

No. 10685

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

**Guarantee Agreement—*Power Expansion Project* (with annexed General Conditions Applicable to Loan and Guarantee Agreements and Loan Agreement between the Bank and the Public Utilities Authority). Signed at Washington on 4 June 1970**

*Authentic text: English.*

*Registered by the International Bank for Reconstruction and Development on 18 August 1970.*

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

**Contrat de garantie — *Projet relatif à l'expansion du réseau électrique* (avec, en annexe, les Conditions générales applicables aux contrats d'emprunt et de garantie et le Contrat d'emprunt entre la Banque et la Public Utilities Authority). Signé à Washington le 4 juin 1970**

*Texte authentique : anglais.*

*Enregistré par la Banque internationale pour la reconstruction et le développement le 18 août 1970.*

## GUARANTEE AGREEMENT<sup>1</sup>

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AGREEMENT, dated June 4, 1970, between REPUBLIC OF LIBERIA (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by the Loan Agreement of even date herewith<sup>2</sup> between the Bank and Public Utilities Authority (hereinafter called the Borrower) the Bank has agreed to make to the Borrower a loan in various currencies equivalent to seven million four hundred thousand dollars (\$7,400,000), 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

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;

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 the General Conditions Applicable to Loan and Guarantee Agreements of the Bank dated January 31, 1969,<sup>3</sup> with the same force and effect as if they were fully set forth herein (said General Conditions Applicable to Loan and Guarantee Agreements being hereinafter called the General Conditions).

*Section 1.02.* Wherever used in this Guarantee Agreement, unless the context otherwise requires, the several terms defined in the General Conditions have the respective meanings therein set forth.

### *Article II*

*Section 2.01.* Without limitation or restriction upon any of its other obligations under this Guarantee Agreement, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and interest and other charges on, the

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<sup>1</sup> Came into force on 15 June 1970, upon notification by the Bank to the Government of Liberia.

<sup>2</sup> See p. 226 of this volume.

<sup>3</sup> *Ibid.*

Loan and the Bonds, the premium, if any, on the prepayment of the Loan or the redemption of the Bonds prior to their maturity and the punctual performance of all the obligations of the Borrower, all as set forth in the Loan Agreement and in the Bonds.

*Section 2.02.* To assist in financing the local cost of the Project during the years 1971, 1972 and 1973, the Guarantor agrees to lend to the Borrower an amount of one million four hundred thousand (1,400,000) Liberian dollars on the following terms: (i) interest not to exceed 7% per annum on the principal amount outstanding from time to time and (ii) amortization in five years including three years of grace.

*Section 2.03.* Without limitation or restriction upon the provisions of Sections 2.01 and 2.02 of this Agreement, the Guarantor specifically undertakes:

- (i) whenever there is a reasonable cause to believe that funds available to the Borrower will be inadequate to meet the estimated expenditures required for the carrying out of 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; and
- (ii) whenever funds available to the Borrower are inadequate to meet cash operating costs and debt service, to provide the Borrower with such funds as are needed.

### *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 the 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 to secure a debt maturing not more than one year after the date on which it is originally incurred.

The term “assets of the Guarantor” as used in this Section includes assets of the Guarantor or of any of its political subdivisions or of any agency

of the Guarantor or of any such political subdivision, including any institution performing the functions of a central bank.

*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, and free from all restrictions, imposed under the laws of the Guarantor, 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 Guarantee Agreement, the Loan Agreement and the Bonds shall be free from any taxes that shall be imposed under the laws of the Guarantor on or in connection with the execution, issue, delivery or registration thereof.

*Section 3.05.* Except as the Bank shall otherwise agree, the Guarantor shall continue to provide annually funds necessary for, renewal and expansion of those electrical undertakings operated on its behalf by the Borrower and offsetting any losses to the Borrower resulting from the operation thereof. The Guarantor shall not cause the Borrower to operate or establish any additional such undertakings unless the proposed additional undertakings shall not adversely affect the operations of the Borrower. For the purpose of this Section, "losses" shall mean any excess of operating expenses, excluding depreciation, over revenue from the sale of electricity.

*Section 3.06.* Except as the Bank shall otherwise agree, the Guarantor shall give the Borrower priority in the use of the flow of the water of St. Paul

River up to a natural flow of 18,300 cubic feet per second for power generation at Mt. Coffee.

*Section 3.07.* By June 30, 1971 at the latest, the Guarantor shall take all action necessary to transfer to the Borrower legal title of all immovables and movables included in the Bushrod Power Station.

#### *Article IV*

*Section 4.01.* The Guarantor shall endorse, in accordance with the provisions of the General Conditions, its guarantee on the Bonds to be executed and delivered by the Borrower. The Secretary of the Treasury of the Guarantor and such other person or persons as he shall appoint in writing are designated as authorized representatives of the Guarantor for the purposes of Section 8.10 of the General Conditions.

#### *Article V*

*Section 5.01.* The Secretary of the Treasury of the Guarantor is designated as representative of the Guarantor for the purposes of Section 10.03 of the General Conditions.

*Section 5.02.* The following addresses are specified for the purposes of Section 10.01 of the General Conditions:

For the Guarantor:

Secretary of Treasury  
Monrovia  
Liberia

Alternative address for cables:

Secreas  
Monrovia

For the Bank:

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Alternative address for cables:

Intbafrad  
Washington, D.C.

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 Liberia:

By S. EDWARD PEAL  
Authorized Representative

International Bank for Reconstruction and Development:

By J. BURKE KNAPP  
Vice President

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
GENERAL CONDITIONS, DATED 31 JANUARY 1969  
GENERAL CONDITIONS APPLICABLE TO LOAN AND GUARANTEE AGREEMENTS  
[*Not published herein. See United Nations, Treaty Series, vol. 691, p. 300.*]

### LOAN AGREEMENT

AGREEMENT, dated June 4, 1970, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and PUBLIC UTILITIES AUTHORITY (hereinafter called the Borrower).

#### *Article I*

##### GENERAL CONDITIONS

*Section 1.01.* The parties to this Loan Agreement accept all the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank dated January 31, 1969,<sup>1</sup> with the same force and effect as if they were fully set forth herein (said General Conditions Applicable to Loan and Guarantee Agreements of the Bank being hereinafter called the General Conditions).

#### *Article II*

##### THE LOAN

*Section 2.01.* The Bank agrees to lend to the Borrower, on the terms and conditions in this Loan Agreement set forth or referred to, an amount in various currencies equivalent to seven million four hundred thousand dollars (\$7,400,000).

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<sup>1</sup> See above.

*Section 2.02. (a)* 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.

*(b)* 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 Loan Agreement and in accordance with the allocation of the proceeds of the Loan set forth in Schedule 1 to this Agreement, as such allocation shall be modified from time to time pursuant to the provisions of such Schedule or by further agreement between the Bank and the Borrower.

*Section 2.03.* The Borrower shall be entitled to withdraw from the Loan Account in respect of the reasonable external cost of goods or services required for the Project and to be financed under this Loan Agreement such amounts as shall have been paid (or, if the Bank shall so agree, as shall be required to meet payments to be made) for goods or services included in Categories I, II and III of the allocation of the proceeds of the Loan referred to in Section 2.02 of this Agreement.

*Section 2.04.* It is hereby agreed, pursuant to Section 5.01 of the General Conditions, that withdrawals from the Loan Account may be made on account of payments in Liberian dollars for goods produced, or services supplied from, outside the territories of the Guarantor.

*Section 2.05.* The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one percent ( $\frac{3}{4}$  of 1%) per annum on the principal amount of the Loan not withdrawn from time to time.

*Section 2.06.* The Borrower shall pay interest at the rate of seven per cent (7%) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

*Section 2.07.* Interest and other charges shall be payable semi-annually on January 1 and July 1 in each year.

*Section 2.08.* The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 2 to this Agreement.

### Article III

#### USE OF PROCEEDS OF THE LOAN

*Section 3.01.* The Borrower shall apply the proceeds of the Loan in accordance with the provisions of this Loan Agreement to expenditures on the Project, described in Schedule 3 to this Agreement.

*Section 3.02.* Except as the Bank shall otherwise agree, (i) the goods and services (other than services of consultants) to be financed out of the proceeds of the Loan shall be procured on the basis of international competitive bidding in accordance with the *Guidelines for Procurement under World Bank Loans and IDA Credits*, published by the Bank in August 1969, and in accordance with such other procedures supplementary thereto as are set forth in Schedule 4 to this Agreement or as shall be agreed between the Bank and the Borrower, and (ii) contracts for the procurement of all goods and services to be financed out of the proceeds of the Loan shall be subject to the prior approval of the Bank, except as otherwise provided in such Schedule 4.

*Section 3.03.* Except as the Bank may otherwise agree, the Borrower shall cause all goods and services financed out of the proceeds of the Loan to be used exclusively in carrying out the Project.

#### *Article IV*

##### BONDS

*Section 4.01.* If and as the Bank shall from time to time request, the Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in Article VIII of the General Conditions.

*Section 4.02.* The Chairman of the Borrower and such other person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 8.10 of the General Conditions.

#### *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 administrative, financial, engineering and public utility practices.

*(b)* The Borrower shall, to an extent, and upon terms and conditions satisfactory to the Bank (i) employ competent and experienced engineering consultants acceptable to the Bank to assist in the carrying out of the Project; and (ii) continue to employ competent and experienced management consultants acceptable to the Bank.

*(c)* The Borrower shall by not later than December 31, 1970, submit for Bank approval a program for the periodic inspection of the dams, waterways, earthworks and reservoir embankments at Mt. Coffee in order to determine whether there are any deficiencies or potential deficiencies in the condition of such structures and earthworks, or in the quality and adequacy of maintenance or methods of operation of such structures and earthworks which may endanger public safety.

*Section 5.02. (a)* The Borrower shall at all times manage its affairs, plan its future expansion and carry on its operations, all in accordance with sound business, financial and public utility practices, under the supervision of experienced and competent management, and with the assistance of adequate qualified and experienced staff.

*(b)* The Borrower shall at all times employ a qualified and experienced manager and assistant manager. The manager shall be employed in consultation with the Bank. The first such manager and assistant manager shall be appointed not later than December 1, 1972.

*Section 5.03. (a)* The Borrower shall furnish or cause to be furnished to the Bank, promptly upon their preparation, the reports, plans, specifications, work and procurement schedules for, or in connection with, the Project, and any material modifications subsequently made therein, in such detail as the Bank shall reasonably request.



(b) The Borrower shall: (i) maintain records adequate to identify the goods and services 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; and (ii) enable the Bank's representatives to inspect the Project, the goods financed out of the proceeds of the Loan, all other plants, sites, works, properties, equipment and operations of the Borrower and any relevant records and documents.

(c) The Borrower shall furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the goods and services financed out of such proceeds, the Project, and the administration, operations and financial condition of the Borrower.

*Section 5.04.* (a) The Bank and the Borrower shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, the Bank and the Borrower shall from time to time, at the request of either party, exchange views through their representatives with regard to the performance by the Borrower of its obligations under the Loan Agreement, the administration, operations and financial condition of the Borrower and other matters relating to the purposes of the Loan and the maintenance of the service thereof.

(b) 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, the maintenance of the service thereof or the performance by the Borrower of its obligations under the Loan Agreement.

*Section 5.05.* (a) The Borrower shall at all times maintain its corporate existence and right to carry on its operations, and take all steps necessary to acquire, maintain and renew all rights and franchises which are necessary or useful in the conduct of its business.

(b) The Borrower shall at all times operate and maintain its plant, machinery, equipment and other property, and make all necessary repairs and renewals thereof, in accordance with sound engineering and public utility practices.

*Section 5.06.* The Borrower shall continue to have separate accounts and audits for the power and for the water and sewage operations, and shall have its financial statements (balance sheet, statement of income and expenditures and other related statements) audited annually by competent and experienced auditors acceptable to the Bank and shall, promptly after their preparation and not later than four months after the close of the fiscal year to which they apply, transmit to the Bank certified copies of such statements and a signed copy of the auditors' report.

*Section 5.07.* (a) The Borrower shall take out and maintain with responsible insurers, or make other provisions satisfactory to the Bank for, insurance against such risks and in such amounts as shall be consistent with sound public utility practices, by not later than November 30, 1970.

(b) Without limiting the generality of the foregoing, the Borrower undertakes to insure the imported goods to be financed out of the proceeds of the Loan against marine, transit and other hazards incident to acquisition, transportation and delivery thereof to the place of use or installation and for such insurance any indemnity shall be payable in a currency freely usable by the Borrower to replace or repair such goods.

*Section 5.08.* 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; or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after the date on which it is originally incurred.

*Section 5.09.* Except as the Bank shall otherwise agree, the Borrower shall not incur any debt, other than for money borrowed for financing the Project, unless its net revenues for the fiscal year immediately preceding such incurrence or for a later twelve-month period ended prior to such incurrence, whichever is the greater, shall be not less than 1.5 times the maximum debt service requirements for any succeeding fiscal year on all debt, including the debt to be incurred. For the purposes of this Section:

(a) The term “debt” means all debt of the Borrower, including debt for the service of which the Borrower is responsible, maturing by its terms more than one year after the date on which it is originally incurred.

(b) Debt shall be deemed to be incurred on the date of execution and delivery of a contract, loan agreement or other instrument providing for such debt.

(c) The term “net revenues” means gross revenues from all sources, adjusted to take account of the Borrower’s tariffs in effect at the time of the incurrence of debt even though they were not in effect during the fiscal year or twelve-month period to which such revenues relate, less all expenses of operation and maintenance, administration, and taxes, if any, but before deduction of provision for depreciation and amortization of assets, interest and other charges on debt.

(d) The term “debt service requirements” means the aggregate amount of amortization (including sinking fund payments, if any) of, and interest and other charges on, debt.

*Section 5.10.* Except as the Bank shall otherwise agree, the Borrower shall not use any of its revenues from the generation, transmission or distribution of electricity, to meet current or capital expenses or debt service in connection with any other area of its activities.

*Section 5.11.* Prior to the Closing Date, except as the Bank shall otherwise agree, the Borrower shall not declare or pay any dividend, or make any other distribution on its capital.

*Section 5.12. (a)* Except as the Bank shall otherwise agree, the Borrower:

- (1) shall not reduce electricity tariffs prior to the Closing Date;
- (2) shall carry out and complete a study by not later than December 31, 1972 in order to determine appropriate levels and structure of water and sewer tariffs; and
- (3) shall take all action as may be necessary to ensure, starting from January 1, 1974: (i) an annual return from the generation, transmission and distribution of electricity of not less than ten percent of the current value of its electricity net fixed assets in service, and (ii) revenues from the water and sewer operations sufficient to cover cash operating cost, debt service and an appropriate contribution to future development of said operations.

*(b)* For the purposes of this Section:

- (i) The annual return shall be calculated in respect of each fiscal year by relating net income before interest and other charges on debt for that year to the average of the current value of net fixed assets in service at the beginning and at the end of that year.
- (ii) The term “current value of net fixed assets” means the gross value of fixed assets connected with the generation, transmission and distribution of electricity, including the value of any intangible assets subject to amortization, as revalued from time to time, less the accumulated amounts similarly revalued in respect of depreciation and amortization of assets, based on appropriate methods of valuation acceptable to the Bank and established with the assistance of the accounting and management consultants referred to in Section 5.01 (b) of this Agreement.
- (iii) The term “net income” means all revenues of the Borrower from sales of electricity, less all its power operating expenses.
- (iv) The term “operating expenses” means all expenses of operation, maintenance and administration in connection with the generation, transmission and distribution of electricity, including adequate provision for depreciation, and for taxes, if any, but excluding provision for interest and other charges on debt.
- (v) The terms “debt” and “debt service requirements” have the meanings respectively set forth in Section 5.09 of this Agreement.

*Section 5.13. (a)* The Borrower shall obtain title to all goods financed in whole or in part with the proceeds of the Loan free and clear of all encumbrances.

(b) Except in the normal course of its business, the Borrower shall not, without the prior approval of the Bank, sell, lease, transfer or otherwise dispose of any of its property or assets which shall be required for the efficient operation of its business and undertaking nor set up any subsidiary unless the Borrower shall first pay or redeem, or make adequate provision satisfactory to the Bank for repayment or redemption of, all of the Loan and the Bonds which shall then be outstanding and unpaid.

*Section 5.14.* The Borrower shall not engage in non-power activities, other than water and sewer, unless it shall have first satisfied the Bank that the extension of its present activities shall not adversely affect the efficiency of power operations.

*Section 5.15.* The Borrower 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<sup>1</sup> 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 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 5.16.* The Borrower 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.

#### Article VI

##### REMEDIES OF THE BANK

*Section 6.01.* If any event specified in Section 7.01 of the General Conditions or in Section 6.02 of this Agreement shall occur and shall continue for the period, if any, therein set forth, then at any subsequent time during the continuance thereof, the Bank, at its option, may by notice to the Borrower and the Guarantor declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately together with the interest and other charges thereon and upon any such declaration such principal, interest and charges shall become due and payable immediately, anything to the contrary in this Loan Agreement or in the Bonds notwithstanding.

*Section 6.02.* For the purposes of Section 7.01 of the General Conditions, the following additional event is specified, namely, that the law of June 1, 1962 of the Guarantor establishing the Borrower, or any other legislation or regulation of the Guarantor governing the establishment, organization, powers, financial structure and operations of the Borrower shall have been materially amended, suspended, abrogated, repealed, or waived, or shall cease to be enforced, so as to materially affect

<sup>1</sup> See p. 218 of this volume.

the operations of the Borrower, without the prior approval of the Bank.

*Article VII*

EFFECTIVE DATE: TERMINATION

*Section 7.01.* The following event is specified as an additional condition to the effectiveness of this Loan Agreement within the meaning of Section 11.01 (c) of the General Conditions, namely:

That the Borrower shall have certified in writing to the Bank that, as of a date to be agreed between the Bank and the Borrower (which shall be prior to the date set forth in Section 7.02 of this Agreement), there has been no material adverse change in its condition since the date of the Loan Agreement.

*Section 7.02.* The date of August 12, 1970 is hereby specified for the purposes of Section 11.04 of the General Conditions.

*Article VIII*

MISCELLANEOUS

*Section 8.01.* The Closing Date shall be June 30, 1974, or such other date as shall be agreed between the Bank and the Borrower.

*Section 8.02.* The following addresses are specified for the purposes of Section 10.01 of the General Conditions:

For the Bank:

International Bank for Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Alternative address for cables:

Intbafrad  
Washington, D.C.

For the Borrower:

Public Utilities Authority  
P.O. Box 465  
Monrovia, Liberia

Alternative address for cables:

PUTUA  
Monrovia  
Liberia

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 to be 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 J. BURKE KNAPP  
Vice President

Public Utilities Authority:

By TAYLOR MAJOR  
Authorized Representative

SCHEDULE I  
ALLOCATION OF PROCEEDS OF LOAN

<i>Category</i>	<i>Amounts Expressed in Dollar Equivalent</i>
I. C.i.f. costs of imported equipment for:	
(a) Mt. Coffee expansion .....	2,100,000
(b) Gas Turbines .....	2,570,000
II. C.i.f. costs of imported materials and costs of services for civil works and installation of equipment included in Category I above for:	
(a) Mt. Coffee expansion .....	1,200,000
(b) Gas turbines .....	120,000
III. Engineering consulting services for:	
(a) Mt. Coffee expansion .....	770,000
(b) Gas turbines .....	80,000
(c) Distribution study .....	75,000
IV. Unallocated .....	485,000
	TOTAL
	<u>7,400,000</u>

REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of the items included in any of the Categories I to III shall decrease, the amount of the Loan then allocated to, and no longer required for, such Category will be reallocated by the Bank to Category IV.

2. If the estimate of the cost of the items included in any of the Categories I to III shall increase, an amount equal to the portion, if any, of such increase to be financed out of the proceeds of the Loan will be allocated by the Bank, at the request of the Borrower, to such Category from Category IV, subject, however, to the requirements for contingencies, as determined by the Bank, in respect of the cost of the items in the other Categories.

SCHEDULE 2  
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, 1975 .....	247,000	January 1, 1983 .....	247,000
January 1, 1976 .....	247,000	July 1, 1983 .....	247,000
July 1, 1976 .....	247,000	January 1, 1984 .....	247,000
January 1, 1977 .....	247,000	July 1, 1984 .....	247,000
July 1, 1977 .....	247,000	January 1, 1985 .....	247,000
January 1, 1978 .....	247,000	July 1, 1985 .....	247,000
July 1, 1978 .....	247,000	January 1, 1986 .....	247,000
January 1, 1979 .....	247,000	July 1, 1986 .....	247,000
July 1, 1979 .....	247,000	January 1, 1987 .....	247,000
January 1, 1980 .....	247,000	July 1, 1987 .....	247,000
July 1, 1980 .....	247,000	January 1, 1988 .....	247,000
January 1, 1981 .....	247,000	July 1, 1988 .....	247,000
July 1, 1981 .....	247,000	January 1, 1989 .....	247,000
January 1, 1982 .....	247,000	July 1, 1989 .....	247,000
July 1, 1982 .....	247,000	January 1, 1990 .....	237,000

\* To the extent that any portion of the Loan is repayable in a currency other than dollars (see General Conditions, Section 4.02), the figures in this column represent dollar equivalents determined as for purposes of withdrawals.

PREMIUMS ON PREPAYMENT AND REDEMPTION

The following percentages are specified as the premiums payable on repayment in advance of maturity of any portion of the principal amount of the Loan pursuant to Section 3.05 (b) of the General Conditions or on the redemption of any Bond prior to its maturity pursuant to Section 8.15 of the General Conditions:

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than three years before maturity .....	1%
More than three years but not more than six years before maturity .....	2%
More than six years but not more than eleven years before maturity .....	3 ¼%
More than eleven years but not more than sixteen years before maturity .....	5%
More than sixteen years but not more than eighteen years before maturity .....	6%
More than eighteen years before maturity .....	7%

SCHEDULE 3  
DESCRIPTION OF THE PROJECT

The Project consists of:

- (1) Expansion of the Mt. Coffee hydro-electric plant to include:
  - (a) installation of the third 17 MW turbine-generator unit together with associated civil works;
  - (b) civil works only for the fourth 17 MW turbine-generator unit;

- (c) excavation only for the fifth 17 MW turbine-generator unit; and
  - (d) about 15 miles of 69-kV transmission line from Mt. Coffee to Bushrod (Monrovia), including terminal facilities and transformers.
- (2) Two 15 MW gas turbines including switchgear and step-up transformers to firm up Mt. Coffee power for installation at Bushrod (Monrovia);
- (3) Engineering consulting services for Mt. Coffee expansion and gas turbines; and
- (4) Engineering consulting services for a distribution study of the Monrovia power system to be completed by September 1970.
- The Project is expected to be completed by June 30, 1973.

#### SCHEDULE 4

##### SUPPLEMENTARY PROCUREMENT PROCEDURES

With respect to contracts for goods and services required for the Project (excepting contracts for consultants' services), the following supplementary procurement procedures shall apply:

(1) Contracts involving an amount of \$50,000 equivalent or more will be subject to the following rules:

- (a) Before bids are invited, the Borrower will submit to the Bank for approval the invitations to bid, specifications, the proposed terms and conditions of contracts and other tender documents, together with a description of advertising procedures.
- (b) After bids have been received and analyzed, the bid analysis and recommendation for award of the Borrower and the Consultants, together with the reasons for such recommendation, will be submitted by the Borrower to the Bank for approval prior to the award or the issuance of a letter of intent.
- (c) If any final contract or letter of intent is to differ substantially from the terms and conditions contained in the respective documents approved by the Bank under paragraphs (a) and (b) above, the text of the proposed changes will be submitted to the Bank for its review and approval prior to the execution of such contract or issuance of such letter of intent.
- (d) One signed copy of any letter of intent issued and of any contract executed under this paragraph (1) will be sent to the Bank promptly upon its issuance or execution.

(2) For other contracts the Borrower will furnish to the Bank any invitation to bid, bid evaluation report and one signed copy of any such contract or letter of intent, and any other material relevant thereto that the Bank shall request, promptly after execution of any such contract or issuance of any such letter of intent and prior to the submission to the Bank of the first application for withdrawal from the Loan Account in respect of such contract.