



**LOAN AGREEMENT**

**BY AND BETWEEN**

**THE EXPORT-IMPORT BANK OF THE REPUBLIC OF CHINA**

**AND**

**THE REPUBLIC OF GUATEMALA**

LOAN NUMBER: 6020357005

Dated as of April 22, 1999

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## LOAN AGREEMENT

THIS LOAN AGREEMENT (hereinafter referred to as the "Agreement") dated as of April 22, 1999, by and between the Republic of Guatemala (the "Borrower") and The Export-Import Bank of the Republic of China, a banking institution organized and existing under the laws of the Republic of China (the "Lender").

### - W I T N E S S E T H -

WHEREAS, the Borrower desires to obtain from the Lender loan facilities in the aggregate principal amount not to exceed Fourteen Million One Hundred Thousand United States Dollars (US\$14,100,000.00) to finance its project of refurbishing of the pediatric building and enlargement of the maternity and pediatric areas of the Hospital Roosevelt in the Republic of Guatemala (the "Project") and the Lender is willing to make available to the Borrower the said loan facilities on and subject to the terms and conditions set forth herein;

NOW, THEREFORE, parties hereto hereby agree as follows:

### ARTICLE I DEFINITION AND INTERPRETATION

#### 1.01 Definition

As used in this Agreement, the following terms shall have the respective meanings defined herein unless the context otherwise requires:

- (a) "Advance" shall mean the amount of a drawdown disbursed to the Borrower under and pursuant to Section 2.02 of this Agreement.

- (b) "Banking Day" shall mean, for the purpose of making the Loan hereunder, a day on which banks are open for business in Taipei, and for the purpose of making payments of interest and other amounts hereunder and making repayment of the Loan, a day on which banks are open for business in New York City, New York State, United States of America.
- (c) "Commitment" shall mean the obligation of the Lender hereunder to advance to the Borrower the principal amount not to exceed Fourteen Million One Hundred Thousand United States Dollars (US\$14,100,000.00) in the aggregate.
- (d) "Commitment Period" unless otherwise agreed by the Lender in writing shall mean the period commencing the date of this Agreement and ending on the last day eighteen (18) months from the date of this Agreement (or if not a Banking Day, on the immediately preceding Banking Day) or the date at which the full amount of the Commitment is drawn down, or upon the termination of the obligation of the Lender to make any Advance hereunder, whichever shall first occur.
- (e) "Default" shall mean any event specified in Section 8.01 of this Agreement, whether or not any requirement of notice, lapse of time, or both, contained therein, shall have been satisfied.
- (f) "Dollar" and the sign "\$" shall mean freely convertible official currency of the United States of America.
- (g) "Event of Default" shall have the meaning set forth in Section 8.01 herein.
- (h) "External Indebtedness" shall mean any Indebtedness hereafter defined that is denominated in a currency other than the lawful currency of the Republic of Guatemala and is payable to any person who is resident outside the Republic of Guatemala or is organized under the laws of a jurisdiction other than the Republic of Guatemala.

- (i) "Indebtedness" shall mean all indebtedness and other obligations of the Borrower including, without limitation, (i) all indebtedness and other obligations of the Borrower for borrowed money or for the deferred purchase price of property or services, and all rental obligations of the Borrower and (ii) all such indebtedness and other such obligations the payment or collection of which the Borrower has guaranteed, directly or indirectly (other than by endorsement of negotiable instruments for deposit or collection in the ordinary course of business), excluding, however, accounts payable (other than for borrowed money) and accrued expenses incurred in the ordinary course of business; provided, however, that the same are not overdue in a material amount.
- (j) "Lending Office", except otherwise notified by the Lender of a change of address, shall mean the office of the Lender at 8th Fl., 3 Nan Hai Road, Taipei, Taiwan, Republic of China.
- (k) "Loan" shall mean the aggregate principal amount of all Advances made by the Lender to the Borrower pursuant to Section 2.01 hereof or, where the context may require, the amount thereof at that time outstanding.
- (l) "Note" shall mean the promissory note of the Borrower in the form and substance set forth in Appendix "A" annexed hereto, or any promissory note hereafter delivered by the Borrower to the Lender in extension or renewal thereof or in substitution therefor and evidencing all or a part of the Loan.
- (m) "Process Agent" shall, except as otherwise agreed upon in writing by parties hereto, mean Consulado General de Guatemala in New York with an official address on the date hereof at 57 Park Avenue, New York City, New York State 10016, United States of America.

1.02 Interpretation

- (a) Where the context of this Agreement so allows words importing the singular shall include the plural and vice-versa.

- (b) Headings for each Article and Section herein are for convenience of reference only and do not form part of this Agreement.

## ARTICLE II THE LOAN

### 2.01 Purpose of the Loan and Agreement to Lend

Subject to the terms and conditions of this Agreement and so long as no Default or Event of Default shall have occurred or be continuing, the Lender hereby agrees to make one or more Advances to the Borrower during the Commitment Period in an aggregate principal amount not to exceed the amount of the Commitment for the use by the Borrower to finance the Project. The Lender or any person designated by the Lender in connection with the administration of the Loan shall in no event be responsible for the actual use of the proceeds (or any part thereof) of any Advance made hereunder.

### 2.02 Disbursement Procedures

- (a) The Borrower shall deliver, by registered mail or tested telex, to the Lender at the Lending Office at least ten (10) Banking Days prior to each drawdown of the Loan a Request For An Advance in the form set out in Appendix "B" annexed hereto; provided, however, that any drawdown hereunder shall be made during the Commitment Period and that all requests for Advance to be submitted pursuant to this Section 2.02 shall be received by the Lender and be determined by the Lender in its sole and absolute discretion to be in form and substance satisfactory to the Lender not later than ten (10) Banking Days prior to the expiry of the Commitment Period.
- (b) Upon the approval by the Lender of the Request For An Advance mentioned in Paragraph (a) above and subject to the provisions contained in Article VII hereof, the Lender shall make the relevant Advance to the account of the Banco

de Guatemala (A/C No. 0210-8407-6) with the Federal Reserve Bank of New York or such other account in New York City, New York State, United States of America, that is designated by the Borrower in the relevant Request For An Advance and acceptable to the Lender.

- (c) Upon the making of an Advance by the Lender directly to the bank account of the Banco de Guatemala in accordance with the preceding Paragraph (b), such Advance shall be conclusively deemed to have been made by the Lender to, and received by, the Borrower under this Agreement.
- (d) The Advance(s) so made under the preceding paragraph shall constitute an absolute and unconditional obligation of the Borrower under this Agreement.

#### 2.03 Repayment of the Loan

The Borrower shall repay the Loan in thirty (30) semi-annual installments. Each installment shall be in the principal amount of Four Hundred Seventy Thousand Dollars (\$470,000.00) and the first installment shall be payable on the last day of the sixty-sixth (66<sup>th</sup>) month from the date of this Agreement and thereafter semi-annually on the last day of each successive six (6)-month period. To evidence the Borrower's obligation to repay the Loan, the Borrower shall execute and deliver to the Lender a Note in the form and substance satisfactory to the Lender for the amount of Fourteen Million One Hundred Thousand Dollars (\$14,100,000.00) before the Lender makes the initial Advance pursuant to the Borrower's request hereunder. In the event that the Borrower does not draw down the entire amount of the Commitment hereunder, the amount of each installment shall be adjusted so that it bears the same relationship to the amount of each installment set forth in the first sentence of this Section 2.03 as the aggregate amount actually drawn down bears to Fourteen Million One Hundred Thousand Dollars (\$14,100,000.00).

#### 2.04 Interest

- (a) Interest shall accrue hereunder on each Advance from the time when it is made until its maturity hereunder, at the rate of five percent (5%) per annum. The



Borrower agrees to pay interest on the amount of the Loan outstanding from time to time semi-annually, commencing the last day six (6) months from the date of this Agreement, and thereafter on the last day of each successive six (6)-month period.

- (b) Interest shall accrue on each installment payment of the principal amount of the Loan which is overdue hereunder, from and including the date due (as scheduled or by acceleration hereunder or otherwise) to the date of its full payment, before as well as after judgment, at the rate of ten percent (10%) per annum.

#### 2.05 Computation of Interest

Interest hereunder shall be computed on the basis of a year of 360 days for the actual number of days elapsed.

#### 2.06 Payments in Dollars

This is an international loan transaction in which the specification of Dollars and Borrower's obligation to make repayments in New York City, New York State, United States of America are of the essence. All sums payable to the Lender hereunder or under the Note or any judgment, or otherwise, shall be payable in New York City, State of New York, United States of America in same day funds not later than 11:00 a.m. (New York City Time) on the date due hereunder. All amounts payable to the Lender hereunder shall be paid in Dollars to the Lender's bank account (A/C No. 36999645) with Citibank N.A., 399 Park Avenue, New York City, New York State, United States of America, or to such other bank account of the Lender in New York City as the Lender shall designate in writing to the Borrower. In the event that any payment to the Lender, whether pursuant to any judgment or otherwise upon conversion and transfer, does not result in payment of such amount of Dollars in New York City upon the Lender's receipt thereof, the Borrower shall pay such additional amount as shall be necessary to yield the full amount due to the Lender hereunder.

2.07

Payment on Banking Days

Whenever any payment hereunder shall become due on a day which is not Banking Day, the due date thereof shall be extended to the next succeeding Banking Day, unless such next succeeding Banking Day falls in the following calendar month, in which case such payment shall be made on the next preceding Banking Day, and interest shall be adjusted accordingly.

**ARTICLE III**  
**TAXES**

3.01

Taxes, Duties, Fees and Charges

- (a) All sums payable by the Borrower hereunder or under the Note, shall be paid in full, free and clear of and without any deduction. All present and future income and other taxes, levies, duties, charges, fees, deductions and withholdings of any nature now or hereafter imposed, levied, collected, withheld or assessed by the Republic of Guatemala or by any political subdivision or taxing authority thereof (hereinafter collectively referred to as the "Taxes"), shall be for the account of the Borrower. In the event that the Borrower is prohibited by law from making payments hereunder completely free and clear of the Taxes, then the Borrower shall pay such additional amount to the Lender as may be necessary in order that the net amount received by the Lender after such payment of the Taxes shall equal the amount that would have been received if the Taxes were not required, after allowance for any increase in the Taxes by virtue of the Lender's receipt of such additional amount.
- (b) The Borrower shall pay directly to the appropriate taxing authority, or, upon written demand, reimburse the Lender, for any and all present and future taxes, levies, stamp and other duties, filing and other fees or charges (including, without limitation, any interest equalization tax, capital transaction tax, foreign exchange tax or charge, however named) imposed by law or by any taxing authority on or with regard to any aspect of the transaction contemplated

hereby or the execution, formalization or perfection of documentation delivered hereunder at any time during the term hereof, except taxes imposed on the overall net income of the Lender by the Republic of China. The Borrower shall indemnify and hold the Lender harmless from all liabilities with respect to the delay or failure of the Borrower to pay such taxes, levies, duties, fees and charges.

- (c) If the Borrower shall pay any and all taxes, duties, fees and charges as provided herein or shall make any deductions or withholdings from amounts paid hereunder, the Borrower shall forward to the Lender official receipts or other evidence acceptable to the Lender establishing payment of such amount. If the Lender is required to pay any taxes, duties, fees or charges for which it is entitled to reimbursement as provided herein, the Lender shall forward to the Borrower official receipts or other evidence establishing payment of such amounts to be reimbursed.

#### **ARTICLE IV FEES AND CHARGES**

##### 4.01 Fees and Charges

The Borrower shall reimburse the Lender on demand all reasonable expenses including, without limitation, the fees and expenses of counsel and accountants and all out-of-pocket costs incurred by the Lender in connection with its enforcement of this Agreement and other instruments and documents in connection herewith. Such expenses shall be reimbursed whether or not they arise during the term of this Agreement and whether or not the Lender has given notice in respect of any Event of Default, demanded acceleration of the Loan or has taken any other action to enforce the provisions hereof.

**ARTICLE V**  
**REPRESENTATIONS AND WARRANTIES**

5.01 Representations and Warranties of the Borrower

The Borrower represents and warrants to the Lender as follows:

(a) Binding obligations of Borrower

The Borrower has full power, authority and legal right to make and perform this Agreement and the Note. This Agreement does, and the Note when duly executed and delivered will, constitute legal, valid and binding obligations of the Borrower, enforceable in accordance with their respective terms.

(b) Due Authorization; Absence of Conflicts

The making and performance by the Borrower of this Agreement and the Note have been duly authorized by all necessary legal action under the laws of the Republic of Guatemala and do not and will not violate any provision of any applicable constitutional provision, treaty, law, decree, or regulation of the Republic of Guatemala, and do not and will not result in the breach of, or constitute a default under, or require any consent under, any agreement or instrument to which the Borrower is a party or by which the Borrower or its assets are bound.

(c) Government Authorization

All authorizations, approvals, consents and licenses from all bodies of government ministries, agencies, exchange control authorities or other authorities required by the laws of the Republic of Guatemala in order for the Borrower (i) to incur the Indebtedness and other obligations provided for in this Agreement and the Note, (ii) to execute and deliver this Agreement and the Note and to execute all other documents and instruments to be delivered hereunder, (iii) to perform and observe the terms and conditions hereof and of

the Note and (iv) to make all payments in Dollars as required hereunder and under the Note, have been duly obtained and are in full force and effect; and all statutes, public decrees and the laws of the Republic of Guatemala relating to the foregoing have been complied with by the Borrower. All filings and reports relating to this Agreement or the Note, as required by the laws of the Republic of Guatemala, have been truthfully completed and duly filed.

(d) Ranking

The Borrower's obligations under this Agreement constitute and will at all times constitute, and its obligations under the Note once duly executed and delivered, will at all times constitute, unconditional general obligations of the Borrower, and rank and will at all times rank in right of payment and collateral security and otherwise at least *pari passu* with all other External Indebtedness and similar external obligations of the Borrower (whether direct or contingent) outstanding from time to time.

(e) Commercial Obligations

The Borrower is subject to civil and commercial law with respect to its obligations under this Agreement and the Note, and the making and performance by the Borrower of this Agreement and the Note constitute private and commercial acts rather than governmental or public acts. None of the Borrower, Banco de Guatemala, any property owned by the Borrower or Banco de Guatemala, or any property held by Banco de Guatemala for the Borrower's or its own account enjoys any right of immunity, on the ground of sovereignty or otherwise, from suit, jurisdiction of any court, attachment prior to judgment, attachment in aid of execution of a judgment set-off, execution of a judgment, or from any other legal process in respect of its obligations under this Agreement or the Note, and the waiver by the Borrower set forth in Section 9.06 herein is irrevocable and binding.

(f) Taxes

There are no income or other taxes or charges of the Republic of Guatemala or of any political subdivision or taxing authority thereof, imposed by withholding, or otherwise applicable to any payment to be made by the Borrower pursuant to the terms of this Agreement or the Note, or to be imposed on or by virtue of the execution and delivery of this Agreement or the Note.

## ARTICLE VI COVENANTS

### 6.01 Affirmative Covenants of the Borrower

So long as the Loan shall remain outstanding hereunder and until payment in Dollars in full of the principal amount of the Loan and the Note and performance by the Borrower of all of its other obligations hereunder, the Borrower hereby agrees and covenants that it will:

- (a) Obtain and keep in full force and effect all governmental approvals required in connection with this Agreement and the Note and will promptly from time to time obtain, effect or make available any and all such exchange control authorizations and other governmental consents, approvals, licenses, authorizations, filings and registrations as may be or become necessary from time to time for the Borrower to make and perform this Agreement and the Note.
- (b) Promptly give notice to the Lender of any substantial dispute, which may exist between the Borrower and any international lending agency and may adversely affect the Borrower's ability to fulfill its obligations hereunder.

### 6.02 Negative Covenants of the Borrower

The Borrower covenants and agrees that, until all amounts payable by the Borrower under this Agreement and the Note have been paid in full, it will not without the prior written consent of the Lender:

- (a) Make any prepayment of any External Indebtedness unless (i) such prepayment is made in conjunction with a refinancing of such External Indebtedness and (ii) concurrently therewith the Borrower makes a prepayment of the Commitment hereof in an amount having the same proportion to the principal amount then owing on the Commitment as the prepayment of such other External Indebtedness would have to the principal amount then owing on such other External Indebtedness; or
- (b) Permit any obligation of, or loan, financing and credit available to the Borrower to have any priority or to be subject to any preferential arrangement, whether or not constituting a security agreement, in favor of any creditor or class of creditors, as to security, the repayment of principal and interest or the right to receive income or revenue.

**ARTICLE VII**  
**CONDITIONS PRECEDENT**

Unless the Lender otherwise agrees in writing, the Lender's obligation to make available any Advance hereunder is subject to (i) its receipt of the Note and all consents, permits, approvals, certificates, opinion, statements and other documents described in Sections 7.01(a) through 7.01(e) hereof satisfactory to it, prior to or on the date of the initial Advance, or, if it is not the initial Advance, the continued accuracy and validity (without any subsequent change, modification or qualification whatsoever) of the Note and such consents, permits, approvals, certificates, opinion, statements and other documents on the date of such subsequent Advance(s), and (ii) the condition that no Default or Event of Default has occurred and is continuing on the date of that Advance or will occur by reason of the making of that Advance, and (iii) the condition that Section 7.02 has been satisfied.

7.01      Documents to be Furnished

The Lender shall have received all of the following documents in form

and substance satisfactory to the Lender:

(a) The Note

The Lender shall have received the Note duly executed by the Borrower, with blanks appropriately filled in;

(b) Certificate of Incumbency and Specimen Signature

The Lender shall have received a Certificate of Incumbency and Specimen Signature issued by the Minister of Justice or the Attorney General of the Republic of Guatemala substantially in the form and substance set out in Appendix "C" hereto. The said Certificate shall be authenticated by the proper officer of the Embassy of the Republic of China in the Republic of Guatemala;

(c) Appointment of Process Agent

The Lender shall have received a certified copy of the written appointment of Process Agent in the form and substance of Appendix "D" annexed hereto, and a certified copy of the Process Agent's irrevocable acceptance of such appointment substantially in the form and substance of Appendix "D-1" annexed hereto;

(d) Legal Opinion

The Lender shall have received a favorable opinion, appropriately dated, in form and substance of Appendix "E" annexed hereto, from the Minister of Justice or the Attorney General of the Republic of Guatemala; such opinion shall be authenticated by the proper officer of the Embassy of the Republic of China in the Republic of Guatemala; and

(e) Government Approvals



All governmental approvals, consents and licenses with regard to the Borrower's execution, delivery and performance of this Agreement and the Note, including foreign exchange control approvals shall have been obtained by the Borrower, which governmental approvals, consents and licenses shall be properly opined in the Legal Opinion referred to in paragraph (d) above.

7.02 Compliance of Agreement

All representations, warranties and covenants made by the Borrower herein, and all certificates, statements, opinions and other documents given under or in connection with this Agreement and the Note, shall remain true and correct.

**ARTICLE VIII  
EVENTS OF DEFAULT**

8.01 Events of Default

The following are Events of Default under this Agreement:

(a) Representation, Warranty, Covenant, Payment and Performance Default

Any representation, warranty, covenant, statement or opinion made or deemed made under or in connection with this Agreement or the Note by the Borrower or any other party shall prove to have been untrue when made, or shall subsequently become untrue; or the Borrower shall fail to perform any obligation hereunder, including its obligation to pay any amount hereunder or under the Note; or the Borrower shall default in the payment of any amount due under any other agreement for the borrowing of money or extension of credit, whether or not the Lender is a party thereto, and such default shall continue beyond any grace period specified for such payment; or if any instrument, certificate, opinion, corporate authorization, government consent, license or approval or other document or condition described in Article VII hereof shall cease to be fully valid and effective for any reason whatsoever.

(b) Moratorium Default

The Borrower shall declare a moratorium on the payment of any External Indebtedness incurred or guaranteed by the Borrower.

(c) Illegality Default

It becomes unlawful, or in the Lender's opinion is contrary to any applicable official statement, guideline or policy of any authority (not having the force of law but is recommended for voluntary observance) of the country of any party hereto, for the Loan to be made or maintained or for the Borrower to perform any obligation hereunder, or there occurs such a change of circumstances which the Lender determines as having materially changed the basis of this Agreement or will materially adversely affect the Lender's continuing administration of the Loan or this Agreement or any part thereof.

8.02 Consequences of Default

If an Event of Default shall occur under this Agreement, the Lender may by written notice to the Borrower cancel this Agreement and/or declare the entire Loan and other sums payable to be immediately due and payable and the Loan and such other sums shall thereupon become due and payable without presentment, demand, protest or notice of any kind (other than the notice specifically required by this Article), all of which are hereby expressly waived by the Borrower. The Borrower hereby agrees to indemnify and hold the Lender harmless against any funding loss that the Lender may incur as a consequence of any default in the payment when due (whether at stated maturity, by acceleration or otherwise) of any principal amount of the Loan.

**ARTICLE IX  
MISCELLANEOUS**

9.01 Entire Agreement

This Agreement and the Note constitute the entire understanding and agreement of the parties hereto with respect to the subject matter hereof, and represent the full and exhaustive implementation of the respective rights and obligations of the parties hereto. This Agreement may be amended only by an instrument in writing signed by the parties hereto.

9.02 Waiver

No failure or delay by the Lender to exercise any right, power or privilege under this Agreement and no course of dealing between the Borrower and the Lender shall operate as a waiver thereof, nor shall any single or partial exercise of such right, power or privilege shall operate as a waiver thereof.

9.03 Assignment

This Agreement shall be binding upon and shall be enforceable by the Borrower and the Lender and their respective successors and assigns, except that the Borrower shall not have any right to assign or transfer its rights or obligations hereunder without the prior written consent of the Lender. The Lender, however, may assign, sell or transfer in whole or in part its rights and interest in and to this Agreement and the Note and all collateral therefor, if any.

9.04 Governing Law; Submission to Jurisdiction

This Agreement and the Note shall be governed by the laws of the State of New York, United States of America (without, however, giving effect to the conflict of law rules thereof). Each party hereto irrevocably agrees (a) to submit to the non-exclusive jurisdiction of the Supreme Court of the State of New York, County of New York or in the United States District Court for the Southern District of New York, United States of America in any suit, action or proceeding arising out of this Agreement or the Note; and (b) to waive (i) any objection which it may have to the laying of venue of any suit, action or proceeding in any of the courts mentioned herein,

(ii) any claim that any suit, action or proceeding brought in any such court has been brought in an inconvenient forum.

The Borrower hereby irrevocable agrees, until all of its obligations hereunder and under the Note are paid in full, to always maintain in New York City, New York State, United States of America, the Process Agent or his substitute (as approved by the Lender) to accept service of process in connection with any suit, action or proceeding against the Borrower or any property owned by it, and to advise the Lender of any change of the Process Agent (or his substitute) or change of his address (or the address of his substitute). The Borrower hereby further irrevocably consents to the service of process in any such suit, action or proceeding in any of the courts mentioned herein by the mailing of copies thereof by the Lender by registered or certified mail, postage prepaid, to the Borrower, at its address set forth in Section 9.08, such services shall be deemed to have been received ten (10) days following posting.

Nothing herein shall affect the right of any party to serve legal process on the other party in any other manner permitted by law or preclude any party from instituting proceedings against the other party in any other competent court.

9.05            English Language

All notices, communications, evidence, reports, statements, opinion and other documents referred to herein or to be delivered hereunder, unless submitted in the English language, shall be accompanied by one English translation thereof certified as true and correct. In the event of any conflict between the English version and the non-English version thereof, the English version shall in all cases prevail.

9.06            Waiver of Sovereign Immunity

To the extent that the Borrower, Banco de Guatemala, any property owned by the Borrower or Banco de Guatemala or any property held by Banco de Guatemala for the Borrower's or Banco de Guatemala's own account has or hereafter may acquire any right of immunity from set-off, legal proceedings, attachment prior to

judgment, other attachments or execution of judgment, on the grounds of sovereignty or otherwise, the Borrower hereby irrevocably waives such right to immunity for itself, Banco de Guatemala and the aforesaid property in respect of the Borrower's obligations arising under this Agreement, the Note and such related documentation hereunder. The waiver of any such rights to sovereign immunity in this Section 9.06 is irrevocably binding on the Borrower and Borrower's successors or assigns and Banco de Guatemala.

9.07        Set-off

The Lender may set-off against any obligation of the Borrower due and payable by it hereunder any money held by the Lender for the account of the Borrower at any office of the Lender anywhere and in any currency.

9.08        Notices

- (a) Except otherwise notified by the party of a change of address, any notice required or permitted to be given hereunder shall be in writing and shall be (i) personally delivered, (ii) transmitted by postage prepaid registered mail (airmail if international), (iii) transmitted by facsimile (a copy of which is sent by courier service) or (iv) transmitted by telex to the parties as follows (as selected by the party giving such notice):

To the Borrower:

The Republic of Guatemala  
Address:        8<sup>a</sup>, Avenida y 21 Calle Zona 1  
                  Edificio de Finanzas Públicas  
                  Nivel 15  
                  República de Guatemala  
Attention:     Director de Financiamiento Externo y  
                  Fideicomisos  
                  Ministerio de Finanzas Públicas  
Telex No.:     9207 MINFIP GU  
Answerback:   MINFIP GU

Facsimile No.: (502) 2300333

To the Lender:

The Export-Import Bank of the Republic of China  
Address: 8<sup>th</sup> Fl., 3 Nan Hai Road, Taipei, Taiwan  
Republic of China  
Attention: Senior Vice President and General Manager  
Loan & Guarantee Department  
Telex No.: 26044 Eximbank Taipei  
Answerback: "Eximbank" Taipei  
Facsimile No.: 886-2-2341-5297

- (b) Each notice and communication and any material to be given or delivered pursuant to this Agreement shall be effective or deemed delivered or furnished (i) if sent by hand delivery, when left at the address of the addressee addressed as above provided, (ii) if sent by mail, on the tenth (10<sup>th</sup>) calendar day after such notice, communication or material is deposited in the mail, addressed as above provided, (iii) if sent by facsimile with a copy to be immediately sent by courier service, on the day after such facsimile transmission, and (iv) if sent by telex, when the appropriate answerback is received or receipt thereof is otherwise acknowledged; provided, however, that notices of a change of address, telex or facsimile number, or individual or department to whose attention notices, communications and materials are to be given or delivered, and notices to the Lender under Section 2.02, shall not be effective, and materials to be furnished to the Lender pursuant to Article VII shall not be deemed furnished, until received, and all other notices to the Lender shall not be deemed received until received, by the officer of the Lender responsible, at the time, for the administration of this Agreement.
- (c) Any requirement under any applicable law of reasonable notice by the Lender to the Borrower of any event in connection with, or in any way related to, this Agreement or the Note, or the exercise by the Lender of its rights hereunder and thereunder shall be met if notice of such event is given to the Borrower in the manner prescribed above at least 10 days before (i) the date of such event or (ii) the date after which such event will occur.

9.09

Severability

The invalidity or unenforceability of any part of this Agreement or of any right, privilege or obligation hereunder or under any document executed in connection herewith shall not affect the validity or enforceability of any other part or provision of this Agreement or any other right, privilege or obligation hereunder; provided, however, that in the event that any court shall enter a finding of any invalidity or unenforceability, the Lender's obligation to make any Advance under this Agreement shall immediately be terminated and it may by notice to the Borrower declare that the obligations of the Borrower to it under this Agreement and the Note are immediately due and payable and thereupon exercise all the rights and powers it shall be entitled to hereunder to the same extent as if an Event of Default hereunder had occurred.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective duly authorized representatives as of the day and year first written above.

The Export-Import Bank of  
the Republic of China

By: \_\_\_\_\_

Name: Pauline Fu

Title: President

For and on Behalf of  
The Republic of Guatemala

By: \_\_\_\_\_

Name: Pedro Miguel Lamport

Title: Ministro de Finanzas Públicas  
Ministerio de Finanzas Públicas

**APPENDIX "A"**  
**PROMISSORY NOTE**

Amount: US\$14,100,000

Date: \_\_\_\_\_

FOR VALUE RECEIVED, The Republic of Guatemala (the "Borrower") hereby unconditionally promises to pay to The Export-Import Bank of the Republic of China (the "Lender"), to the Lender's account, No. 36999645, maintained at Citibank N.A. 399 Park Avenue, New York, N.Y. 10043, U.S.A., or to the Lender's order, the principal sum of Fourteen Million One Hundred Thousand Dollars (\$14,100,000.00) advanced by the Lender pursuant to the Loan Agreement dated as of April 22, 1999, by and between the Lender and the Borrower (the "Agreement"), Lender's Loan Number 6020357005, to which reference is hereby made, in thirty (30) consecutive semi-annual installment payments of Four Hundred Seventy Thousand Dollars (\$470,000.00) each, payable on the last day of each succeeding six (6)-month period commencing the last day of the sixty-sixth (66<sup>th</sup>) month from the date of the Agreement. If the aggregate of the amounts from time to time advanced by the Lender to the Borrower pursuant to the Agreement is less than the amount of this Note, the amount of each installment payment shall be adjusted so that it bears the same relationship to the amount of each installment set forth hereinabove as the aggregate amount actually advanced to the Borrower bears to principal amount of this Note. Interest shall accrue on the amount of each Advance at the rate of five percent (5%) per annum until its maturity and thereafter at the rate of ten percent (10%) per annum until that Advance is fully repaid, and shall be paid, all in accordance with the provisions of the Agreement.

The principal amount of this Note and all interest accrued thereon shall be payable in the official currency of the United States of America in freely transferable same day funds in New York City, the State of New York, United States of America, without set-offs or counterclaims and free and clear of and without deductions for the Taxes. If the Borrower is required to make any deduction of the Taxes from any such payment, the Borrower shall pay such additional amounts as are provided in the Agreement. This Note shall be entitled to the benefits of the Agreement and governed by the laws of New York State, United States of America, to the exclusion of its conflict of law rules.



In case an Event of Default shall occur, the principal amount of this Note may be declared to become immediately due and payable in the manner and with the effect provided in the Agreement, presentment, demand, protest and notice of any kind being hereby expressly waived by the Borrower.

All terms used herein shall have the meanings set out in the Agreement, unless the context otherwise requires.

The Borrower hereby authorizes and empowers the Lender to acknowledge on its behalf by endorsement below the Borrower's receipt of the Advance.

For and on behalf of  
The Republic of Guatemala

By: \_\_\_\_\_  
Name: Pedro Miguel Lamport  
Title: Ministro de Finanzas Públicas  
Ministerio de Finanzas Públicas

Date of Advance	Amount of Advance	Outstanding Principal of Note to Date	Acknowledgment of Borrower
_____	_____	_____	_____

**APPENDIX "B"**  
**REQUEST FOR AN ADVANCE**

Date: \_\_\_\_\_

The Export-Import Bank  
of the Republic of China  
8<sup>th</sup> Floor, 3 Nan Hai Road  
Taipei, Taiwan  
Republic of China

Attention: Senior Vice President and General Manager  
Loan & Guarantee Department

Re: US\$14,100,000.00 Loan Agreement dated as of April 22, 1999 by and between the Republic of Guatemala, as Borrower, and The Export-Import Bank of the Republic of China, as Lender; Lender's Loan Number: 6020357005.

Dear Sirs:

- I. In accordance with Section 2.02 of the captioned Loan Agreement, we hereby request that an Advance in the amount of US\$ \_\_\_\_\_ be made to the following account:

Name of Account holder: Banco de Guatemala  
Account Number: 0210-8407-6  
Name of Bank: Federal Reserve Bank of New York, New York  
Telex & Address:

Such Advance shall be made by you within ten (10) Banking Days from the day that this Request For An Advance and all certificates, opinion and all other documents to be given under the Loan Agreement, in the form and substance satisfactory to you, are received by you.

- II. Except as otherwise disclosed to you in writing, we hereby certify that on the date hereof and the date on which the amount of the Advance requested herein shall be made, all representations, warranties, covenants and statements made in the Loan Agreement and in all certificates, opinion and other documents given under the Loan Agreement remain true and correct, and no Default or

Event of Default has occurred and is continuing, or will occur, by the making of said Advance.

Yours faithfully,  
For and on behalf of  
The Republic of Guatemala

By: \_\_\_\_\_

Name:

Title:

APPENDIX "C"

CERTIFICATE OF INCUMBENCY AND SPECIMEN SIGNATURE

I, \_\_\_\_\_(Name)\_\_\_\_\_, the Minister of Justice [or the Attorney General, where applicable] of the Republic of Guatemala, in connection with the execution, delivery and performance by the Republic of Guatemala (the "Borrower"), of the Loan Agreement dated as of April 22, 1999 between the Borrower and The Export-Import Bank of the Republic of China (the "Lender") for the amount of US\$14,100,000.00 (the "Agreement"), do hereby certify that:

1. Each of the person named below holds the office set opposite his name has signed this Certificate in the space below opposite his title with his true signature:

	<u>Name</u>	<u>Title</u>	<u>Signature</u>
(1)	Pedro Miguel Lamport	Ministro de Finanzas Públicas	
(2)		Director de Financiamiento Externo y Fideicomisos del Ministerio de Finanzas Públicas	
(3)	.....		

2. Mr. Pedro Miguel Lamport, Ministro de Finanzas Públicas, has been authorized in the name, place and stead and on behalf of the Borrower to execute and deliver the Agreement and the Note, with such changes, additions and modifications thereto as he shall approve, such approval to be conclusively evidenced by his execution and delivery thereof.
3. Each of the officers named in Paragraph 1 hereof is authorized and empowered (anyone of them acting above) to do or cause to be done all such acts and things and to sign and deliver, or cause to be signed and delivered, all such documents, instruments and certificates (including, without limitation, all

notices and certificates required or permitted to be given or made under the terms of the Agreement), in the name and on behalf of the Borrower or otherwise, as such officer may deem necessary, advisable or appropriate.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_.

The Minister of Justice  
[or Attorney General]  
of the Republic of Guatemala

By: \_\_\_\_\_  
[Name]

**APPENDIX "D"**  
**APPOINTMENT OF AGENT**

Date: \_\_\_\_\_

Consulado General de Guatemala  
in New York  
57 Park Avenue  
New York, NY 10016  
U. S. A.

Re: US\$14,100,000.00 Loan Agreement dated as of April 22, 1999 by and between the Republic of Guatemala, as Borrower, and The Export-Import Bank of the Republic of China, as Lender; Lender's Loan Number: 6020357005.

Gentlemen:

Under the captioned Loan Agreement for the aggregate principal amount of US\$14,100,000.00 dated as of April 22, 1999, by and between the Republic of Guatemala (the "Borrower") and The Export-Import Bank of the Republic of China, of 8<sup>th</sup> Floor, 3 Nan Hai Road, Taipei, Republic of China (the "Lender"), the Borrower is required to appoint you as its Process Agent in New York City to receive and accept on its behalf service of process in any suit, action or proceeding brought in the State of New York in connection with the said Loan Agreement and/or the promissory note(s) given by the Borrower to the Lender thereunder.

We, the Borrower, hereby irrevocably appoint you to receive and accept on our behalf service of process in any suit, action or proceeding brought in the Supreme Court of the State of New York, County of New York or in the U.S. District Court for the Southern District of New York, arising or purporting to arise under the said Loan Agreement and/or the said promissory note(s).

Until the obligations of ours under the Loan Agreement and the Note are fully performed and/or discharged, your duties under this appointment will be as follows:

1. Upon receipt of any such process addressed to us, you will on the Borrower's behalf accept service thereof and will without delay notify us by telex, cable or

facsimile to the effect that you have accepted service of process on the Borrower's behalf, and

2. You will without delay confirm such acceptance in writing to us by registered airmail, enclosing the documents which you have received in connection with service of such process.

Other than as stated herein, you shall have no other duties whatsoever under the terms of this letter.

If the foregoing is agreeable and acceptable to you, please sign the written acceptance, which is enclosed herewith, and return it at your earliest convenience.

Sincerely,  
For and on behalf of  
The Republic of Guatemala

By: \_\_\_\_\_  
Name:  
Title:

I, \_\_\_\_\_ (Name) \_\_\_\_\_, hereby certify that this is a true copy of the original.\*

By: \_\_\_\_\_  
Name:  
Title:

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\* Certification is required on the copy to the Lender.

**APPENDIX "D-1"**  
**ACCEPTANCE OF APPOINTMENT**

Date: \_\_\_\_\_

*[To be addressed to the Borrower]*

Attention: \_\_\_\_\_  
(Acting for and on behalf of  
the Republic of Guatemala)

Re: US\$14,100,000.00 Loan Agreement dated as of April 22, 1999 by and between the Republic of Guatemala, as Borrower, and The Export-Import Bank of the Republic of China, as Lender; Lender's Loan Number: 6020357005.

Gentlemen:

Reference is hereby made to your appointment of the undersigned, in [his/her] official capacity as the Consul General of the Republic of Guatemala in New York (and not in [his/her] personal capacity), as your duly authorized agent in New York City, the State of New York, United States of America, to receive and accept on your behalf and in your name the service of any and all legal process in any suit, action or proceeding brought in the Supreme Court of the State of New York, County of New York or in the U.S. District Court for the Southern District of New York, arising or purporting to arise under the above-captioned Loan Agreement and/or the promissory note(s) issued thereunder by you to the Lender. Until the obligations of the Borrower under the Loan Agreement are fully performed and/or discharged, the undersigned, and [his/her] successor in [his/her] official capacity as such Consul General of the Republic of Guatemala in New York, hereby irrevocably agrees to receive or to accept and not to raise diplomatic, sovereign or other immunity as defense or ground for refusal to receive or to accept the service on [him/her] in such official capacity as your such agent of any and all legal process.

A copy of this written acceptance is hereby sent to The Export-Import Bank of the Republic of China at 8<sup>th</sup> Floor, 3 Nan Hai Road, Taipei, Taiwan, Republic of China for its reference and record.



Yours faithfully,  
Consulado General de Guatemala

By: \_\_\_\_\_  
Name:  
Title: Consul General

cc: The Export-Import Bank of the Republic of China  
8<sup>th</sup> Floor, 3 Nan Hai Road  
Taipei, Taiwan  
Republic of China  
Attn: Senior Vice President & General Manager  
Loan & Guarantee Department

I, \_\_\_\_\_ (Name) \_\_\_\_\_, hereby certify that this is a true copy of the original.\*

By: \_\_\_\_\_  
Name:  
Title:

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\* Certification is required on the copy to the Lender.

**APPENDIX "E"**  
**LEGAL OPINION**

Date: \_\_\_\_\_

The Export-Import Bank  
of the Republic of China  
8th Floor, 3 Nan Hai Road  
Taipei, Taiwan  
Republic of China

Re: US\$14,100,000.00 Loan Agreement dated as of April 22, 1999 by and between the Republic of Guatemala, as Borrower, and The Export-Import Bank of the Republic of China, as Lender; Lender's Loan Number: 6020357005.

Dear Sirs:

We, the Ministry of Justice [or the Office of the Attorney General, where applicable] of the Republic of Guatemala, are requested to provide legal opinion in connection with the Loan Agreement (the "Agreement") dated as of April 22, 1999, the Lender's Loan Number: 6020357005, by and between the Republic of Guatemala (the "Borrower") and The Export-Import Bank of the Republic of China (the "Lender"), providing for the making of loans to the Borrower not exceeding US\$14,100,000.00.

All terms used herein shall have the meanings defined in the Agreement unless the context requires otherwise. In connection herewith, we have examined the following documents:

- (a) An executed copy of the Agreement with the form of the Note attached thereto;
- (b) A copy of the Incumbency and Specimen Signature Certificate given by the undersigned, certifying the authority and specimen signatures of the representatives authorized by the Borrower to execute and deliver, for and on behalf of the Borrower, the Agreement, the Note and all other documents, instruments, certificates and notices relating thereto; and

- (c) All government approvals with regard to execution, delivery and performance by the Borrower of the Agreement and the Note.

We have also reviewed such matters of law and examined the original, certified, confirmed or photographic copies of such other documents, records, agreements and certificates as we considered relevant thereto.

Based upon the foregoing, and having regard to such legal considerations as we consider relevant, we are of the following opinion that:

(1) Binding Obligations of the Borrower

The Borrower has full power, authority and legal rights to make and perform the Agreement and the Note; and the Agreement executed and delivered by Mr. Pedro Miguel Lamport, Ministro de Finanzas Públicas of the Republic of Guatemala, does, and the Note when duly executed and delivered for and on behalf of the Borrower will, constitute legal, valid and binding obligations of the Borrower, enforceable in accordance with their respective terms.

The disbursement procedures set forth in Section 2.02 of the Agreement does not violate any provision of any applicable constitutional provision, treaty, law, decree or regulation of the Republic of Guatemala.

(2) Due authorization; Absence of Conflicts

The making and performance by the Borrower of the Agreement and the Note have been duly authorized by all necessary legal action under the laws of the Republic of Guatemala and do not and will not violate any provision of any applicable constitutional provision, treaty, law, decree, or regulation of the Republic of Guatemala, and do not and will not result in the breach of, or constitute a default under, or require any consent under, any agreement or instrument to which the Borrower is a party or by which the Borrower or its assets are bound.

(3) Government Authorization

All authorizations, approvals, consents and licenses from all bodies of government ministries, agencies, exchange control authorities or other authorities required by the laws of the Republic of Guatemala in order for the Borrower (i) to incur the Indebtedness and other obligations provided for in the Agreement and the Note, (ii) to execute and deliver the Agreement and the Note and to execute all other documents and instruments to be delivered thereunder, (iii) to perform and observe the terms and conditions of the Agreement or the Note, and (iv) to make all payments in Dollars as required under the Agreement or the Note, have been duly obtained and are in full force and effect; and all statutes, public decrees and the laws of the Republic of Guatemala relating to the foregoing have been complied with by the Borrower. All filings and reports relating to the Agreement or the Note, as required by the laws of the Republic of Guatemala, have been truthfully completed and duly filed.

(4) Ranking

The Borrower's obligations under the Agreement constitute and will at all times constitute, and its obligations under the Note once duly executed and delivered by Mr. Pedro Miguel Lamport, Ministro de Finanzas Públicas of the Republic of Guatemala, for and on behalf of the Borrower will at all times constitute, unconditional general obligations of the Borrower, and rank and will at all times rank in right of payment and collateral security and otherwise at least *pari passu* with all other External Indebtedness and similar external obligations of the Borrower (whether direct or contingent) outstanding from time to time.

(5) Commercial Obligations

The Borrower is subject to civil and commercial law with respect to its obligations under the Agreement and the Note, and the making and performance by the Borrower of the Agreement and the Note constitute private and commercial acts rather than governmental or public acts. None of the Borrower, Banco de Guatemala, any property owned by the Borrower or Banco de Guatemala, or any property held by Banco de Guatemala for the Borrower's or its own account enjoys any right of immunity, on the ground of sovereignty or otherwise, from suit, jurisdiction of any court, attachment prior to judgment,

attachment in aid of execution of a judgment set-off, execution of a judgment, or from any other legal process in respect of its obligations under the Agreement or the Note, and the waiver by the Borrower set forth in Section 9.06 of the Agreement is irrevocable and binding on the Borrower and Borrower's successors or assigns and Banco de Guatemala under the laws of the Republic of Guatemala.

(6) Taxes

There are no income or other taxes or charges of the Republic of Guatemala or of any political subdivision or taxing authority thereof, imposed by withholding, or otherwise applicable to any payment to be made by the Borrower pursuant to the terms of the Agreement or the Note, or to be imposed on or by virtue of the execution and delivery of the Agreement or the Note.

Ministry of Justice  
(or the Office of the  
Attorney General)

By: \_\_\_\_\_  
Name:  
Title: Minister of Justice  
[or Attorney General]