

**No. 16828**

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**UNITED STATES OF AMERICA  
and  
COLOMBIA**

**Guarantee Agreement relating to a small farmer training  
loan. Signed at Bogotá on 19 October 1976**

*Authentic text: English.*

*Registered by the United States of America on 10 July 1978.*

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**ÉTATS-UNIS D'AMÉRIQUE  
et  
COLOMBIE**

**Accord de garantie d'un prêt pour la formation des petits  
exploitants agricoles. Signé à Bogotá le 19 octobre 1976**

*Texte authentique : anglais.*

*Enregistré par les États-Unis d'Amérique le 10 juillet 1978.*

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

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AGREEMENT, dated this 19th day of Oct., 1976 between the REPUBLIC OF COLOMBIA ("Guarantor") and the UNITED STATES OF AMERICA acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

WHEREAS by Loan Agreement between Acción Cultural Popular ("Borrower"), and AID, Loan No. 514-T-081 A ("Loan"), AID has agreed to loan to Borrower two million dollars on the terms and conditions set forth in said Loan Agreement, but only on the condition that the Guarantor agrees to guaranty the obligations of the Borrower in respect of such loan as hereinafter provided; and

WHEREAS, the Guarantor in consideration of AID's entering in said Loan Agreement with the Borrower, has agreed so to guaranty such obligation of the Borrower;

NOW THEREFORE, the parties hereto hereby agree as follows:

### *Article I. GUARANTY*

*Section 1.01.* Guarantor unconditionally and irrevocably guarantees as primary obligor the full and prompt payment of the principal of, and credit fees and special charges on, any and all disbursements under the Loan Agreement, and any notes issued pursuant to such agreement when due in accordance with the terms of the Loan Agreement, notwithstanding any assertion, claim, judgment, decree, or order that any term or provision of the execution thereof is invalid, unperformed, or defective with respect to Borrower.

*Section 1.02.* AID may enforce the obligations of Guarantor without in any way first pursuing or exhausting any other rights or remedies which it may have against Borrower or any other person, firm, business, corporation, or governmental authority.

*Section 1.03.* Guarantor (Ministry of Finance and Public Credit) will be notified prior to any change in the Loan implementation.

*Section 1.04.* Any change in the amount or conditions of the Borrower's payment obligations under the Loan must receive Guarantor's prior approval.

*Section 1.05.* No delay on the part of the parties in exercising any rights hereunder or failure to exercise the same shall operate as a waiver of such rights and no notice to or demand on any of the parties shall be deemed a waiver of such parties obligations or of the right of such party to take further action without notice or demand as provided herein.

*Section 1.06.* Guarantor represents and warrants that this Agreement has been duly authorized, executed, and delivered by Guarantor; all applicable requirements for the registration or recording of this Agreement have been complied with in such place or places and in such manner as are required within Colombia to protect and preserve the rights of AID hereunder; the execution and delivery of this Agreement and the performance and compliance with all of its terms does not, and will not conflict with or result in any violation of any term of any present agreement, judgment, decree order, statute, ordinance, governmental rule, or regulation applicable to Guarantor; and this Agreement constitutes a valid and legally binding

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<sup>1</sup> Came into force on 19 October 1976 by signature, in accordance with section 2.03.

joint and several obligation of the Guarantor enforceable under any applicable laws in effect within Colombia, in accordance with its terms.

*Section 1.07.* The Guarantor covenants that both interest and principal and all charges of the Loan will be paid without deduction or restrictions, free from all taxes, levies, rights, or charges that are established or will be established by the laws in force in Colombia, and that both this Guaranty Agreement as well as the Loan Agreement will be exempt from all taxes, levies, rights, or charges applicable to the entrance into, registration and execution of such documents.

*Section 1.08.* In the event that any notes are issued pursuant to the Loan Agreement, Guarantor shall endorse thereon its guaranty of payment in terms conforming to the terms of this Agreement in such form as AID may reasonably request.

*Section 1.09.* This Agreement shall inure to the benefit of the AID, its successors, and assigns and shall be binding upon the successors and assigns of Guarantor.

## *Article II.* REPRESENTATIVES AND NOTICE

*Section 2.01.* The Guarantor hereby designates the Minister of Finance and Public Credit as its representative with authority to designate in writing other representatives in its dealing with AID. AID shall be represented by the Director or the person acting in the position of Director, USAID Mission to Colombia.

*Section 2.02.* Any notice, request or communication given, made or sent by Guarantor or AID pursuant to this Agreement shall be in writing and shall be deemed to have been duly given, made or sent to the party to which it is addressed when it shall be delivered by hand or by mail, telegram, cable, or radiogram to such other party at the following address:

To Guarantor

Mail Address: Ministerio de Hacienda y Crédito Público  
Bogotá, Colombia

Cable Address: MINHACIENDA  
Bogotá, Colombia

To AID

Mail Address: U.S. AID Mission to Colombia  
American Embassy  
Bogotá, Colombia

Cable Address: AMEMBASSY  
Bogotá, Colombia

Other addresses may be substituted for the above upon giving of notice as provided herein.

*Section 2.03.* This Agreement shall enter into effect as of the day and year first above mentioned.

Republic of Colombia:  
*By:* [Signed]  
JOAQUÍN BOHÓRQUEZ  
*Title:* Minister of Finance, Acting

United States of America:  
*By:* [Signed]  
JAMES MEGELLAS  
*Title:* Director  
USAID Mission in Colombia