

EDC LOAN NO. 890-GUAT-4042

DATED AS OF OCTOBER 26, 1994

REPUBLIC OF GUATEMALA AS REPRESENTED
BY THE MINISTRY OF FINANCE

AND

EXPORT DEVELOPMENT CORPORATION

1993 RESCHEDULING AGREEMENT

X:\LEGAL\LOAN\GUAT
4042RA2.DOC

THIS 1993 RESCHEDULING AGREEMENT dated as of October 26, 1994, is made

BETWEEN

REPUBLIC OF GUATEMALA, AS REPRESENTED
BY THE MINISTRY OF FINANCE,
(hereinafter called the "OBLIGOR")

AND

EXPORT DEVELOPMENT CORPORATION,
a corporation established by an Act of the
Parliament of Canada, having its head office
at Ottawa, Canada
(hereinafter called "EDC")

WHEREAS the Government of Canada, as one of the participating creditor countries at the meetings held in Paris on March 25, 1993 to consider the consolidation of the external debt of the OBLIGOR agreed, inter alia, to recommend that EDC provide debt relief to the OBLIGOR relating to a certain loan agreement (EDC Loan No. 880-GUAT-0918 dated July 10, 1981) concluded before January 1, 1991, on the terms and conditions set out in the March 25, 1993 Agreed Minute on the Consolidation of the Debt of the Republic of Guatemala (the "AGREED MINUTE") a photocopy of the English version thereof being annexed as Schedule "A";

WHEREAS the OBLIGOR has pledged its full faith and credit for the due and punctual payment to EDC of all amounts payable by the OBLIGOR pursuant to this Agreement on the terms herein set forth;

NOW THEREFORE it is agreed as follows:

1. Consolidation and Rescheduling of Debts

The purpose of this Agreement is to implement the terms of the AGREED MINUTE to provide external debt relief to the OBLIGOR by consolidating and rescheduling the amounts due under a certain loan agreement as set out in Schedule "B". In consideration of EDC agreeing to consolidate and reschedule such amounts, the OBLIGOR agrees to pay all amounts set out in Schedule "B" as the Total Amount to be Rescheduled (the "RESCHEDULED AMOUNT") in accordance with the terms and subject to the conditions of this Agreement.

2. Payment of Rescheduled Amounts

The OBLIGOR shall pay the RESCHEDULED AMOUNT in 14 equal, consecutive semi-annual instalments, the first instalment to be paid on April 1, 2001, and the final instalment to be paid on October 1, 2007.

3. Payment of Interest and Other Charges

(a) For the purposes of this Agreement:

- (i) "BANK" means the Bank of Montreal, a Canadian chartered bank having a principal place of business at Toronto, Canada;
- (ii) "BUSINESS DAY" means any day except a Saturday, a Sunday and any day on which banks are closed for business in Toronto, Canada, New York, New York, U.S.A. or London, England;
- (iii) "INTEREST PAYMENT DATE" means, April 1 and October 1 in each year, commencing April 1, 1994; or if such date is not a BUSINESS DAY the next BUSINESS DAY;
- (iv) "INTEREST PERIOD" means, with respect to the rescheduled amount set forth in Schedule "B";
 - (A) the period commencing on and including April 1, 1993 and ending on the date immediately preceding the next INTEREST PAYMENT DATE, and thereafter;
 - (B) each successive period commencing on and including an INTEREST PAYMENT DATE and ending on the date immediately preceding the next INTEREST PAYMENT DATE;
- (v) "LIBOR", for each INTEREST PERIOD means the rate per annum determined as of two London banking days before the first day of such INTEREST PERIOD as the average (rounded upwards to the nearest 1/16th of one per cent) of the rates quoted on the REUTER's SCREEN LIBO PAGE by the banks used as reference banks for such service as the rates offered by such banks for six-month deposits in US Dollars. If it is not possible to determine LIBOR in this way for any INTEREST PERIOD, LIBOR shall mean the fluctuating rate per annum which the BANK, on the date of calculation, is prepared to accept as a rate of return on deposits of US Dollars, with first class banks in the London Interbank Market, in amounts equal or comparable to the relevant amount outstanding, for periods equal or comparable to the relevant INTEREST PERIOD; and

- (vi) "REUTER'S SCREEN LIBO PAGE" means the display designated as page "LIBO" on the Reuter Monitor Money Rates Service (or such other page as may replace the LIBO page on that service for the purpose of displaying the London Interbank offered rate quoted by the reference banks).
- (b) The OBLIGOR covenants and agrees to pay to EDC or its order, interest on all amounts outstanding of the RESCHEDULED AMOUNT, at the fluctuating rate per annum for each INTEREST PERIOD determined by EDC as being equal to the aggregate of (i) one-half of 1% per annum; and (ii) LIBOR, calculated and payable in arrears on each INTEREST PAYMENT DATE (the "Regular Rate"); and, subject to Section 8(a)(i), upon a default in payment of any amount of interest, principal or any other amount when due and payable hereunder, to pay interest on all such due and unpaid amounts accruing at the said fluctuating rate per annum increased by 1%, from the date such payment was due hereunder so long as such default shall continue, before and after demand and judgment (compounded on each INTEREST PAYMENT DATE), such default interest to be payable on demand; provided, however, that if the payments due on April 1, 1994 and October 1, 1994 are received on or before November 30, 1994, interest on such payment amounts shall be payable at only the Regular Rate. Interest at the foregoing rates shall be calculated on the basis of the actual number of days elapsed divided by 360. The yearly rates of interest to which each of the rates determined as provided above and calculated in the foregoing manner is equivalent is the rate so determined multiplied by the actual number of days in the year divided by 360.

4. Place and Manner of Payment

- (a) Each US Dollar payment by the OBLIGOR shall be made not later than 11:00 a.m. (New York City time) on the day on which such payment is due at Morgan Guaranty Trust Company of New York, 60 Wall Street, New York, New York 10260, U.S.A. for the credit of EDC, UID number 189284, account number 600-05-697, or at such other account or place as EDC may notify the OBLIGOR.
- (b) All payments by the OBLIGOR to EDC shall be made without set-off or counterclaim, and free from any present or future taxes or charges of any kind, including stamp or registration taxes, except those levied or imposed by or within Canada. The OBLIGOR will instruct its bank to provide a copy of its payment instructions, showing how funds are being transferred, to EDC at telex no. 053-4136 or by telefax at number (613) 598-2514. Any payment which falls due on a day which is not a BUSINESS DAY, shall be payable on the next BUSINESS DAY thereafter.

5. Costs, Expenses and Fees

The OBLIGOR will pay on demand and in any event within 30 days of the date of this Agreement EDC's documentation costs in the amount of US\$5,000. The OBLIGOR shall also pay on demand all reasonable costs, expenses and fees of EDC incurred in connection with the

preparation, negotiation, execution, amendment of, or preservation or enforcement of rights under, this Agreement.

6. Application of Payments

All payments made by the OBLIGOR hereunder shall be applied first to all amounts then due and payable hereunder in such order as EDC may elect, then to prepayment of instalments of principal in inverse order of maturity.

7. Covenants of Obligor

The OBLIGOR covenants and agrees with EDC that, unless compliance has been waived by EDC, it will:

- (a) obtain and maintain in force any authorization, approval, registration, licence or consent, of or from any official agency or instrumentality of the Republic of Guatemala or any political subdivision thereof which may be or may become necessary or required in order that the OBLIGOR may fulfill its obligations hereunder;
- (b) during the term of this Agreement, remain a member in good standing of the International Monetary Fund;
- (c) ensure that at all times its obligations hereunder rank at least pari passu with all other obligations of the OBLIGOR pursuant to bilateral agreements reached within the framework of the AGREED MINUTE and that no other creditor country signatory to the AGREED MINUTE has received or will receive more favourable treatment for the consolidation of debts of a comparable term pursuant to the AGREED MINUTE than the treatment given to EDC; and
- (d) prepay, upon notice by EDC so to do, its indebtedness hereunder, in the event that the OBLIGOR prepays, whether voluntarily or involuntarily, its indebtedness under a bilateral agreement reached with any other creditor country signatory to the AGREED MINUTE.

8. (a) Events of Default

The occurrence of any one or more of the following events or circumstances shall constitute a default under this Agreement:

- (i) the OBLIGOR shall fail to pay within 3 BUSINESS DAYS of the due date thereof any principal or interest payable hereunder, whether at maturity, by acceleration or otherwise; or
- (ii) failure of the OBLIGOR to duly perform or observe any covenant or provision of this Agreement (other than a default dealt with in

Section 8(a)(i)), which is not remedied by the OBLIGOR within 30 days after notice by EDC so to do.

(b) Acceleration

- (i) in the case of a default dealt with in Section 8(a)(i) above, at any time after 30 days from the date of such default and so long as such default shall then be continuing; and
- (ii) in any other case, at any time after a default, so long as such default shall then be continuing;

EDC may, after consultation with the OBLIGOR, by notice to the OBLIGOR, declare all indebtedness of the OBLIGOR hereunder immediately due and payable, whereupon the same shall become immediately due and payable, together with all interest accrued thereon and all other amounts payable hereunder with respect thereto without any further presentation, demand, protest or notice of any kind, all of which are expressly waived by the OBLIGOR. Notwithstanding the 30 day grace period provided in Section 8(b)(i), in the event that any other creditor country signatory to the AGREED MINUTE accelerates any amount due to it by the Republic of Guatemala, EDC shall immediately be entitled to exercise its rights and remedies under Section 8(b) without the expiry of the 30 day grace period.

(c) Remedies Cumulative

It is expressly agreed by the OBLIGOR that the rights and remedies of EDC under this Agreement are cumulative and are in addition to, and not in substitution for any rights or remedies provided by law. Any single or partial exercise by EDC of any right or remedy for a default or breach of any term of this Agreement shall not affect the rights of EDC, and any failure to exercise or delay in exercising any such rights or remedies shall not, be or be deemed to be a waiver of or to alter, affect or prejudice any such right or remedy. Any waiver by EDC of the strict observance or performance of or compliance with any term of this Agreement shall not be deemed to be a waiver of any subsequent default or breach.

9. Conditions Precedent

As a condition precedent to this Agreement coming into force (which condition may be waived in whole or in part by EDC), EDC shall have received (i) the favourable opinion of the Attorney General of the Republic of Guatemala substantially in the form of Schedule "C"; and (ii) evidence satisfactory to EDC that the Congress of the Republic of Guatemala has given all necessary approvals for the entering into and delivery of this Agreement and the performance of the obligations hereunder. The receipt and application by EDC of amounts which would be payable by the OBLIGOR under this Agreement shall not be deemed to be and shall not constitute a waiver by EDC of this condition precedent.

10. Notice

The mailing address, telex number and telefax number of each of the parties for notices or correspondence of any kind are as follows:

for the OBLIGOR,

Ministerio de Finanzas Publicas
Edificio de Finanzas Publicas Nivel 15
8 Avenida Y 21 Calle,
Zona 1 Centro Civico
Guatemala, Guatemala, C.A.
01001

Attn: Director de Financiamiento Externo

Telex: 9207 MINFIP-GU
Telefax: 502-2-300333

for EDC,

EXPORT DEVELOPMENT CORPORATION
151 O'Connor Street
Ottawa, Canada K1A 1K3

Attention: Loans Administration Department

Telex: 053-4136 EXCREDCORP OTT
Telefax: (613) 598-2514

or such other mailing or telex number or telefax number which the OBLIGOR or EDC may, for itself, from time to time notify the other.

11. Applicable Law, Jurisdiction and Waiver of Immunity

- (a) This Agreement is made under and shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable in such Province.
- (b) With respect to any legal action or proceeding concerning this Agreement the OBLIGOR irrevocably waives any right of immunity which it or any of its property has or may acquire in respect of its obligations hereunder, including any immunity from jurisdiction, suit, judgment, set-off, execution, attachment or other legal process.

- (c) The OBLIGOR agrees that any legal action or proceeding with respect to this Agreement or to enforce any judgment obtained against the OBLIGOR or any of its property in respect of any of the foregoing (a certified or exemplified copy of which judgment shall be conclusive evidence of the fact and the amount of any indebtedness of the OBLIGOR to EDC), may be brought by EDC in the Courts of Ontario, Canada, in the Courts of the Republic of Guatemala or in any other courts which may have jurisdiction in the circumstances.

12. Judgment Currency

The obligation of the OBLIGOR pursuant to this Agreement to make payments in US Dollars shall not be discharged or satisfied by any tender or recovery pursuant to any judgment (which judgment may be obtained only in the manner specified in Section 11), expressed in or converted into any other currency except to the extent to which such tender or recovery shall result in the effective receipt by EDC of the full amount of US Dollars payable or expressed to be payable under this Agreement and accordingly the obligation of the OBLIGOR shall be enforceable as an alternative or additional cause of action for the purpose of recovery in the other currency of the amount (if any) by which such effective receipt shall fall short of the full amount of US Dollars payable or expressed to be payable under this Agreement and shall not be affected by judgment being obtained for any other sums due under this Agreement.

IN WITNESS WHEREOF the parties hereto have signed and delivered this Agreement as of the date first above written.

REPUBLIC OF GUATEMALA, AS REPRESENTED
BY THE MINISTRY OF FINANCE

By:

By:

EXPORT DEVELOPMENT CORPORATION

By:

By:

**Schedule "A" to the 1993 Rescheduling Agreement No. 890-GUAT-4042
made between the Republic of Guatemala and EXPORT DEVELOPMENT
CORPORATION.**

**AGREED MINUTE
ON THE CONSOLIDATION OF THE DEBT
OF THE REPUBLIC OF GUATEMALA**

I. PREAMBLE

1. The representatives of the Governments of Austria, Canada, France, Germany, Italy and Spain, hereinafter referred to as "Participating Creditor Countries", met in Paris on March 25, 1993 with representatives of the Government of the Republic of Guatemala in order to examine the request to alleviate the Republic of Guatemala's external debt service obligations. Observers of the Government of Denmark, Japan, the United Kingdom and the United States of America as well as of the International Monetary Fund, the International Bank for Reconstruction and Development, the Secretariat of the U.N.C.T.A.D., the Interamerican Development Bank and the Organization for Economic Cooperation and Development also attended the meeting.

2. The Delegation of the Republic of Guatemala described the serious economic and financial difficulties faced by its country and its strong determination to reduce the economic and financial imbalances and to attain the targets of the program supported by the stand-by arrangement with the International Monetary Fund.

3. The representatives of the International Monetary Fund described the Republic of Guatemala's economic situation and the major elements of the adjustment program undertaken by the Government of the Republic of Guatemala, and supported by the stand-by arrangement with the International Monetary Fund approved by the Executive Board of the Fund on December 18, 1992. This stand-by arrangement, covering the period ending on March 17, 1994, involves specific commitments in both the economic and financial fields.

4. The representatives of the Governments of the Participating Creditor Countries took note of the measures of adjustment in the economic and financial program undertaken by the Government of the Republic of Guatemala.

II. RECOMMENDATIONS ON TERMS OF THE REORGANIZATION

In view of the payment difficulties faced by the Republic of Guatemala, the representatives of the Participating Creditor Countries agreed to recommend to their Governments or their appropriate institutions that they provide, through rescheduling or refinancing, debt relief for the Republic of Guatemala on the following terms:

1. Debts concerned

The debts to which this reorganization will apply are the following:

a) commercial credits guaranteed or insured by the Governments of the Participating Creditor Countries or their appropriate institutions, having an original maturity of more than one year, and which were extended to the Government of the Republic of Guatemala or its public sector or covered by the guarantee of the Government of the Republic of Guatemala or its public sector, including payments due under previous bilateral consolidations, pursuant to a contract or other financial arrangement concluded before January 1, 1991.

b) loans from Governments or appropriate institutions of the Participating Creditor Countries, having an original maturity of more than one year, and which were extended to the Government of the Republic of Guatemala or its public sector or covered by the guarantee of the Government of the Republic of Guatemala or its public sector, pursuant to a contract or other financial arrangement concluded before January 1, 1991 including payments due under previous bilateral consolidations.

It is understood that debt service due as a result of debts described above in the present Agreed Minute and effected through special payment mechanisms or other external accounts is included in the present reorganization. Participating Creditor Countries will reschedule, refinance, or take other appropriate measures to ensure that this category of debt is treated in a manner comparable to other debt subject to this Agreed Minute.

2. Terms of the consolidation

The debt relief will apply as follows:

[Handwritten signatures and initials: A, ms, Au, RB, Cj, H]

A/ As concerns official development aid loans mentioned in paragraph 1 b) above :

100 % of the amounts of principal and 100 % of the amounts of interest (including late interest) due as at March 31, 1993 inclusive and not paid on official development aid loans mentioned in paragraph 1 b) above will be rescheduled or refinanced.

Repayment by the Government of the Republic of Guatemala of the corresponding sums will be made in 20 equal and successive semi-annual payments, the first payment to be made on April 1, 2003 (end of the grace period) and the final payment to be made on October 1, 2012 (end of the repayment period).

B/ As concerns other credits mentioned in paragraph 1 above :

100 % of the amounts of principal and 100 % of the amounts of interest (including late interest) due as at March 31, 1993 inclusive and not paid will be rescheduled or refinanced.

Repayment by the Government of the Republic of Guatemala of the corresponding sums will be made in 14 equal and successive semi-annual payments, the first payment to be made on April 1, 2001 (end of the grace period) and the final payment to be made on October 1, 2007 (end of the repayment period).

C/ On a voluntary basis, the Government of each creditor country or its appropriate institutions may sell or exchange, in the framework of debt for nature, debt for aid, debt for equity swaps or other local currency debt swaps :

(i) the amounts of outstanding loans mentioned in paragraph 1 above as regards official development aid loans and direct government loans ;

(ii) the amounts of other outstanding credits mentioned in paragraph 1 above, up to 10 % of the amounts of outstanding claims as of March 31, 1993 or up to an amount of 10 million US dollars, whichever is higher.

D/ Late interest charges are those interest charges accruing between the contractual payment date of principal and interest due and not paid, and a date to be fixed in the bilateral agreements concluded for the implementation of the present Agreed Minute.

3. Rate of interest

The rates and the conditions of interest on the financial arrangements covered by this Minute will be determined bilaterally between the Government of the Republic of Guatemala and the Government or appropriate institutions of each Participating Creditor Country on the basis of the appropriate market rate.

As regards official development aid loans, the rates and the conditions of interest should be at least as favourable as the concessional rates applying to those loans.

III - GENERAL RECOMMENDATIONS

1. In order to secure comparable treatment of public and private external creditors on their debts, the Government of the Republic of Guatemala commits itself to seek from its external creditors, including banks and suppliers, rescheduling or refinancing arrangements on terms comparable to those set forth in this Agreed Minute for credits of comparable maturity, making sure to avoid inequality between different categories of creditors.

2. The Government of the Republic of Guatemala will seek to secure from each of the creditor countries not participating in this Agreed Minute rescheduling or refinancing arrangements on terms comparable to those set forth in this Agreed Minute. The Government of the Republic of Guatemala agrees not to accord any such creditor country repayment terms more favourable than those accorded to the Participating Creditor Countries.

3. The Government of the Republic of Guatemala agrees that it will promptly negotiate rescheduling or refinancing arrangements with all other creditors on debts of a comparable term.

The Government of Guatemala will inform in writing the Chairman of the Paris Club not later than October 31, 1993 of the progress made for this purpose in negotiations with other creditors.

[Handwritten signatures and initials: H, a large scribble, Cu, RB, Cj, and a signature on the right]

4. The provisions set forth in this Agreed Minute do not apply to Creditor Countries with amounts of principal and interest due on debts specified in Article II paragraph 2, of less than SDR 500,000. The payments owed to these countries should be made on the original due dates. Payments already due and not paid should be made as soon as possible and, in any case, not later than October 31, 1993.

5. Each of the Participating Creditor Countries agrees to make available, upon the request of another Participating Creditor Country, a copy of its bilateral agreement with the Government of the Republic of Guatemala which implements this Agreed Minute. The Government of the Republic of Guatemala acknowledges this arrangement.

6. Each of the Participating Creditor Countries agrees to inform the Chairman of the Paris Club of the date of the signature of its bilateral agreement, of the interest rates of the amounts of debts involved and of any implementation of debt conversions in application of paragraph II 2.C/ above. The Government of the Republic of Guatemala acknowledges this arrangement.

7. The Government of the Republic of Guatemala will inform the Chairman of the Paris Club of the content of its bilateral agreements with creditors mentioned in paragraphs 1, 2 and 3 above.

8. The Government of the Republic of Guatemala undertakes to pay all reconciled debt service due and not paid as at the date of the present Agreed Minute, on loans or on credits or pursuant to contracts or other financial arrangements payable on cash terms extended or guaranteed by the Governments of the Participating or Observer Creditor Countries or their appropriate institutions, and not covered by this Agreed Minute, including, if applicable, late interest on amounts which were deposited in local currency with the Bank of Guatemala, as soon as possible and, in any case, not later than October 31, 1993. Late interest will be charged on those amounts. If those payments are not made, the Creditor Countries may decide that the provisions of the present Agreed Minute will cease to apply.

9. The Government of the Republic of Guatemala will continue to guarantee with an appropriate exchange rate system the immediate and unrestricted transfer of foreign exchange counterpart of all amounts paid in local currency by the private debtors in Guatemala for servicing their foreign debt owed to or guaranteed by the Participating or Observer Creditor Countries or their appropriate institutions.

IV - IMPLEMENTATION

The detailed arrangements for the rescheduling or refinancing of the debts will be accomplished by bilateral agreements to be concluded by the Government or the appropriate institutions of each Participating Creditor Country with the Government of the Republic of Guatemala on the basis of the following principles:

1. The Government or the appropriate institutions of each Participating Creditor Country will either:

- refinance debts by placing new funds at the disposal of the Government of the Republic of Guatemala according to existing payment schedules during the reorganization period and for the above mentioned percentages of payments. These funds will be repaid by the Government of the Republic of Guatemala according to schedules mentioned above in paragraph II.2;

- or reschedule the corresponding payments.

2. All other matters involving the rescheduling or the refinancing of the debts will be set forth in the bilateral agreements which the Government of the Republic of Guatemala and the Governments or the appropriate institutions of the Participating Creditor Countries will seek to conclude with the least delay and in any case before December 31, 1993.

3. The provisions of this Agreed Minute will also continue to apply provided that the Government of the Republic of Guatemala has completed before December 31, 1993 with each of Participating Creditor Country the reconciliation of the debts concerned by the present Agreed Minute, and has settled in a satisfactory manner the issues pending with each Participating Creditor Country with respect to the nature of their claims. The reconciliation of the debts will be considered completed as soon as all legal approvals and proceedings required by the Parties involved are achieved.

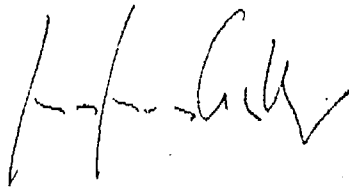
If this condition has not been fulfilled as of January 1, 1994, the provisions of Article II of the present Agreed Minute will cease to apply.

[Handwritten signatures and initials]

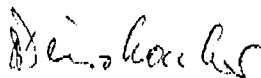
4. The representatives of the Governments of each of the Participating Creditor Countries and of the Government of the Republic of Guatemala agreed to recommend to their respective Governments or appropriate institutions that they initiate bilateral negotiations at the earliest opportunity and conduct them on the basis of the principles set forth herein.

Done in Paris, on March 25, 1993,
in two versions, English and French,
both texts equally authentic,

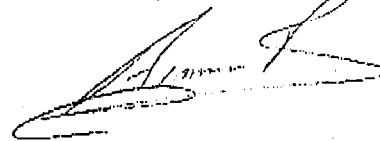
The Chairman
of the Paris Club



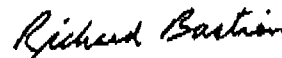
Delegation of Austria



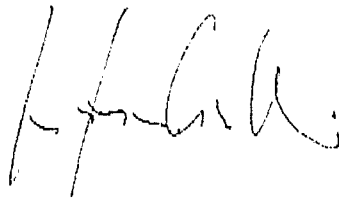
The Head of the Delegation
of the Republic of Guatemala



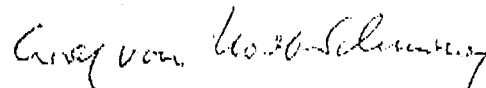
Delegation of Canada



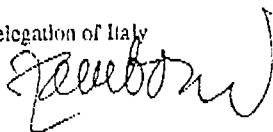
Delegation of France



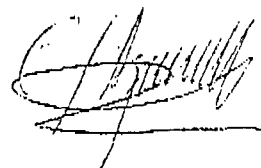
Delegation of Germany



Delegation of Italy



Delegation of Spain



**Schedule "B" to the 1993 Rescheduling Agreement No. 890-GUAT-4042
made between the Republic of Guatemala and EXPORT DEVELOPMENT CORPORATION**

| <u>Due Date</u> | <u>Principal Due</u> | <u>Interest Due</u> | <u>Post Maturity Interest Due</u> | <u>Total Due</u> |
|--------------------------|----------------------|---------------------|-----------------------------------|---------------------------|
| 15-Apr-83 | 333,927.11 | 362,274.02 | 0.00 | 696,201.13 |
| 17-Oct-83 | 333,927.08 | 350,495.89 | 15,100.93 | 1,395,725.03 |
| 16-Apr-84 | 333,927.08 | 326,664.17 | 29,712.09 | 2,086,028.37 |
| 15-Oct-84 | 333,927.08 | 308,516.16 | 44,568.14 | 2,773,039.74 |
| 15-Apr-85 | 333,927.08 | 290,368.15 | 59,424.18 | 3,456,759.15 |
| 15-Oct-85 | 333,927.08 | 273,715.85 | 74,688.36 | 4,139,090.44 |
| 15-Apr-86 | 333,927.08 | 254,072.13 | 89,136.27 | 4,816,225.92 |
| 15-Oct-86 | 333,927.08 | 237,220.41 | 104,563.70 | 5,491,937.10 |
| 15-Apr-87 | 333,927.08 | 217,776.11 | 118,848.36 | 6,162,488.65 |
| 15-Oct-87 | 333,927.08 | 200,724.96 | 134,439.04 | 6,831,579.74 |
| 15-Apr-88 | 333,927.08 | 182,477.24 | 149,376.72 | 7,497,360.77 |
| 17-Oct-88 | 333,927.08 | 166,024.37 | 166,110.17 | 8,163,422.39 |
| 17-Apr-89 | 333,927.08 | 145,184.07 | 178,272.54 | 8,820,806.08 |
| 16-Oct-89 | 333,927.08 | 127,036.06 | 193,128.58 | 9,474,897.81 |
| 16-Apr-90 | 333,927.08 | 108,888.06 | 207,984.63 | 10,125,697.57 |
| 15-Oct-90 | 333,927.08 | 90,740.05 | 222,840.67 | 10,773,205.37 |
| 15-Apr-91 | 333,927.08 | 72,592.04 | 237,696.72 | 11,417,421.21 |
| 15-Oct-91 | 333,927.08 | 54,743.17 | 253,940.41 | 12,060,031.87 |
| 15-Apr-92 | 333,927.08 | 36,495.45 | 268,878.09 | 12,699,332.48 |
| 15-Oct-92 | 333,927.08 | 18,247.72 | 283,815.76 | 13,335,323.05 |
| 31-Mar-93 | 0.00 | 0.00 | 274,265.44 | 13,609,588.49 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| | 6,678,541.63 | 3,824,256.07 | 3,106,790.79 | |
| Total Amount Due | | | | 13,609,588.49 |
| Less Payment Received | | | | <hr/> 362,274.02 |
| Amount to be Rescheduled | | | | <hr/> <hr/> 13,247,314.47 |

Schedule "C" to the 1993 Rescheduling Agreement No. 890-GUAT-4042 made between the Republic of Guatemala and EXPORT DEVELOPMENT CORPORATION.

Legal Opinion of ATTORNEY GENERAL of the Republic of Guatemala

Export Development Corporation
151 O'Connor Street
Ottawa, Canada K1A 1K3

[Date]

Dear Sirs:

Re: 1993 Rescheduling Agreement - EDC Loan No. 890-GUAT-4042

As the Attorney General of the Republic of Guatemala, I have been asked to give you my opinion in connection with the 1993 bilateral debt rescheduling agreement (the "1993 Rescheduling Agreement") dated **BLANK** between the Republic of Guatemala as represented by the Ministry of Finance (the "Obligor") and Export Development Corporation ("EDC"). I understand that EDC shall rely on this opinion in concluding the 1993 Rescheduling Agreement. Expressions defined in the 1993 Rescheduling Agreement shall have the same meaning when used in this opinion.

For the purposes of giving my opinion, I have reviewed original executed copies or copies certified to my satisfaction of the following documents:

- (a) the 1993 Rescheduling Agreement;
- (b) the Decree of **BLANK** published on **BLANK** in **BLANK** authorizing the execution of the 1993 Rescheduling Agreement; and
- (c) [specify relevant laws, decrees, approvals and other relevant documents attaching copies].

I am of the opinion that:

1. the entering into and the performance of the terms of the 1993 Rescheduling Agreement by the Obligor:
 - (i) are within its powers according to law and have been duly authorized by all necessary legislative, executive and other action; and
 - (ii) are not in violation of any law, statute, regulation, ordinance or decree of the Republic of Guatemala and are not contrary to public policy or public order in the Republic of Guatemala;

2. the 1993 Rescheduling Agreement has been duly executed and delivered on behalf of the Obligor and constitutes direct, legal, valid and binding obligations of the Obligor, enforceable against the Obligor in accordance with its terms, and for the payment and performance of which the full faith and credit of the Obligor are pledged;
3. the Ministry of Finance is the appropriate body to execute and deliver the 1993 Rescheduling Agreement;
4. all registrations, consents, licences and approvals of any administrative agency or governmental or other body or person required pursuant to the laws of the Republic of Guatemala in connection with the execution and delivery by the Obligor of the 1993 Rescheduling Agreement, and for the performance by the Obligor of the terms thereof, have been effected or obtained;
5. all payments to be made by the Obligor under the 1993 Rescheduling Agreement are exempt from any present Taxes of or in the Republic of Guatemala and the Obligor is not required by law to make any deduction or withholding whatsoever therefrom;
6. the Obligor is a member in good standing of the International Monetary Fund;
7. in any proceedings taken in the Republic of Guatemala for the enforcement of the 1993 Rescheduling Agreement, the choice of Ontario law as the governing law of the Agreement will be recognized by the Courts of the Republic of Guatemala and the provisions of Sections 11(b) and 11(c), including the waiver by the Obligor of any immunity to which it may be entitled, in the circumstances set forth in these Sections is legal, valid, binding and not, in our opinion, objectionable to public policy in the Republic of Guatemala.

This opinion is limited to matters of law of the Republic of Guatemala. I express no opinion with respect to the law of any other jurisdiction.

Yours faithfully,

[Attorney General]



COMISION DE FINANCIAMIENTO EXTERNO
Y FIDEICOMISOS

EDIFICIO DEL MINISTERIO DE FINANZAS PUBLICAS

8A. AVENIDA Y 21 CALLE, ZONA 1, 6O. NIVEL

CENTRO CIVICO

TELEFONOS: 85317-511157

GUATEMALA, C. A.

Fax

Guatemala,
30 de noviembre de 1988

Señor Gerente General
Export Development Corporation
D. O. Curtis
Otowa, Canadá

Como fue convenido en la reunión de San Francisco del 21 de noviembre, y en respuesta a su carta 890/GUAT/4042, remito a usted los términos de reestructuración del préstamo a FEGUA del 10 de julio de 1981, debidamente suscrito por FEGUA y este Ministerio.

Le agradeceré remitirnos a la brevedad posible, el Convenio de Reestructuración, a efecto de analizarlo y considerar la necesidad de una próxima reunión en Otowa para su discusión.

Con un atento saludo y nuestra complacencia porque podamos culminar prontamente este asunto, me suscribo deferentemente,

c.c. Dr. Carlos Rodríguez Pastor

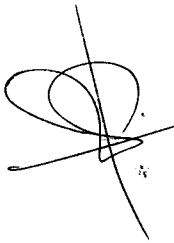
CRR/dmdef

November 23, 1988

LOAN SHEET FOR GUATEMALA RESCHEDULING

We refer to our conversations and meetings during the past two to three years and specifically to the Letter of Offer dated 19 October 1987 as amended by correspondence dated 19 November 1987, 22 September 1988 and 15 November 1988 on the basis of the Agreement reached on 21 November 1988 in San Francisco, to reconfirm our offer to restructure the referenced loan as follows:

1. OBLIGOR: Empresa Ferrocarriles de Guatemala
2. GUARANTOR: The Republic of Guatemala acting by and through the Ministerio de Finanzas Publicas.
3. RESTRICTURED AMOUNT: Up to U.S. \$11,384,288, corresponding to 100% of the principal and regular interest plus post-maturity interest calculated on a simple (non-compounded) basis* outstanding as at 31 December 1987 pursuant to EDC Loan No. 800-GUAT-0918 dated 13 July 1981.
4. REPAYMENT: 25% of the RESTRICTURED AMOUNT (U.S. \$2,847,072.20) will be payable in United States Dollars by the OBLIGOR to EDC in six instalments as follows:
 - i) the first such instalment in the amount of U.S. \$500,000 will be payable in United States Dollars by the OBLIGOR to EDC upon signing of the Restructuring Agreement;
 - ii) the second instalment in the amount of U.S. \$500,000 Dollars will be payable in United States Dollars by the OBLIGOR to EDC 180 days after the date of the signing of the Restructuring Agreement;
 - iii) the remaining four instalments each in the amount of U.S. \$174,446.11 payable in United States Dollars by the OBLIGOR to EDC in four equal, consecutive instalments 270, 360, 450 and 540 days after the date of the signing of the Restructuring Agreement.



* Simple (non-compounded) Post-Maturity Interest is calculated at a rate of interest of 8.75% (being the basic rate of interest of the loan minus 2%) on the overdue amount of principal and regular interest but excluding the overdue Post-Maturity Interest.

- 2 -

b) The balance of 85% of the RESTRUCTURED AMOUNT will be payable in United States Dollars by the OBLIGOR to EDC in two tranches as follows:

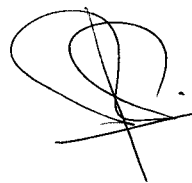
1) Tranche A will be in the amount of U.S. \$5,676,760.39, representing the balance of the principal amount of the loan, and will be payable in United States Dollars by the OBLIGOR to EDC in 14 equal, consecutive, semi-annual instalments commencing on the tenth (10th) anniversary of the date of the signing of the Restructuring Agreement.

(i) Tranche B will be in the amount of U.S. \$3,944,018.06, representing the balance of the total amount of regular interest calculated to and including 31 December 1988 and post maturity interest calculated on a simple (non-compounded) basis to and including 31 December 1988* and will be payable in United States Dollars by the OBLIGOR to EDC in 16 equal, consecutive, semi-annual instalments commencing on the second (2nd) anniversary of the date of the signing of the Restructuring Agreement.

5. INTEREST:

Interest on the RESTRUCTURED AMOUNT will be calculated from December 31, 1988 at a floating rate of six-month U.S. dollar LIBOR plus 1/2 of 1% and will be calculated on the basis of the actual number of days elapsed divided by 360 and will be payable in United States Dollars by the OBLIGOR to EDC semi-annually in arrears on amounts from time to time outstanding.

* Simple (non-compounded) Post-Maturity Interest is calculated at a rate of interest of 8.75% (being the basic rate of interest of the loan minus 2%) on the overdue amount of principal and regular interest but excluding the overdue Post-Maturity Interest.

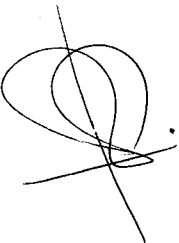


Revised November



- 3 -

6. RENEGOTIATION FEE: A one-time, non-refundable fee of U.S. \$12,500 will be payable in United States Dollars by the OBLIGOR to EDC within 30 days of the date of the signing of the Restructuring Agreement.
7. DOCUMENTATION FEE: A one-time non-refundable fee of U.S. \$2,500 will be payable in United States Dollars by the OBLIGOR to EDC within 30 days of the date of the signing of the Restructuring Agreement.
8. COSTS AND EXPENSES: Irrespective of whether or not the Restructuring Agreement is concluded, the costs, fees and expenses of EDC, including legal fees and travel expenses, incurred by EDC after 31 March 1989 in connection with the proposed Restructuring Agreement, and all matters related thereto, will be for the account of the OBLIGOR and will be payable in United States Dollars.
9. SECURITY: The repayment of the RESTRUCTURED AMOUNT together with payment of all INTEREST and FEES will be the direct obligation of the OBLIGOR and will be unconditionally and irrevocably guaranteed by the Republic of Guatemala acting by and through the Ministerio de Finanzas Publicas.
10. OTHER CONDITIONS:
- a) The restructuring documentation will have to be completed in form and substance satisfactory to EDC, the OBLIGOR and the GUARANTOR.
 - b) All payments to EDC will have to be free from all taxes, duties and other charges
 - c) All other customary requirements of EDC will be required to be met in respect of the RESTRUCTURED AMOUNT.



d) In the event that, subsequent to the signing of the subject Restructuring Agreement, the Republic of Guatemala makes application to the Paris Club for a multilateral rescheduling of debt due to official creditors or enters into bilateral agreement with any single official creditor, the Republic of Guatemala will accord EDC similar treatment to that which is given any official Guatemalan creditor, and the Republic of Guatemala will ensure that its obligations hereunder rank at least pari passu with its obligations to all other if its unsecured creditors.

11. VALIDITY PERIOD:


This Term Sheet outlining EDC's offer to restructure the RESTRUCTURED AMOUNT is valid until November 30, 1988.

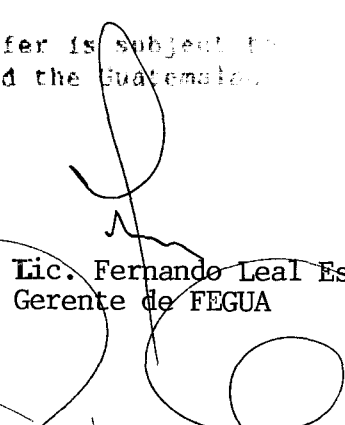
12. DOCUMENTATION COMPLETION DATE:

If the terms and conditions of this offer are accepted but the Restructuring Agreement is not completed and signed by March 31, 1989, the obligation of EDC to restructure this loan on these terms shall terminate and all fees and charges accrued shall be paid by the OBLIGOR to EDC upon demand.

13. Please signify your concurrence with the terms of this offer by signing and returning to EDC one copy of this Term Sheet in the place designated for same below.

Concurrence with the terms and conditions of this Offer is subject to receiving approval of the National Monetary Board and the Guatemalan Congress


 Carolina Roca, Directora, Financiamiento Externo
 Ministerio de Finanzas Públicas


 Lic. Fernando Leal Estevez
 Gerente de FEGUA

Date: _____

Ve. Bo. 

Dr. Rodolfo Ernesto Paiz Andrade
 Ministro de Finanzas Públicas



Xerox Development Corporation / Société pour l'expansion des exportations

151 O'Connor
Ottawa, Ontario
Canada
K1P 5T9

151, Rue O'Connor
Ottawa, (Ontario)
Canada
K1P 5T9

FACSIMILE COVER SHEET/FEUILLE DE TRANSMISSION-TELECOPIE

MINISTERIO DE FINANZAS PUBLICAS, GUATEMALA
JOHN LOEB LEHMAN BROTHERS INTERNATIONAL INC., SAN FRANCISCO

| | |
|---|--------------------|
| AXULERS NOCA CARLOS RODRIGUEZ PASTOR | DEPARTMENT/SERVICE |
|---|--------------------|

| | |
|------------------------|--|
| M. D. LEONARD, MANAGER | DEPARTMENT/SERVICE MEXICO & CENTRAL AMERICA |
|------------------------|--|

NUMBER OF PAGES INCLUDING COVER SHEET/NOMBRE DE PAGES Y COMPRIS FEUILLE DE TRANSMISSION

2

FAXCOM NO. 110987
INFO FAX 5-984-0

MACHINES

XEROX 495 - (813) 237-2690
OPERATOR/OPERATEUR - (813) 598-2500 EXT/POSTE 5260

PLEASE FIND A REVISED PAGE TWO OF THE TERM SHEET AS PER
OUR DISCUSSIONS. THIS PAGE SUPERCEDES PAGE TWO OF THE TERM
SHEET ATTACHED TO OUR OFFER OF NOVEMBER 23, 1988.

DIRECCION DE FINANCIAMIENTO
EXTERNO Y FIDEICOMISOS

RECEIVED

29 NOV. 1988

MINISTERIO DE FINANZAS PUBLICAS
FIRMA: *Marlin* HORA: 15:00

Marlin
29-11-88

Credito Fagna/EDC

(Resumen del acuerdo logrado en San Francisco)

Monto Total Reestructurado: US\$11,318,562.88

Tasa de Interés: LIBOR + ½%, a ser pagada por semestralidades quinquenales

Régimen de Amortización:

| <u>Mes</u> | <u>Monto</u> |
|-----------------------------|----------------|
| 0 | \$ 500,000 |
| 6 | 500,000 |
| 9, 12, 15 y 18 | 174,446.11 c/u |
| 24 y semestralmente al 114 | 281,715.58 c/u |
| 120 y semestralmente al 198 | 354,797.52 c/u |

Garguía: República de Guatemala, a través del Ministerio de Finanzas Públicas

Condiciones Previas: Aprobación de la Junta Bancaria y del Congreso Nacional

29 de noviembre de 1988.

BARRADOS

Nota de Prensa

LOCOMOTORAS CANADIENSES SERAN PAGADAS EN
VEINTICUATRO AÑOS

Dentro del marco de ordenamiento financiero que promueve el Gobierno, la Empresa Ferrocarriles de Guatemala (FEGUA) ha convenido en reestructurar un monto de obligaciones externas de US\$11.3 millones con la agencia de financiamiento de exportaciones del Canadá (Export Development Corporation-EDC), derivadas de la adquisición, en julio de 1981, de 10 locomotoras Bombardier que están actualmente en servicio en las rutas nacionales de la Empresa.

Los términos de la citada reestructuración, ampliamente favorables a FEGUA y a Guatemala, son los siguientes:

- * Se consolida el monto total del capital, vencido y por vencer, más los intereses impagos calculados a una tasa inferior en 2% a la del préstamo original.
- * Luego de efectuarse un pago inicial del 15% en los primeros dos años, el saldo se aboca en dos tramos, el primero, que cubre los intereses, en 10 años, con dos años de gracia; y el segundo, que incluye el principal, en 17 años, con 10 años de gracia.
- * Los intereses del crédito reestructurado, pagaderos por semestres vencidos, se calculan a la tasa de libras sobre la tasa interbancaria del mercado de Londres.
- * La República de Guatemala, a través del Ministerio de Finanzas Públicas, garantiza el pago de las obligaciones reestructuradas y sus intereses.
- * La operación de reestructuración queda sujeta a la aprobación de la Junta Monetaria y del Congreso de Guatemala.

Al extender los plazos y ofrecer concesiones en materia de intereses, la EDC hace posible la reestructuración de un préstamo que se encuentra en mora desde hace varios años, y contribuye al objetivo en el que está empeñado el Gobierno de restablecer la favorable credibilidad externa de Guatemala.

29 de noviembre de 1988.

Société pour l'expansion
des exportations

100 rue O'Connell, Ottawa
 Adresse postale
 Ottawa, Ontario K1P 5T9
 Téléphone (613) 598-2500
 CABLE: Exportons Telex 053-4156
 Rte. 104, Québec
 Halifax, Montréal, Toronto
 Calgary, Vancouver

Société pour l'expansion
 des exportations
 100 rue O'Connell, Ottawa
 Adresse postale
 Ottawa, Ontario K1P 5T9
 Téléphone (613) 598-2500
 CABLE: Exportons Telex 053-4156
 Rte. 104, Québec
 Halifax, Montréal, Toronto
 Calgary, Vancouver

23 November 1988

880-GUAT-6042

Sra. Carolina Roca
 Directora, Financiamiento Externo
 Ministerio de Finanzas Publicas
 8A Av. Y 21 Calle Zona 1
 60 Nivel
 Centro Civico
 Guatemala, C.A.

ca. Roca.

RE : GUATEMALA - RESTRUCTURING OF AN EDC LOAN TO EMPRESA FERROCARRILES
 DE GUATEMALA DATED 10 JULY 1981 (EDC LOAN NO
 880-GUAT-0918)

We are writing in connection with our cordial and conclusive discussions in San Francisco on Monday 21 November 1988. As a result of the agreement reached at that meeting we are enclosing a REVISED TERM SHEET which reflects the terms agreed upon for the restructuring of the referenced loan.

You will note that we have calculated the RESTRUCTURED AMOUNT based upon the amount of the loan and interest (calculated as agreed) outstanding as at 31 December 1988. Should you be able to secure the approval of the authorities in Guatemala prior to year-end and signing of the RESTRUCTURING AGREEMENT takes place before 31 December 1988, (a circumstance which is to be hoped for), the RESTRUCTURED AMOUNT will be the amount outstanding as at 31 October 1988, with post-maturity interest calculated as agreed. In this event, interest on the RESTRUCTURED AMOUNT will accrue from 31 October 1988 rather than 31 December 1988.

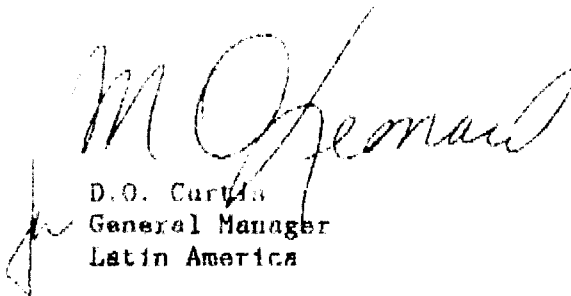
- 2 -

We also confirm that you have agreed that, should it be required, Guatemalan officials (including legal counsel if necessary) will travel to Ottawa to negotiate the restructuring document.

We look forward to receiving your concurrence with the terms of our revised offer by return of the Term Sheet on or before 30 November 1988. When we have received this concurrence we will draft a restructuring document and forward it to you for review.

Yours very truly

EXPORT DEVELOPMENT CORPORATION



D.O. Curia
General Manager
Latin America

cc. Sr. Carlos Rodríguez-Pastor
Senior Advisor
Kuhn Loeb Lehman Brothers International Inc.