

No. 4827

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

Guarantee Agreement—*Port of Guayaquil Project* (with annexed Loan Regulations No. 4 and Loan Agreement between the Bank and Autoridad Portuaria de Guayaquil). Signed at Washington, on 9 October 1958

Official text: English.

Registered by the International Bank for Reconstruction and Development on 13 July 1959.

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

Contrat de garantie — *Projet du Port de Guayaquil* (avec, en annexe, le Règlement n° 4 sur les emprunts et le Contrat d'emprunt entre la Banque et la Autoridad Portuaria de Guayaquil). Signé à Washington, le 9 octobre 1958

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 13 juillet 1959.

No. 4827. GUARANTEE AGREEMENT¹ (*PORT OF GUAYAQUIL PROJECT*) BETWEEN THE REPUBLIC OF ECUADOR AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 9 OCTOBER 1958

AGREEMENT, dated October 9, 1958, between THE REPUBLIC OF ECUADOR (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 Autoridad Portuaria de Guayaquil (hereinafter called the Borrower), which agreement and the schedules therein referred to are hereinafter called the Loan Agreement,² the Bank has agreed to make to the Borrower a loan in various currencies equivalent to thirteen million dollars (\$13,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the obligations of the Borrower in respect of such loan as hereinafter provided and that Banco Central del Ecuador accept its obligations under Section 3.01 of this Guarantee Agreement ; and

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed so to guarantee such obligations of the Borrower and Banco Central del Ecuador has agreed so to accept such obligations ;

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 June 15, 1956² (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. Wherever used in this Agreement, unless the context shall otherwise require, the several terms defined in the Loan Agreement and in the Loan Regulations (as so defined) shall have the respective meanings therein set forth.

¹ Came into force on 20 March 1959, upon notification by the Bank to the Government of Ecuador.

² See p. 308 of this volume.

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 and the operation of the Port during the period of construction, 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.

Section 2.03. Without limitation or restriction upon the provisions of Section 2.01 of this Agreement, the Guarantor specifically undertakes (a) to permit the Borrower to establish and maintain charges for its services in accordance with Section 5.08 of the Loan Agreement ; and (b) except as the Bank and the Guarantor shall otherwise agree, not to amend, permit or cause the Charter of the Borrower to be amended.

Section 2.04. The Guarantor specifically undertakes to reimburse the Borrower for any loss of revenue in excess of an aggregate amount of one million sucres incurred during any calendar year after 1962 and due to exemptions from port or service charges and the like granted by the Guarantor to any natural or juridical person. Such reimbursement shall be made within the calendar year following that in which the loss of revenue was incurred.

Article III

Section 3.01. It is the mutual intention of the Guarantor and the Bank that no external debt shall enjoy any priority over the Loan by way of a lien hereafter created on governmental assets (including any priority in the allocation or realization of foreign exchange). To that end, the Guarantor and Banco Central del Ecuador undertake that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Guarantor or of the Banco Central del Ecuador, 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. Within the limits of its constitutional powers, the Guarantor will make the foregoing undertaking effective with respect to liens on assets of any of the Guarantor's agencies including agencies granted autonomy by the Constitution of Ecuador (other than Banco Central del Ecuador), or any of the Guarantor's political subdivisions or of any agency of any such political subdivision, and to the extent that the Guarantor is unable within the limits of its constitutional powers to make such undertaking effective, the Guarantor will give to the Bank an equivalent lien satisfactory to the Bank. 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 ; (iii) any lien arising in the ordinary course of banking transactions to secure a debt maturing not more than one year after the date on which it is originally incurred ; or (iv) any lien solely upon revenues or receipts in currency of the Guarantor which is given by a political subdivision (*consejo provincial* or *municipalidad*) or by an agency of a political subdivision of the Guarantor under arrangements containing no provisions which would result in priority in the allocation or realization of foreign exchange.

Section 3.02 (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 3.03. 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 3.04. 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 3.05. 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 *Ministro del Tesoro* 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 Ecuador
Ministerio del Tesoro
Calle Guayaquil 1575
Quito, Ecuador

Alternative address for cablegrams and radiograms :

Mintesorro
Quito

For the Bank :

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

Alternative address for cablegrams and radiograms :

Intbafrad
Washington, D. C.

Section 5.02. The *Ministro del Tesoro* 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.

The Republic of Ecuador :
By Carlos MORALES-CHACÓN
Authorized Representative

International Bank for Reconstruction and Development :
By Davidson SOMMERS
Vice President

Banco Central del Ecuador :
By Carlos MORALES-CHACÓN
Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 4, DATED 15 JUNE 1956

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

[*Not published herein. See United Nations, Treaty Series, Vol. 260, p. 376.*]

LOAN AGREEMENT (*PORT OF GUAYAQUIL PROJECT*)

AGREEMENT, dated October 9, 1958, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and AUTORIDAD PORTUARIA DE GUAYAQUIL (hereinafter called the Borrower).

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 June 15, 1956¹ (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.

¹ See above.

Section 1.02. Unless the context shall otherwise require, the following terms shall have the following meanings :

- (a) the term "Charter" shall mean Emergency Decree Law No. 15 of the Guarantor published in the *Registro Oficial* of the Guarantor dated April 12, 1958.
- (b) the term "Port" shall mean the area within the jurisdiction of the Borrower as set forth in the Charter.
- (c) the term "New Port" shall mean the port facilities to be constructed as provided in Schedule 2.¹

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 thirteen million dollars (\$13,000,000).

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. Notwithstanding the provisions of Section 2.02 of the Loan Regulations, such commitment charge shall accrue from a date sixty days after the date of this Agreement to the respective dates on which amounts shall be withdrawn by the Borrower from the Loan Account as provided in Article IV of the Loan Regulations or shall be cancelled pursuant to Article V of the Loan Regulations or shall be cancelled pursuant to Article V of the Loan Regulations.

Section 2.04. The Borrower shall pay interest at the rate of five and three-fourths per cent ($5\frac{3}{4}$ %) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

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 February 1 and August 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 1² to this Agreement.

¹ See p. 324 of this volume.

² See p. 322 of this volume.

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 and services required to carry out the Project described in Schedule 2 to this Agreement. The specific goods and services to be financed out of the proceeds of the Loan and the methods and procedures for the procurement of such goods and services 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 *Presidente del Directorio* and the *Gerente General* of the Borrower or either of them and such person or persons as either of them 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) In the carrying out of the Project the Borrower shall employ engineering consultants, and, except as the Bank and the Borrower shall otherwise agree, the Borrower shall employ contractors for the construction of the Project. The engineering consultants and the contractors, and the terms and conditions on which they are employed, shall be mutually satisfactory to the Bank and the Borrower.

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

(d) The Borrower shall maintain 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 operations and financial condition 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 operations and financial condition 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 services 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 Agreement¹ or the Bonds, or the payment of principal, interest or others 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.

¹ See p. 300 of this volume.

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 out of 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, take all steps necessary to maintain and renew all rights, powers, privileges and franchises which are necessary or useful in the conduct of its business, and shall not, except as the Bank and Borrower shall otherwise agree, amend or cause its Charter to be amended.

(b) The Borrower shall operate and maintain the Port facilities all in accordance with sound engineering and financial practices.

Section 5.08. The Borrower will establish charges for its services which are calculated to assure that, in any fiscal year after the Project shall have been completed, its total receipts from such charges will exceed its total expenses (except the provision for depreciation of plant and equipment and interest and other charges on long term debt) by an amount which is at least 150 % of the total service of long term debt of the Borrower. The Borrower covenants that it will maintain charges for its services calculated to maintain such an excess of receipts over expenses. If during any fiscal year of the Borrower the receipts from the charges of the Borrower for its services shall not be sufficient to yield such an excess of receipts from such charges over expenses then the Borrower will consult with the Bank to determine what corrective measures shall be taken.

For the purposes of this Section 5.08 the term "service of long term debt" shall mean all payments on account of amortization and interest and other charges on all debt which by its terms matures more than one year after its date. Whenever for the purposes of this Section 5.08 it shall be necessary to value in Ecuadorian currency debt payable in another currency, such valuation shall be made on the basis of the rate of exchange at which such other currency is, at the time such valuation is made, obtainable for the purposes of servicing such debt.

Section 5.09. The Borrower shall at all times employ a qualified and experienced general manager mutually satisfactory to the Bank and the Borrower and on terms and conditions mutually satisfactory to the Bank and the Borrower.

Section 5.10. The Borrower will make adequate provision for the recruitment and training of the personnel required for the operation of the New Port.

Article VI

REMEDIES OF THE BANK

Section 6.01. (i) 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 con-

tinue for a period of thirty days, or (ii) 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.

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) and Section 9.01 (b) (ii) of the Loan Regulations :

- (a) that the Guarantee Agreement has been ratified by the Congress of the Republic of Ecuador ;
- (b) that the Borrower holds clear and unencumbered title to the real property required for the carrying out of the Project, without any liability arising out of the acquisition of such title ;
- (c) that the Borrower has furnished to the Bank evidence satisfactory to the Bank that the undertakings by Banco Central del Ecuador in Section 3.01 of the Guarantee Agreement contained are valid and binding obligations of Banco Central del Ecuador ;
- (d) that the Borrower has furnished to the Bank evidence satisfactory to the Bank that after the date of this Agreement and prior to the Effective Date Banco Central del Ecuador shall have taken no action which would have constituted a violation of the provisions of Section 3.01 of the Guarantee Agreement had it been effective on the date such action was taken.

Section 7.02. The following are specified as additional matters, 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 :

- (a) that the ratification of the Guarantee Agreement by the Congress of the Republic of Ecuador has been duly given ;
- (b) that the title of the Borrower to, or other interest in, the real estate where the Project is to be carried out, is free and clear of all liens, charges and encumbrances ;
- (c) that the undertakings by Banco Central del Ecuador in Section 3.01 of the Guarantee Agreement contained constitute valid and binding obligations of Banco Central del Ecuador in accordance with their terms.

Section 7.03. A date 60 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 January 31, 1963.

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

For the Borrower :

Autoridad Portuaria de Guayaquil
Calle Pichincha 103
Guayaquil, Ecuador
or
Apartado Postal 5739
Guayaquil, Ecuador

Alternative address for cablegrams and radiograms :

Aportuaria
Guayaquil

For the Bank :

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

Alternative address for cablegrams and radiograms :

Intbafrad
Washington, D. C.

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 Davidson SOMMERS
Vice President

Autoridad Portuaria de Guayaquil

By Juan X. MARCOS
Authorized Representative

SCHEDULE 1

AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>
February 1, 1963	\$163,000	August 1, 1973	\$296,000
August 1, 1963	168,000	February 1, 1974	305,000
February 1, 1964	173,000	August 1, 1974	313,000
August 1, 1964	178,000	February 1, 1975	322,000
February 1, 1965	183,000	August 1, 1975	332,000
August 1, 1965	188,000	February 1, 1976	341,000
February 1, 1966	194,000	August 1, 1976	351,000
August 1, 1966	199,000	February 1, 1977	361,000
February 1, 1967	205,000	August 1, 1977	372,000
August 1, 1967	211,000	February 1, 1978	382,000
February 1, 1968	217,000	August 1, 1978	393,000
August 1, 1968	223,000	February 1, 1979	405,000
February 1, 1969	229,000	August 1, 1979	416,000
August 1, 1969	236,000	February 1, 1980	428,000
February 1, 1970	243,000	August 1, 1980	440,000
August 1, 1970	250,000	February 1, 1981	453,000
February 1, 1971	257,000	August 1, 1981	466,000
August 1, 1971	264,000	February 1, 1982	480,000
February 1, 1972	272,000	August 1, 1982	493,000
August 1, 1972	280,000	February 1, 1983	508,000
February 1, 1973	288,000	August 1, 1983	522,000

* 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 this column 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 3 years before maturity	$\frac{1}{2}$ of 1 %
More than 3 years but not more than 6 years before maturity	1 %
More than 6 years but not more than 11 years before maturity	$1\frac{3}{4}$ %
More than 11 years but not more than 16 years before maturity	$2\frac{1}{2}$ %
More than 16 years but not more than 21 years before maturity	$3\frac{1}{2}$ %
More than 21 years but not more than 23 years before maturity	$4\frac{3}{4}$ %
More than 23 years before maturity	$5\frac{3}{4}$ %

SCHEDULE 2

DESCRIPTION OF PROJECT

The Project consists of the construction of a new port for Guayaquil. It includes the following main features :

1. The main port facilities to be sited on the Estero del Muerto immediately north of the Estero Cobina will include the following :

- (a) A marginal wharf approximately 3,000 feet long with a 35-foot depth of water at low tide.
- (b) A filled area about 100 acres in extent adjoining the marginal wharf and of sufficient length to permit the extension of the marginal wharf by approximately 1,800 feet at a later date.
- (c) Four transit sheds, paved storage areas, circulating roads, and ancillary buildings, including administrative and customs buildings, workshops, garage, security building, and a gate house.
- (d) Water supply, electricity, sewage and communications services.
- (e) Dredged areas to permit the berthing and swinging of vessels.

2. A channel approximately 400 feet wide, 31 feet deep at low water, and approximately ten miles long will be dredged in the Estero Salado. Arrangements will be made to ensure the future maintenance dredging of this channel.

3. A canal approximately 150 feet wide and 12 feet deep at low water will be constructed connecting the New Port with the River Guayas. The canal will be provided with a lock to regulate tidal flow.

4. Navigational aids will be provided in the Estero Salado.

5. Cargo handling equipment, minor floating equipment, and other miscellaneous equipment will be purchased.