon terms and conditions satisfactory to the Bank to design, plan and supervise the execution of the Project.

<sup>1</sup> See p. 186 of this volume.

<sup>2</sup> See p. 188 of this volume.

(c) Construction contracts entered into for carrying out of the Project and contracts relating to the Project which provide for the delegation of authority by the Borrower pursuant to Article 4 (g) of the *Estatutos* of the Borrower shall be satisfactory to the Bank.

(d) The Borrower shall furnish to the Bank in such detail as the Bank shall from time to time request and promptly upon their preparation the plans and specifications for the Project and any material modifications subsequently made therein.

(e) The Borrower shall maintain or cause to be maintained records adequate to identify the goods financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the financial condition and operations of the Borrower; shall enable the Bank's representatives to inspect the Project, the goods and any relevant records and documents; and shall furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the Project, the goods, and the financial condition and operations of the Borrower.

*Section 5.02.* (a) The Bank and the Borrower shall cooperate fully to assure that the purposes of the Loan will 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. The Borrower shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

*Section 5.03.* The Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower as security for any debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and 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 the foregoing provisions of this Section shall not apply to: (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; (ii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods; or (iii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

*Section 5.04.* The Borrower shall pay or cause to be paid all taxes or fees, if any, imposed under the laws of the Guarantor or laws in effect in the territories of the Guarantor on or in connection with the execution, issue, delivery or registration of this Agreement, the Guarantee Agreement or the Bonds, or the payment of principal, interest or other charges thereunder; provided, however, that the provisions of this Section shall not apply to taxation of, or fees upon, payments under 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 5.05.* The Borrower shall pay or cause to be paid all taxes and fees, if any, imposed under the laws of the country or countries in whose currency the Loan and the Bonds are payable or laws in effect in the territories of such country or countries on or in connection with the execution, issue, delivery or registration of this Agreement, the Guarantee Agreement or the Bonds.

*Section 5.06.* Except as shall be otherwise agreed between the Bank and the Borrower, the Borrower shall insure or cause to be insured the goods financed with the proceeds of the Loan against risks incident to their purchase and importation into the territories of the Guarantor. Such insurance shall be consistent with sound commercial practice and shall be payable in dollars or in the currency in which the cost of the goods insured thereunder shall be payable.

*Section 5.07.* (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, maintain and renew all rights, powers, privileges and franchises owned by it and necessary or useful in the conduct of its business.

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

*Section 5.08.* The Borrower shall not without the consent of the Bank sell or otherwise dispose of all or any substantial part of its property and assets 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.

*Section 5.09.* (a) The Borrower shall within 60 days after the date of this Agreement submit to the Bank a proposed capital expenditure budget covering the remainder of the year 1955 and shall on or before each December 15th thereafter submit its proposed capital expenditure budget for the following year.

(b) Until construction of the Project and the MVRR Project shall have been completed, the Borrower shall, prior to adoption of any capital expenditure budgets or any amendments thereof, afford to the Bank an opportunity for exchanges of views concerning the matter and shall adopt any such budget only provided that it is satisfactory to the Bank. Except as the Bank shall otherwise agree, the Borrower shall make no capital expenditures for purposes or in amounts not included in such budgets.

(c) After construction of the Project and the MVRR Project shall have been completed, the Borrower shall, prior to adoption of any capital expenditure budgets or any amendments thereof, afford to the Bank an opportunity for exchanges of views concerning the matter. The Borrower shall not undertake any capital expenditure financed wholly or in part by borrowing unless the proposal for the capital expenditure is accompanied

by a plan for the liquidation of the proposed indebtedness in accordance with sound financial practices.

*Section 5.10.* Except as the Borrower and the Bank shall otherwise agree, the Borrower shall, before December 31, 1955, place orders for the rolling stock needed in connection with the Project and the MVRR Project.

#### *Article VI*

##### REMEDIES OF THE BANK

*Section 6.01.* (i) If any event specified for the purposes of paragraph (j) of Section 5.02 of the Loan Regulations shall occur and be continuing ; or (ii) if any event specified in paragraph (a), paragraph (b), paragraph (e) or paragraph (f) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of thirty days ; or (iii) if any 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 to the contrary notwithstanding.

*Section 6.02.* The following is specified as an additional event for the purposes of paragraph (j) of Section 5.02 of the Loan Regulations : if at the end of the state of siege which is now in effect any congressional authorization or ratification shall be needed to enable the Borrower or the Guarantor to fulfill any of their obligations to carry out the Project or the Public Works Program, and such authorization or ratification shall not have been obtained.

#### *Article VII*

##### EFFECTIVE DATE ; TERMINATION

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

(a) The Guarantor shall have made arrangements satisfactory to the Bank for delegating to the Borrower the responsibility for carrying out the portions of the MVRR Program described in paragraph I (b) of Schedule 2 of the MVRR Agreement, and shall have made arrangements satisfactory to the Bank for the financing of such portion of the MVRR Program as is to be carried out during 1955.

(b) The Guarantor and the Borrower shall have presented to the Bank a plan satisfactory to the Bank

(i) which will outline the administrative organization, both within the Borrower's organization and in the Ministry of Public Works, for carrying out the Project and will indicate the proposed procedure for carrying out the Project ; and

(ii) which will permit the Project and the MVRR Project to be carried out under unified financial and administrative arrangements ;  
and steps satisfactory to the Bank shall have been taken to put such plan into effect.

*Section 7.02.* The following is specified as an additional matter, within the meaning of Section 9.02 (e) of the Loan Regulations, to be included in the opinion or opinions to be furnished to the Bank : that except as otherwise indicated in such opinion no authorizations or ratifications by the Congress of the Guarantor at or before the end of the state of siege now in effect will be required to enable the Borrower or the Guarantor to continue to carry out the Project or the Public Works Program or to enable the Borrower or the Guarantor to carry out their other obligations under this Agreement or the Guarantee Agreement.

*Section 7.03.* A date 90 days after the date of this Agreement is hereby specified for the purposes of Section 9.04 of the Loan Regulations.

### *Article VIII*

#### MISCELLANEOUS

*Section 8.01.* The Closing Date shall be December 31, 1958.

*Section 8.02.* The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Borrower :

Ferrocarriles Nacionales de Colombia  
Carrera 6ª No. 13-92  
Bogotá, Colombia

For the Bank :

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

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan 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 Eugene R. BLACK  
President

Ferrocarriles Nacionales de Colombia :

By Roberto BOTERO LONDONO  
Authorized Representative

## 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>
May 1, 1958 . .	—	\$15,900,000	November 1, 1969	350,000	9,607,000
November 1, 1958	\$209,000	15,691,000	May 1, 1970 . .	358,000	9,249,000
May 1, 1959 . .	214,000	15,477,000	November 1, 1970	367,000	8,882,000
November 1, 1959	219,000	15,258,000	May 1, 1971 . .	375,000	8,507,000
May 1, 1960 . .	224,000	15,034,000	November 1, 1971	384,000	8,123,000
November 1, 1960	229,000	14,805,000	May 1, 1972 . .	393,000	7,730,000
May 1, 1961 . .	235,000	14,570,000	November 1, 1972	403,000	7,327,000
November 1, 1961	240,000	14,330,000	May 1, 1973 . .	412,000	6,915,000
May 1, 1962 . .	246,000	14,084,000	November 1, 1973	422,000	6,493,000
November 1, 1962	252,000	13,832,000	May 1, 1974 . .	432,000	6,061,000
May 1, 1963 . .	258,000	13,574,000	November 1, 1974	442,000	5,619,000
November 1, 1963	264,000	13,310,000	May 1, 1975 . .	453,000	5,166,000
May 1, 1964 . .	270,000	13,040,000	November 1, 1975	464,000	4,702,000
November 1, 1964	277,000	12,763,000	May 1, 1976 . .	475,000	4,227,000
May 1, 1965 . .	283,000	12,480,000	November 1, 1976	486,000	3,741,000
November 1, 1965	290,000	12,190,000	May 1, 1977 . .	498,000	3,243,000
May 1, 1966 . .	297,000	11,893,000	November 1, 1977	509,000	2,734,000
November 1, 1966	304,000	11,589,000	May 1, 1978 . .	521,000	2,213,000
May 1, 1967 . .	311,000	11,278,000	November 1, 1978	534,000	1,679,000
November 1, 1967	319,000	10,959,000	May 1, 1979 . .	547,000	1,132,000
May 1, 1968 . .	326,000	10,633,000	November 1, 1979	559,000	573,000
November 1, 1968	334,000	10,299,000	May 1, 1980 . .	573,000	—
May 1, 1969 . .	342,000	9,957,000			

\* 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 of 1 %
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 1/2 %
More than 15 years but not more than 20 years before maturity . . . . .	2 %
More than 20 years before maturity . . . . .	2 1/2 %

## SCHEDULE 2

## DESCRIPTION OF THE PROJECT

The Project is designed to provide a railroad connection between the MVRP Project and the Caribbean Sea, with a connection to the port of Barranquilla by means of a tractor-trailer service. The Project, which with the MVRP Project, will constitute the Ferrocarril del Atlántico of the Borrower, includes :

1. The construction of approximately 300 kilometers of single-track yard-gauge railroad line from Gamarra, the northern terminus of the MVRP Project, to Fundación, the southern terminus of the existing railroad to the port of Santa Marta.

2. The improvement of alignment, grades, tracks and bridges on the approximately 95 kilometers of the railroad between Fundación and the port of Santa Marta.

3. The installation on the line of the railroad between Fundación and Santa Marta of a terminal for transfer of goods between freight cars and trucks at Ciénaga and of a railroad terminal at the port of Santa Marta.

4. The acquisition of the locomotives, freight cars and passenger coaches which will be needed as a result of the new line between the port of Santa Marta and Gamarra.

5. The acquisition of tractor-trailer units to be used for road haulage over the highway from Ciénaga to the port of Barranquilla mentioned in paragraph (b) of Schedule 1 of the Guarantee Agreement.

6. The acquisition of a ferryboat or ferryboats adequate to carry the tractor-trailer units mentioned in paragraph 5 above, together with other motor vehicles, between the port of Barranquilla and the terminus of the Ciénaga-Barranquilla highway on the east bank of the Magdalena River, and the construction of suitable ferry slips for the operation of the ferryboat.