

No. 10220

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
TRINIDAD AND TOBAGO**

Guarantee Agreement—*Power Transmission and Distribution Project* (with annexed Loan Regulations No. 4, as amended, and Loan Agreement between the Bank and Trinidad and Tobago Electricity Commission). Signed at Washington on 28 May 1969

Authentic text: English.

Registered by the International Bank for Reconstruction and Development on 20 January 1970.

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
TRINITÉ-ET-TOBAGO**

Contrat de garantie — *Projet relatif à la distribution et à la transmission d'énergie électrique* (avec, en annexe, le Règlement n° 4 sur les emprunts, tel qu'il a été modifié, et le Contrat d'emprunt entre la Banque et la Trinidad and Tobago Electricity Commission). Signé à Washington le 28 mai 1969

Texte authentique: anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 20 janvier 1970.

GUARANTEE AGREEMENT ¹

AGREEMENT, dated May 28, 1969, between TRINIDAD AND TOBAGO (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 Trinidad and Tobago Electricity Commission (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 two million dollars (\$2,000,000), 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

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed 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 Loan Regulations No. 4 of the Bank dated February 15, 1961 as amended February 9, 1967,² with the same force and effect as if they were fully set forth herein (said Loan Regulations No. 4 being hereinafter called the Loan Regulations).

Section 1.02. Wherever used in this Agreement, unless the context shall otherwise require, the several terms defined in the Loan Agreement and the Loan Regulations shall have the respective meanings therein set forth.

¹ Came into force on 2 September 1969, upon notification by the Bank to the Government of Trinidad and Tobago.

² See p. 290 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, 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.

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.

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 statutory authority established by the Guarantor or of any agency of the foregoing, including, without limitation, the Central Bank of Trinidad and Tobago or any other 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 either 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 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. If Section 5.09 of the First Loan Agreement is inconsistent with Section 5.08 of the Loan Agreement, Section 5.08 of the Loan Agreement shall govern.

Section 3.06. Except as the Bank shall otherwise agree, the Borrower shall not be obligated to repay any part of the principal, including capitalized interest, of any advances heretofore made by the Guarantor until the Loan is fully repaid, nor shall the Borrower be required to pay interest to the Guarantor on such advances in excess of 8% per annum, notwithstanding any prior agreement between the Guarantor and the Bank.

Section 3.07. The Guarantor shall consult with the Bank prior to any proposed appointment to or transfer or removal from the management of the Borrower of any of the officers referred to in Section 5.06 of the Loan Agreement and shall give the Bank's views serious consideration prior to such action. Such views shall be given promptly.

Article IV

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

- Permanent Secretary
Ministry of Finance
Port of Spain, Trinidad

Cable address:

Minfin
Port of Spain

For the Bank:

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

Cable address:

Intbafrad
Washington, D.C.

Section 5.02. The Minister of the Guarantor responsible for Finance 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.

Trinidad and Tobago:

By Sir Ellis CLARKE
Authorized Representative

International Bank for Reconstruction and Development:

By J. Burke KNAPP
Vice President

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 4, DATED 15 FEBRUARY 1961,
AS AMENDED 9 FEBRUARY 1967

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

[*Not published herein. See United Nations, Treaty Series, vol. 598, p. 270.*]

LOAN AGREEMENT

AGREEMENT, dated May 28, 1969, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and the TRINIDAD AND TOBAGO ELECTRICITY COMMISSION (hereinafter called the Borrower).

Article I

LOAN REGULATIONS; SPECIAL DEFINITIONS

Section 1.01. The parties to this Agreement accept all the provisions of Loan Regulations No. 4 of the Bank, dated February 15, 1961 as amended February 9, 1967,¹ with the same force and effect as if they were fully set forth herein (said Loan Regulations No. 4 being hereinafter called the Loan Regulations).

¹ See above.

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

(a) "Act" means Act No. 17 of 1968, the Guarantee of Loans (Statutory Authorities) Act, 1968, assented to by the Governor-General of Trinidad and Tobago May 29, 1968.

(b) "Ordinance" means the Trinidad and Tobago Electricity Commission Ordinance No. 42 of 1945, as amended by Ordinance No. 8 of 1961.

(c) "First Loan Agreement" means the Loan Agreement (*Trinidad and Tobago Electricity Commission Project*) between the Territory of Trinidad and Tobago and the Bank, Loan No. 293 TR dated August 16, 1961.¹

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 two million dollars (\$2,000,000).

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 Agreement and the Loan Regulations 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 Borrower and the Bank.

Section 2.03. Withdrawals from the Loan Account may be made on account of expenditures made prior to the date of this Agreement but after January 1, 1969.

Section 2.04. 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 withdrawn from time to time.

Section 2.05. The Borrower shall pay interest at the rate of six and one-half per cent ($6\frac{1}{2}\%$) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

¹ United Nations, *Treaty Series*, vol. 426, p. 287.

Section 2.06. Except as the Borrower and the Bank 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 commitment outstanding from time to time.

Section 2.07. Interest and other charges shall be payable semi-annually on January 15 and July 15 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 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 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 February 1968, and in accordance with such other procedures supplementary thereto as shall be agreed between the Borrower and the Bank, and (ii) contracts for the procurement of such goods shall be subject to the approval of the Bank.

Section 3.03. Except as the Bank shall otherwise agree, the Borrower shall cause all goods 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 VI of the Loan Regulations.

Section 4.02. The Chairman jointly with the Deputy Chairman of the Borrower are designated as authorized representatives of the Borrower for the purposes of Section 6.12 (a) of the Loan Regulations. The Borrower may designate additional or other authorized representatives by appointment in writing notified to the Bank.

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, financial and public utility practices.

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

Section 5.02. (a) 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 show the expenditure of the proceeds of the Loan, 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;

(b) The Borrower shall have its accounts audited and its financial statements certified annually by an independent public accountant satisfactory to the Bank and shall promptly after their preparation and not later than four months after the close of the Borrower's fiscal year transmit to the Bank certified copies of such statements;

(c) The Borrower shall enable the Bank to inspect the Project, all facilities operated by the Borrower and any relevant records and documents; and

(d) The Borrower 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, all facilities operated by the Borrower, all financial transactions between the Guarantor and the Borrower and the administration, operations and financial condition of the Borrower.

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

(b) The Borrower shall from time to time exchange views with the Bank through their representatives with regard to matters relating to the purposes of the Loan, the administration, operations and financial condition of the Borrower and the other matters covered by this Agreement.

(c) The Borrower shall promptly inform the Bank and the Guarantor of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the performance by the Borrower of its obligations under this Agreement.

Section 5.04. The Borrower shall operate and maintain its plants, equipment and other property and from time to time make all necessary renewals and repairs thereof and shall at all times carry on its operations in an efficient manner under capable management and with competent staff and maintain its financial position, all in accordance with sound engineering and public utility practices.

Section 5.05. The Borrower shall at all times 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.

Section 5.06. The Borrower shall consult with the Bank prior to any proposed appointment to or removal from the positions of General Manager, Deputy General Manager, Financial Comptroller or Engineering Controller and shall give the Bank's views serious consideration prior to such appointment or removal.

Section 5.07. The Borrower shall make no change in rates charged for its services prior to January 1, 1971 without informing the Bank in adequate time for the Bank to comment thereon.

Section 5.08. (a) After January 1, 1971, the rates charged by the Borrower for its services shall be maintained at levels to provide revenue sufficient:

- (i) to cover operating expenses; and
- (ii) to produce an annual return on the current value of the net fixed assets in operation of the Borrower at a rate of not less than 8%.

(b) For the purposes of this Section:

- (i) The annual return shall be calculated by using as the denominator the average between the current value of net fixed assets in operation at the beginning and at the end of the year in question and, as the numerator, the operating income of the Borrower for that year.
- (ii) The term "current value of net fixed assets in operation" shall mean the gross value of fixed assets in operation, based on realistic valuations of such assets (or revaluations thereof if required by intervening changes in prices or currency revaluations), less reasonable accumulated depreciation on a straight-line basis of not less than 4% per annum.
- (iii) The term "operating income" shall mean the difference between operating revenue and operating expenses.
- (iv) The term "operating revenue" shall mean all revenue from the sale of power and other activities of the Borrower incidental thereto.

- (v) The term “ operating expenses ” shall mean all direct costs of operation by the Borrower, including adequate maintenance expenses, taxes and provision for reasonable depreciation on a straight-line basis of not less than 4 % per annum on gross value of fixed assets in operation, but excluding interest and other charges on debt.

Section 5.09. Except as the Bank shall otherwise agree, the Borrower shall not incur any long-term indebtedness if, after the incurrence of such long-term indebtedness, the proportion of its long-term indebtedness to its total capital and surplus would exceed a ratio of 60 to 40. For the purpose of this Agreement, the following shall apply:

(a) The term “ long-term indebtedness ” shall mean debt maturing by its terms more than one year after the date on which it is incurred and shall include the assumption or guarantee of such debt.

(b) Debt shall be deemed to be incurred on the date of execution and delivery of a contract creating such debt.

(c) “ Capital and surplus ” shall mean capital and surplus determined in accordance with sound accounting practices, provided, however, that for the purposes of this covenant advances from the Government to the Borrower on which no repayments of principal are required for the duration of this Loan Agreement shall be deemed “ capital ”, and general reserves shall be deemed “ surplus ”.

(d) All indebtedness payable in a currency other than that of the Guarantor shall be valued at the rate of exchange at which such other currency is obtainable, on the date the additional debt is incurred, for the purpose of servicing such indebtedness, or if such currency is not so obtainable, at the rate of exchange reasonably determined by the Bank.

Section 5.10. Until the Loan shall have been repaid in full, the Borrower shall not repay, without the consent of the Bank, the principal, including capitalized interest, of any advances heretofore made to it by the Guarantor.

Section 5.11. Subject to such exemptions as shall be conferred by the provisions of Sections 3.03 and 3.04 of the Guarantee Agreement,¹ 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 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.

¹ See p. 282 of this volume.

Section 5.12. 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.

Section 5.13. 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 its date.

Section 5.14. (a) The Borrower shall take out and maintain with responsible insurers or make other provision satisfactory to the Bank for insurance against such risks and in such amount as shall be consistent with sound practice.

(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.

Article VI

REMEDIES OF THE BANK

Section 6.01. (i) If the event specified in Section 6.02 of this Agreement shall occur, or *(ii)* if any event specified in paragraph *(a)*, paragraph *(e)* or paragraph *(f)* of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of thirty days, or *(iii)* if a default shall occur in the payment of principal or interest or any other payment required under any other loan agreement between the Bank and the Borrower or under any bond delivered pursuant thereto and such default shall continue for a period of thirty days, or *(iv)* if a default shall occur in the payment of principal or interest or any other payment required under any loan agreement or under any guarantee agreement between the Guarantor and the Bank or under any bond delivered pursuant to any such agreement or under any credit agreement between the Guarantor and the Association under circumstances which would make it unlikely that the Guarantor would meet its obligations under the Guarantee Agreement and

such default shall continue for a period of thirty days, or (v) 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 the Loan Agreement or in the Bonds to the contrary notwithstanding.

Section 6.02. Pursuant to paragraph (l) of Section 5.02 of the Loan Regulations the following is specified as an additional event for the purposes of said Section:

The Act or the Ordinance shall have been suspended, repealed, revoked, amended or abrogated in a manner which would materially and adversely affect the carrying out of the Project or the operations of the Borrower, without prior consultation with the Bank.

Section 6.03. The Bank and the Borrower agree that for the purposes of the First Loan Agreement and this Loan Agreement, an event referred to in paragraph (c) of Section 5.02 of the Loan Regulations No. 4 of the Bank applicable to either Agreement shall be deemed to be an event under paragraph (c) of Section 5.02 of the Loan Regulations No. 4 of the Bank applicable to the other Agreement.

Article VII

EFFECTIVE DATE; TERMINATION

Section 7.01. If this Loan Agreement shall not have come into force and effect by July 31, 1969, this Loan Agreement and all obligations of the parties hereunder shall terminate, unless the Bank, after consideration of the reasons for the delay, establishes a later date for purposes of this Section. The Bank shall promptly notify the Borrower and the Guarantor of such later date.

Article VIII

MISCELLANEOUS

Section 8.01. The Closing Date shall be June 30, 1971, or such other date as shall be agreed from time to time by the Bank and the Borrower.

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

For the Borrower:

Trinidad and Tobago Electricity Commission
63 Frederick Street
P.O. Box 121
Port of Spain, Trinidad

Cable address:

Trinelcom
Port of Spain

For the Bank:

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

Cable address:

Intbafrad
Washington, D.C.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be executed 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.

Trinidad and Tobago Electricity Commission:

By Sir Alan REECE
Authorized Representative

International Bank for Reconstruction and Development:

By J. Burke KNAPP
Vice President

SCHEDULE 1

ALLOCATION OF PROCEEDS OF LOAN

<i>Category</i>	<i>Amounts Expressed in Dollar Equivalent</i>
Equipment, materials and supplies for:	
I. 66 KV Transmission Lines and Substations	660,000
II. 33 KV Distribution Lines and Substations	890,000
III. 12 KV and under Distribution.	270,000
IV. Contingencies	180,000
	<u>TOTAL 2,000,000</u>

REALLOCATION UPON CHANGE IN COST ESTIMATES

1. If the estimate of the cost of the items included in any of the Categories I through 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 through 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 15, 1971	50,000	January 15, 1978	75,000
January 15, 1972	50,000	July 15, 1978	80,000
July 15, 1972	55,000	January 15, 1979	80,000
January 15, 1973	55,000	July 15, 1979	85,000
July 15, 1973	55,000	January 15, 1980	85,000
January 15, 1974	60,000	July 15, 1980	90,000
July 15, 1974	60,000	January 15, 1981	90,000
January 15, 1975	65,000	July 15, 1981	95,000
July 15, 1975	65,000	January 15, 1982	100,000
January 15, 1976	65,000	July 15, 1982	100,000
July 15, 1976	70,000	January 15, 1983	105,000
January 15, 1977	70,000	July 15, 1983	110,000
July 15, 1977	75,000	January 15, 1984	110,000

* 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	1%
More than three years but not more than six years before maturity	2¼%
More than six years but not more than eleven years before maturity	3¾%
More than eleven years but not more than thirteen years before maturity	5¼%
More than thirteen years before maturity	6½%

SCHEDULE 3

DESCRIPTION OF THE PROJECT

The Project consists of the whole of the Borrower's 66 KV transmission and 33 KV distribution construction program for the years 1969 and 1970 and part of the lower-voltage construction program for the same period, and includes the following:

I. 66 KV Transmission Lines and Substations

(a) The erection of a new 66 KV double-circuit transmission line approximately 30 miles long from a terminal point on the outskirts of Port of Spain to Harmony Hall sub- and switching station. The work includes the supply and installation of a 66 KV oil circuit breaker and extension at Harmony Hall.

(b) Rehabilitation of the second 66 KV single-circuit line between Barataria and Harmony Hall sub- and switching stations. The work involves supply and installation of substation structure oil circuit breaker and transformers at each of three existing "feed off" points along this line.

(c) The diversion of the two existing 66 KV single-circuit lines and the 132 KV single-circuit line due to the construction of the proposed Churchill/Roosevelt dual highway. The work includes the erection of approximately two miles of new line for each of these three main transmission lines.

(d) The installation of new 66 KV substations at the Philippine and Texaco sites. The work will comprise a switching structure and a 66 KV oil circuit breaker with two 6 MVA transformers at Philippine; two miles of 66 KV single-circuit line with a switching structure; a 66 KV oil circuit breaker and three 5 MVA transformers at the Texaco site.

II. 33 KV Distribution Lines and Substations

(a) Reinforcement of the 33 KV supply on the island of Tobago. The work involved includes the extension of the switching station at the submarine cable

termination to provide for a local substation and a second 33 KV line, together with approximately five miles of 33 KV single-circuit line and provision for the ultimate installation of two 33 KV step-down substations.

(b) The erection of new 33 KV lines as follows:

- (i) A double-circuit line approximately eight miles long from Pt. Cumana substation to Mt. Pleasant substation.
- (ii) A single-circuit line approximately eight miles long from Pinto Road substation to Valencia substation.
- (iii) A single-circuit line approximately 20 miles long from Morvant substation to Blanchisseuse where a new substation is to be erected (not included in the Project).
- (iv) A single-circuit line approximately three miles long from Cascade substation to Morvant substation.

(c) The installation of new 33 KV substations at Mt. Pleasant, St. Mary's, Milford Bay, Mayaro, Rio Claro, Marcas, Blanchisseuse and Scotland Bay. The work includes the supply and erection of 33 KV oil circuit breakers, transformers, and a 12 KV switchboard, together with ancillary equipment at each substation.

(d) The expansion of facilities at existing 33 KV substations at Point Cumana, Mt. Pleasant and Fyzabad. The work includes the replacement of existing 3 MVA transformers, with 6 MVA units at each of these substations.

III. 12 KV and Lower-Voltage Distribution

Extension and reinforcement of lower-voltage distributing mains and substations throughout the Borrower's system network.
