

No. 6764

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

**Guarantee Agreement—*Toll Transport Facilities Project*
(with annexed Loan Regulations No. 4 and Loan Agree-
ment between the Bank and Caminos y Puentes Federa-
les de Ingresos and Nacional Financiera, S.A.).
Signed at Washington, on 20 June 1962**

Official text: English.

Registered by the International Bank for Reconstruction and Development on 5 June 1963.

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

**Contrat de garantie — *Projet relatif aux routes et ponts
à péage (avec, en annexe, le Règlement n° 4 sur les
emprunts et le Contrat d'emprunt entre la Banque et
les Caminos y Puentes Federales de Ingresos et la
Nacional Financiera, S.A.). Signé à Washington,
le 20 juin 1962***

Texte officiel anglais.

*Enregistré par la Banque internationale pour la reconstruction et le développement le
5 juin 1963.*

No. 6764. GUARANTEE AGREEMENT¹ (*TOLL TRANSPORT FACILITIES PROJECT*) BETWEEN THE UNITED MEXICAN STATES AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 20 JUNE 1962

AGREEMENT, dated June 20, 1962, between UNITED MEXICAN STATES (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 Caminos y Puentes Federales de Ingresos and Nacional Financiera, S.A. (hereinafter called the Borrowers), which agreement and the schedules therein referred to are hereinafter called the Loan Agreement,² the Bank has agreed to make to the Borrowers a loan in various currencies equivalent to thirty million five hundred thousand dollars (\$30,500,000), 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 Borrowers in respect of such loan as hereinafter provided ; and

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrowers, has agreed so to guarantee such obligations of the Borrowers ;

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, 1961,³ subject, however, to the modifications thereof set forth in Section 1.01 of 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.

¹ Came into force on 27 August 1962, upon notification by the Bank to the Government of Mexico.

² See p. 216 of this volume.

³ See p. 214 of this volume.

Section 1.02. Wherever used in this Agreement, unless the context shall otherwise require, the terms defined in Section 1.02 of the Loan Agreement shall have the same meanings as 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 Borrowers, and each of them, 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 Borrowers 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 Borrowers or cause the Borrowers to be provided with such funds as are needed to meet such expenditures.

Article III

Section 3.01. 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 or (ii) 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 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 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 3.02. (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 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 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 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.

Section 3.06. The Guarantor shall not take or permit any of its political subdivisions or agencies to take any action which would prevent or interfere with the performance by the Borrowers of any of the covenants, agreements and obligations of the Borrowers or either of them in the Loan Agreement contained and shall take or cause to be taken all reasonable governmental action which shall be necessary in order to enable the Borrowers to perform such covenants, agreements and obligations.

Section 3.07. The Guarantor covenants that it will : (a) grant and maintain or cause to be granted and maintained toll charges on Caminos's facilities as shall be required to provide Caminos with funds sufficient to : (i) cover all cash operating expenses of Caminos, including adequate maintenance and taxes, and service payments on debt ; and (ii) create a surplus adequate to meet a reasonable portion of the cost of expansion of Caminos's facilities ; and (b) cause the agency or agencies of the Guarantor responsible for the setting and adjustment of such rates to effect, when necessary but in any case at least once a year, a review of such rates in order to verify that such rates are adequate to provide Caminos with such funds.

Section 3.08. The Guarantor covenants that : (a) it will cause the access roads included in the Project, to be adequately maintained and will cause all necessary repairs thereof to be made, all in accordance with sound engineering practices ; and (b) it will not transfer control of such access roads to any entity other than Caminos.

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 Borrowers. Financiera and such person or persons as Financiera 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 :

United Mexican States
c/o Nacional Financiera, S.A.
Avenida Venustiano Carranza 25
Mexico 1, D.F., Mexico

Alternative address for cablegrams and radiograms :

Nafin
Mexico City

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. Financiera 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.

United Mexican States,
By Nacional Financiera, S.A. :

By Raul MARTINEZ OSTOS
Authorized Representative

International Bank for Reconstruction and Development :

By W. A. B. ILIFF
Vice President

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 4, DATED 15 FEBRUARY 1961

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

[*Not published herein. See United Nations, Treaty Series, Vol. 400, p. 212.*]

LOAN AGREEMENT

(TOLL TRANSPORT FACILITIES PROJECT)

AGREEMENT, dated June 20, 1962, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT, party of the first part (hereinafter called the Bank), and CAMINOS Y PUENTES FEDERALES DE INGRESOS AND NACIONAL FINANCIERA, S. A., parties of the second part (hereinafter called the Borrowers).

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, 1961,¹ with the same force and effect as if they were fully set forth herein, subject, however, to the following modifications thereof (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations) :

(a) The second sentence of Section 3.02 of the Loan Regulations shall apply only to withdrawals pursuant to subsection (a) of Section 2.03 of the Loan Agreement.

(b) Section 4.01 of the Loan Regulations is deleted.

(c) Paragraph 6 of Section 10.01 of the Loan Regulations is amended to read as follows :

"6. The term 'Borrower' means the Borrowers, except that as used in Sections 5.02 (b), 5.02 (d), 5.02 (e), 5.02 (f), 7.01 and 7.02 such term means the Borrowers or either of them. The term 'Guarantor' means United Mexican States."

Section 1.02. Unless the context otherwise requires, the following terms wherever used in this Agreement or in the Loan Regulations shall have the following meanings :

(a) The term "Caminos" means Caminos y Puentes Federales de Ingresos, an agency of the Guarantor established by, and operating under, decree of March 25, 1959, of the Guarantor, or any successor thereto.

(b) The term "Financiera" means Nacional Financiera, S.A.

Article II

THE LOAN

Section 2.01. The Bank agrees to lend to the Borrowers, on the terms and conditions in this Loan Agreement set forth or referred to, an amount in various currencies equivalent to thirty million five hundred thousand dollars (\$30,500,000).

¹ See p. 214 of this volume.

Section 2.02. The Bank shall open a Loan Account on its books in the name of the Borrowers 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, this Agreement and the Loan Regulations.

Section 2.03. Except as the Bank shall otherwise agree, the Borrowers shall be entitled, subject to the provisions of this Agreement and the Loan Regulations, to withdraw from the Loan Account :

(a) such amounts as shall have been expended for the reasonable foreign exchange cost of goods included in part B of the Project and, if the Bank shall so agree, such amounts as shall be required by the Borrowers to meet payments for such goods ; and

(b) the equivalent of a percentage or percentages to be established from time to time by agreement between the Bank and the Borrowers of such amounts as shall have been expended for the reasonable cost of works included in part A of the Project and not included in (a) above, such percentage to represent the foreign exchange component of such cost ;

provided, however, that no withdrawals shall be made on account of : (i) expenditures prior to November 1, 1961 ; or (ii) expenditures made in the territories of any country (except Switzerland) which is not a member of the Bank or for goods produced in (including services supplied from) such territories.

Section 2.04. Withdrawals from the Loan Account pursuant to subsection (b) of Section 2.03 of this Agreement shall be in dollars or such other currency or currencies as the Bank shall from time to time reasonably select.

Section 2.05. The Borrowers 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 2.06. The Borrowers 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 2.07. Except as the Bank and the Borrowers shall otherwise agree, the charge payable for special commitments entered into by the Bank at the request of the Borrowers 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 2.08. Interest and other charges shall be payable semi-annually on January 1 and July 1 in each year.

Section 2.09. The Borrowers shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule I¹ to this Agreement.

Section 2.10. All obligations of the Borrowers under the Loan Agreement and the Bonds, unless such obligations shall have been expressly undertaken by one of the Borrowers, shall be joint and several, and the obligation of either of them to comply with any

¹ See p. 230 of this volume.

provision of the Loan Agreement is not subject to any prior notice to, demand upon or action against the other. No extension of time or forbearance given to either of the Borrowers in respect of the performance of any of its obligations under the Loan Agreement or the Bonds, and no failure of the Bank or of any holder of the Bonds to give any notice or to make any demand or protest whatsoever to either of the Borrowers, or strictly to assert any right or pursue any remedy against either of them in respect of the Loan Agreement or the Bonds, and no failure by either of the Borrowers to comply with any requirement of any law, regulation or order, shall in any way affect or impair any obligation of the other Borrower under the Loan Agreement or the Bonds

Article III

USE OF PROCEEDS OF THE LOAN

Section 3.01. The Borrowers shall apply the proceeds of the Loan exclusively to financing the cost of goods required to carry out the Project described in Schedule 2¹ to this Agreement. The specific goods to be financed out of the proceeds of the Loan and the methods and procedures for procurement of such goods shall be determined by agreement between the Bank and the Borrowers, subject to modification by further agreement between them.

Section 3.02. Except as the Bank and the Borrowers shall otherwise agree, the Borrowers shall cause all goods financed out of the proceeds of the Loan to be used in the territories of the Guarantor exclusively in the carrying out of the Project.

Article IV

BONDS

Section 4.01. The Borrowers shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations. The forms of Bonds referred to in Article VI of the Loan Regulations shall be appropriately modified so as to provide that the obligations on the part of the Borrowers under the Bonds shall be joint and several.

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

(b) The Director General of Financiera and such person or persons as he shall appoint in writing are designated as authorized representatives of Financiera for the purposes of Section 6.12 (a) of the Loan Regulations.

¹ See p. 232 of this volume.

Article V

PARTICULAR COVENANTS

Section 5.01. (a) The Borrowers shall carry out or cause the Project to be carried out with due diligence and efficiency and in conformity with sound engineering and financial practices.

(b) The Borrowers shall, in accordance with the provisions of decree of March 25, 1959, of the Guarantor referred to in Section 1.02 (a) of this Agreement, make with the *Secretaria de Obras Públicas* of the Guarantor arrangements satisfactory to the Bank with regard to the planning, designing, construction and supervision by the *Secretaria de Obras Públicas* of the facilities included in Part A of the Project.

(c) Except as the Bank shall otherwise agree, the Borrowers shall cause all works included in the Project (including the ferry-boat) to be constructed by contractors acceptable to the Bank and the Borrowers under contracts providing for construction thereof on terms and conditions satisfactory to the Bank and the Borrowers.

(d) The Borrowers shall cause the designing and construction of the ferry-boat included in part B of the Project to be supervised by competent and experienced consultants acceptable to, and employed upon terms and conditions satisfactory to, the Bank.

(e) The general design standards and the types of surfacing (including pavement) to be used for the toll bridges and toll and access roads included in the Project shall be as determined by agreement between the Bank and the Borrowers, subject to modification by further agreement between them.

Section 5.02. (a) The Borrowers shall at all times maintain their corporate existence and right to carry on their operations and Caminos shall, except as the Bank shall otherwise agree, take all steps necessary to acquire, maintain and renew all rights, powers, privileges and franchises which are necessary or useful in the conduct of its business.

(b) Caminos shall operate and maintain the equipment, properties and toll facilities entrusted to it by the Guarantor, and from time to time make all necessary renewals and repairs thereof, all in accordance with sound engineering practices.

(c) Caminos shall at all times carry on its planning and operations, conduct its affairs and maintain its financial position all in accordance with sound management, business, financial and engineering principles and practices.

Section 5.03. (a) Upon request from time to time by the Bank, the Borrowers shall promptly furnish or cause to be furnished to the Bank the plans, specifications and work schedules for the Project and any material modifications subsequently made therein, in such detail as the Bank shall reasonably request.

(b) The Borrowers 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 operations and financial condition of the Borrowers.

(c) The Borrowers shall enable the Bank's representatives to inspect the Project, the goods and any relevant records and documents, and all other sites, works, equipment, properties and toll facilities entrusted to Caminos by the Guarantor.

(d) The Borrowers shall furnish or cause to be furnished 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 Borrowers.

Section 5.04. Each of the Borrowers undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any of its assets as security, as to Financiera for any external debt and as to Caminos for 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 that in the creation of any such lien express provision shall 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 or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after its date.

Section 5.05. Caminos shall have its financial statements (balance sheet and related statement of earnings and expenses) certified annually by an independent accountant or accounting firm acceptable to the Bank and shall promptly after their preparation and not later than four months after the close of Caminos's fiscal year transmit to the Bank certified copies of such statements and a signed copy of the accountant's or accounting firm's report.

Section 5.06. (a) The Bank and the Borrowers shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to any other of them all such information as it shall reasonably request with regard to the general status of the Loan.

(b) The Bank and the Borrowers 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 Borrowers 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 5.07. The Borrowers shall pay or cause to be paid all taxes, 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 the Loan Agreement, the Guarantee Agreement,¹ 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 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.

¹ See p. 206 of this volume.

Section 5.08. The Borrowers shall pay or cause to be paid all taxes, 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 the Loan Agreement, the Guarantee Agreement or the Bonds.

Section 5.09. (a) The Borrowers shall insure or cause to be insured with responsible insurers all goods financed out of the proceeds of the Loan. Such insurance shall cover such marine, transit and other hazards incident to the purchase and importation of the goods into the territories of the Guarantor and delivery thereof to the sites of the Project, and shall be for such amounts, as shall be consistent with sound commercial practices. Such insurance shall be payable in dollars or in the currency in which the cost of the goods insured thereunder shall be payable.

(b) In addition, Caminos shall, except as the Bank shall otherwise agree, take out and maintain, with good and reputable insurance companies, insurance against such risks and in such amounts as shall be consistent with sound business practices.

Section 5.10. Caminos shall from time to time take all necessary or desirable steps to cause such adjustments in the toll charges on Caminos's facilities to be made as shall be required to provide Caminos with funds sufficient to : (a) cover all cash operating expenses of Caminos, including adequate maintenance and taxes, and service payments on debt ; and (b) create a surplus adequate to meet a reasonable portion of the cost of expansion of Caminos's facilities.

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 continue 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 Borrowers or to either of them, 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 the Loan 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 (c) of the Loan Regulations :

(a) Contractual arrangements have been made by Caminos providing, on terms and conditions satisfactory to the Bank, for additional financing for the Project in an amount of not less than five hundred million pesos in currency of the Guarantor ; and

(b) Contractual arrangements have been made by Caminos with the Banco Nacional Hipotecario Urbano y de Obras Públicas, S.A. providing for the extension, on terms and conditions satisfactory to the Bank, of the life of the Banco's loans and credits to Caminos presently outstanding.

Section 7.02. The following is specified as an additional matter within the meaning of Section 9.02 (c) of the Loan Regulations, to be included in the opinion or opinions to be furnished to the Bank : that the arrangements referred to in Section 7.01 are valid and are binding on the parties thereto.

Section 7.03. A date ninety 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 July 1, 1965, or such other date as shall be agreed by the Bank and the Borrowers as the Closing Date.

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

(a) 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.

(b) For the Borrowers :

Caminos y Puentes Federales de Ingresos
Insurgentes Sur 214, 2º piso
Mexico, D.F., Mexico

and

Nacional Financiera, S.A.
Avenida Venustiano Carranza 25
Mexico 1, D.F., Mexico

Alternative address for cablegrams and radiograms to Financiera :

Nafin
Mexico

with copies to :

Secretaría de Obras Públicas
Xola y Ave. Universidad
Mexico 13, D.F., Mexico

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 W. A. B. ILIFF
Vice President

Caminos y Puentes Federales de Ingresos :

By Hugo CERVANTES DEL RIO
Authorized Representative

Nacional Financiera, S.A. :
By Raul MARTINEZ OSTOS
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>
July 1, 1965	\$515,000	July 1, 1974	\$860,000
Jan. 1, 1966	530,000	Jan. 1, 1975	885,000
July 1, 1966	545,000	July 1, 1975	910,000
Jan. 1, 1967	565,000	Jan. 1, 1976	935,000
July 1, 1967	580,000	July 1, 1976	965,000
Jan. 1, 1968	595,000	Jan. 1, 1977	990,000
July 1, 1968	615,000	July 1, 1977	1,020,000
Jan. 1, 1969	630,000	Jan. 1, 1978	1,050,000
July 1, 1969	650,000	July 1, 1978	1,080,000
Jan. 1, 1970	665,000	Jan. 1, 1979	1,110,000
July 1, 1970	685,000	July 1, 1979	1,145,000
Jan. 1, 1971	705,000	Jan. 1, 1980	1,175,000
July 1, 1971	725,000	July 1, 1980	1,210,000
Jan. 1, 1972	745,000	Jan. 1, 1981	1,245,000
July 1, 1972	770,000	July 1, 1981	1,280,000
Jan. 1, 1973	790,000	Jan. 1, 1982	1,315,000
July 1, 1973	815,000	July 1, 1982	1,365,000
Jan. 1, 1974	835,000		

* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.03), 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 three years before maturity	½ of 1%
More than three years but not more than six years before maturity	1 ½%
More than six years but not more than eleven years before maturity	2 ½%
More than eleven years but not more than sixteen years before maturity	3 ½%
More than sixteen years but not more than eighteen years before maturity	4 ¾%
More than eighteen years before maturity	5 ¾%

SCHEDULE 2

DESCRIPTION OF THE PROJECT

The Project consists of :

Part A

I. The construction of a total of about 385 kilometers of toll roads, all such toll roads to be part of the toll road system of Caminos. The toll roads to be constructed are the following :

- (a) Mexico City—Puebla—Orizaba
- (b) Mexico City—Venta de Carpio—Tecamac
- (c) Tijuana—Ensenada

II. The construction of a total of about 125 kilometers of roads of access to the toll road system of Caminos, all such access roads to be part of the National Highway System of the Guarantor. The access roads to be constructed are the following :

- (a) La Pera—Cuautla
- (b) Texmelucan—Ocotoxco
- (c) Ciudad Serdán—Esperanza
- (d) Tecamac—Teotihuacán

III. The construction of the following five toll bridges : Coatzacoalcos, Culiacán, Alvarado, Caracol and Papaloapan.

IV. The construction of terminal facilities in the port of Mazatlán and the Pichilingue site of the port of La Paz for the ferry-boat provided for in Part B-I below, and an access road of a length of about 12 kilometers joining Pichilingue to La Paz.

Part B

I. The acquisition and utilization in the ferry service between Mazatlán and La Paz of a ferry-boat, the general characteristics of which are to be the following :

- (a) Length : about 90 meters
- (b) Capacity : about 100 cars and 500 passengers
- (c) Register : Lloyd's Register of Shipping

II. The acquisition and utilization of miscellaneous maintenance and other equipment for toll facilities, such as electronic devices for traffic control, signal panels and toll gates.
