PN-ABF-391

Development of Administrative and Control Procedures for a Local Currency Loan Guaranty Mechanism for Small and Medium Enterprises

Bureau for Private Enterprise
U.S. Agency for International Development

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Sponsored by: *Financial Markets Project*
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TABLE OF CONTENTS

		Page
	Executive Summary	1
I.	Background and Methodology	3
II.	Findings and Actions	4
	A. Viability of the Draft Project Agreement	4
	B. Financial, Administrative and Regulatory Environments	5
	C. Participation of Financial Institutions	7
	D. Administrative and Control Procedures for the Local Currency Guaranty Fund	8
III.	Other Constraint - Issues	10
IV.	Conclusions	11
V.	Recommendations	12
VI.	Appendices	
	A. PRE-940 Executive Summary	
	B. February 5, 1988 memorandum re work description of the Administrator	
	C. Agreement between Southeast Bank, N.A. and AID	
	D. Draft Project Agreement, February 26, 1988 (English)	
	E. Draft Project Agreement, February 26, 1988 (Spanish)	
	F. Proforma Local Currency Guaranty Fund document entitled "Mecanismo Operativo del Fondo de Garantia para el Otorgamiento de Prestamos destinados a la Pequeña y Mediana Empresa (SME)	
	G. Persons contacted	

EXECUTIVE SUMMARY

The Financial Markets Development Program component of USAID/Guatemala's Private Enterprise Development Project (PED-520-0341) entails the establishment of two loan guaranty mechanisms. Both are aimed at relieving medium and small entrepreneurs' difficulties in securing loans. The consultant's assignment was to assist in the development of administrative and control procedures for a Local Currency Credit Guaranty Fund. In light of more advanced preparation for the launch of a separate, U.S.-based Credit Guaranty Line, it was decided that the consultant should first assist in bringing that Line on stream. In the process, parallel requisite administrative and control procedures for the Local Fund were to be developed for that facility's subsequent launch.

Pursuant to in-depth discussions with bankers, attorneys and Mission personnel, a final, detailed Project Agreement for the U.S.-based Line was completed and is ready for signature. One commercial bank has expressed its intent to sign the Agreement together with AID and the Guatemalan Enterprise Chamber, (Camara Empresarial de Guatemala--CAEM). Other banks are expected to sign the Agreement in the next two to three months.

A wide range of administrative and control considerations having direct bearing on the Local Fund were thoroughly examined and refined in the preparation of the final draft of the U.S.-based Line Project Agreement. These included documentary and procedural elements designed to ensure straightforward user-acceptable operation of the Line. The most important of these elements relate to maintaining an efficient, minimum-staff administrative structure; to providing a clearly understood, fully workable guarantee claim mechanism; and to keeping maximum control of the guaranty program within the private sector. A further important element concerns the need for adequate, early monitoring of participating banks and sub-borrowers in order to adjust the guaranty mechanisms for improved employment and income impact and distribution. A series of specific recommendations were also prepared to address aspects of the proforma documentation for the Local Fund, which require modification. The central objectives in each recommendation are to keep the administrative and control procedures as simple as possible and as similar as possible to those of the U.S.-based Line.

In addition to examining the administrative frameworks for both facilities, a review was conducted of their

financial and regulatory "environments." On the financial side, it was found that the guaranty facilities should be operational in times of both system illiquidity and system liquidity because of the continuing availability of funds from foreign credit lines. It was also found that there are no directly competitive loan guaranty facilities presently operating in Guatemala. As regards the regulatory environment, it was ascertained that despite the minimal banking regulations bearing on the operation of the facilities, it would be prudent to fully advise and consult about the guaranty program with the Bank of Guatemala, Guatemala's Central Bank.

Two final issues which were examined were the matter of costs for obtaining and using the guarantees and the possible negative impact of exchange rate unification on the Local Fund. In the first instance, recommendations are offered for maintaining the same charges for both facilities and setting these charges at levels that will not discourage banks and their borrowers. As regards the impact of exchange rate unification on the Local Fund, it is strongly recommended that the Fund be invested in hard currency instruments immediately after its establishment.

The launch of the U.S.-based Line and the continuing preparation for launch of the Local Currency Credit Guaranty Fund come at a time when the other components of the PED Project are also close to implementation. Pursuant to interviews with bankers and entrepreneurs, it is clear that the entire PED project is timely and that each of its components--the Small Business Development Center, the Export Promotion Program, the Financial Markets Development Program and the New Private Enterprise Initiatives plan--will tend to advance and reinforce one another. To take early advantage of this tendency, it is recommended that the Mission vigorously pursue the implementation of both guaranty facilities, including completion of documentation for the Local Fund, consultation with the Bank of Guatemala, and promotion of the guaranty program through local financial institutions.

I. Background and Methodology

The consultancy covered in this report was carried out in connection with USAID/Guatemala's Private Enterprise Development Project No. 520-0341 (PED). The assignment relates to the Financial Markets Development Program component of the PED and, more specifically, to assisting in the final design and establishment of a US$5.5 million equivalent Local Currency Credit Guaranty Fund. A closely related facet of the Financial Markets component of PED concerns the design and establishment of a U.S.-based $3.0 million Credit Guaranty Line, available from AID Washington, through the Bureau for Private Enterprise's Office of Investment (PRE/I). Both guaranty facilities are intended to partially solve a problem faced by many Guatemalan medium and small enterprises, namely entrepreneurs' inability to provide lenders with sufficient, acceptable guarantees in order to secure loans.

Given the identity of purpose of the two guaranty facilities and the fact that PRE/I has established credit guaranty programs in a number of other countries, the AID Mission in Guatemala requested, and has been receiving, PRE/I assistance in the establishment of guaranty mechanisms appropriate for Guatemala. During 1987, proforma documents were drawn up for both a local fund and a U.S.-based facility, and discussions were initiated with local Guatemalan banks and other lending institutions. The documents for the U.S.-based credit guaranty line include a detailed Project Agreement as well as a signed loan agreement between AID Washington and a U.S. commercial bank. (See Appendices C and D). The latter has agreed, in effect, to extend AID's guarantee through the issuance of Standby Letters of Credit in favor of participating Guatemalan banks.

In consideration of the relatively more complete design and documentation available for the U.S.-based facility, it was decided that the consultant[1] should first assist in perfecting the Project Agreement for that facility, in order to then ensure that pertinent administrative and control procedures might be included in the final design of the Local Currency Fund.

1/ Stephen J. Lack, MBA, Finance and Banking specialist.

In carrying out the assignment, the consultant reviewed all relevant documentation[2], received briefings from the Mission's Office of Private Sector Programs and from PRE/I's officer in charge of Latin America, and participated in the conduct of interviews and work sessions at several local private banks. Interviews of local businessmen, of attorneys, and of officials of the Guatemalan Enterprise Chamber (Cámara Empresarial de Guatemala -- CAEM) were also carried out during the consultancy. A de-briefing for the Mission was provided prior to finalization of this report.

II. Findings and Actions

The consultant's findings and related actions cover the following major issues:

A. The viability of the Draft Project Agreement for the U.S.-based Credit Guaranty Line.

B. The financial, administrative and regulatory environments for both facilities.

C. Participation of financial institutions.

D. Appropriate administrative and control procedures for the Local Currency Guaranty Fund.

A. Viability of the Draft Project Agreement

Pursuant to an intensive review[3] of each Article of the Draft Project Agreement (see Appendix D), it was found that some provisions would require modification or clarification in order to properly reflect Guatemalan banking and legal procedures and definitions. The most important of the provisions relates to the documentation by which

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2/ Including, primarily, the Draft Project Agreement in English and Spanish; the Loan Agreement between AID and Southeast Bank, N.A., and the Project Paper and Annexes of PED 520-0341.

3/ This review was conducted together with local banks and lawyers as well as with PRE/I and with the Mission's OPSP Financial Services Officer, who is a former General Manager of the Banco de Guatemala, Guatemala's Central Bank. Results of the review were circulated to and approved by the PED Project Implementation Committee.

participating banks may effect guaranty claims. Specifically, after studying the pertinent background and procedures under Guatemalan law, it was decided to require documentation--a "Demand Certificate"--which was not called for in the original draft, but which would be both beneficial to AID and acceptable to the banks (Article 8, Section 8.2 (b), Appendix D).

Examples of other provisions which required some modification or clarification concerned the proper definition, under Guatemala's exchange regulations, of the term "Exchange Rate." (Article 2, Section 2.1, Appendix D); proper interpretation, in light of Guatemalan banking regulations and practice, of what constitutes an uncollectible loan (Article 5, Section 5.1 (i), Appendix D); establishment of a loan disbursement ceiling for individual subloans (Article 6, Section 6.1 (c), Appendix D); and establishment of an asset ceiling for sub-borrower qualification (Article 6, Section 6.2 (d), Appendix D). In the last two instances, the respective ceilings were increased from their original Draft levels after nearly all of the banks explained that application of the lower levels would exclude a significant number of otherwise viable but guarantee--short enterprises from adequate access to the guaranty facility.

At this writing, plans are being completed for a March signing of the Project Agreement between AID, CAEM, and a local bank.

(In addition to working on the English version of the Project Agreement, which version rules in the event of any dispute, the consultant participated in a redrafting of the Spanish language translation of the Agreement [see Appendix E]. The Spanish language version was used as a working paper with the banks; both versions were distributed to the banks as well as to all other involved parties at the Mission and at CAEM.)

B. Financial, Administrative and Regulatory Environments

Extensive consideration was given to the potential effects of these three "environmental" issues on the guaranty facilities. As regards the financial environment, analysis addressed two areas, namely, liquidity conditions, and the existence of competing guaranty facilities. On the subject of liquidity, it was found that, in general, a more liquid banking system would tend to encourage greater utilization of the facilities, while a less liquid system would mean that banks, after rationing limited resources to their best, largest borrowers, would not be in a position to fund loans

to those medium and smaller borrowers who could otherwise take advantage of the guaranty facilities. It was also found, however, that regardless of liquidity conditions, loans funded from drawings under foreign credit lines are virtually exempt from bank portfolio expansion limits. Since a number of the banks' prime customers do not require and/or qualify for the types of loans available under these lines, there exists a funding niche for loans to qualified medium and small enterprises, especially during periods of illiquidity and strict monetary expansion controls as is the case to date for the first quarter of 1988.

On the subject of competitive guaranty facilities, it was found that there are three new programs in operation or close to operation. Two of these guaranty funds, sponsored respectively by the Guatemalan Government and by a Swiss organization, are designed to secure loans to "Micro-entrepreneurs." They provide coverage for loans that do not exceed US$5,000 to US$10,000. The third fund, sponsored by the Central American Bank for Economic Integration (CABEI), may <u>only</u> be used to partially secure loans drawn under a specific CABEI credit line for small and medium enterprise; it is initially available only up to an aggregate of US$500,000; and it is designed to cover all of the Central American countries with this amount. Its guarantee claim procedure is reportedly cumbersome and possibly unacceptable to local banks in Guatemala.

The administrative environments for AID's guaranty facilities are described in the Project Agreement--for the U.S.-based line--and in the PED Project Paper and Annexes for the Local Currency Fund. The key to successful administration of both facilities--especially in light of what first appears to be a complex undertaking--will be keen attention to what are, in fact, <u>simple, standard operating procedures</u>. (This, and other issues relating to the proper administration of the Local Currency Fund are treated below). As regards the U.S.-based facility, administration is defined clearly in the Project Agreement (Appendix D). Specific actions and responsibilities are spelled out for the "Administrator." Although considerable in number, these actions and responsibilities are not complicated and their proper, timely execution will help to ensure smooth operation of the Guaranty Line. To this end, the consultant recommended, and officials of CAEM--the "Administrator" under the Project Agreement--have been studying these actions and responsibilities in detail to be able to provide the banks with an efficient, strictly confidential response to their guarantee applications and to follow-up requirements (see also Appendix B). The response will always address eligibility of applications and only in rare cases will the

Administrator address the feasibility of the underlying sub-loan project. (Credit analysis is the responsibility of the lending bank.)

A related subject concerns CAEM funding for the execution of the role of Administrator. PED Project officials in the Mission have indicated that the necessary funding is budgeted and will be in place for the launch of the Guaranty Line.

The regulatory environment bearing on the facilities is relatively uncomplicated, primarily because the guaranty mechanisms are strictly private sector-operated. No direct operating approvals are required from the Central Bank, or from any other government authority. Notwithstanding, it was deemed prudent to inform the Central Bank about the operation of both facilities and to answer questions as well as gain guidance and support from the Bank as appropriate. To this end, the Mission has drafted a letter to the Bank covering the entire PED Project, and offering to meet with Bank officials for further consultation.

C. Participation of Financial Institutions

In addition to pursuing discussions at those institutions which had previously, during 1987, expressed the greatest interest in a guaranty mechanism, the consultant interviewed officials of other banks and development finance companies (financieras) to ascertain their interest. Directors and officers of two banks and of two financieras, after learning about how each of the guaranty mechanisms would function, asked to see the final documentation and agreed, in principle, that they could and would fund guarantee-eligible loans, under the facilities. It was decided that these institutions should be revisited after final details are completed for the U.S.-based line and after at least one local bank has signed the Project Agreement.

A formal approach to promoting and publicizing the guaranty facilities is provided for in the PED Project Paper. Specifically, there are plans to develop an intensive promotional campaign with a budget of US$50,000 in local currency for this purpose. Notably, on this subject, the banks were quite clear about their unwillingness to directly contribute to such a campaign. Rather, it was explained, they would promote the guaranty facilities on a case-by-case basis, and internally, through loan officials. (See also Recommendations.)

D. Administrative and Control Procedures for the Local Currency Guaranty Fund

As noted earlier, there is an identity of purpose between the Local Currency Fund and the U.S.-based Line. To the extent possible, and in accordance with Guatemalan law, therefore, it is entirely appropriate that both facilities should include similar, if not identical, administrative and control procedures. An examination of the proforma document drawn up for the Local Currency Fund revealed that, in general, there is a close procedural match between the Fund and the U.S.-based Line. There are, however, some discrepancies that require analysis, some areas that require clarification and possibly some procedure modifications which would help to improve the operation of the Local Currency Fund. The most important of these items are dealt with in this section. Others are addressed below under the heading Recommendations.

The primary and most significant administrative difference between the guaranty facilities as now planned, resides in the overall mechanism for facility administration. In the case of the U.S.-based line, there is the "Administrator"--CAEM--which will translate into one or, at most, two persons who will carry out the simple, standard operating procedures spelled out in the Project Agreement (See also Appendix D). Yet in the case of the Local Currency Fund, provision is made for a four-person committee as "Administrator," including representatives from the Bank of Guatemala, CAEM, the private banks through the Bankers' Association, and the AID Mission. (Article 4, Appendix F). A reading of the other Articles of this proforma document shows that the intent of the authors was to keep the administrative mechanism as simple as possible while ensuring a participative role for representatives of each of the major interested parties. Nor is it impossible for such an administrative arrangement to function effectively. It is, however, probably a less effective means of administration than the one provided for in the U.S.-based Line. A recommendation designed to help ensure administrative simplicity, but to still provide for the required four-part input, is offered below. (See Recommendations)

A second administrative and control issue relates to the subject of eligibility of participating banks. The proforma document is silent on this subject, except in a reference to a "participation contract" to be signed with the Bank of Guatemala. (Article 3, Appendix F). Such a contract, although possibly unavoidable in this case, runs somewhat counter to the private sector goal of AID's Guaranty facilities, namely, to retain complete private control of

these mechanisms. If bank participation/eligibility must, however, be governed by an agreement or contract between the participating banks and the Bank of Guatemala, then, at least, such contract should be patterned after the pertinent eligibility conditions precedent and default terms of the Project Agreement for the U.S.-based line. These terms have already been found entirely acceptable to one of the largest of the local banks. Different terms, especially if issued directly by the Bank of Guatemala, might be confusing at best, and possibly unacceptable to the private banks. Further, if the eligibility documents and/or other documents for the Fund differ very much from those from the Line, this difference could also be objectionable to the banks and, consequently, could delay or even halt the Fund's start-up.

A third significant administrative and control procedure which bears attention concerns operational feedback and evaluation. In the PED Project Paper, provision for feedback and evaluation is made, including impact audits, tracking of key data, preparation of benchmark profiles and both internal and external annual evaluations. These procedures are necessary and sufficient in general, but with respect to the guaranty facilities they will not be satisfactory unless complemented by an informal, but intensive evaluation of the profiles and performance of every sub-loan and every participating bank under the guaranty facilities. The goal of this complementary effort must be to generate clearer profiles of immediate target groups--medium and small entrepreneurs--while identifying which financial institutions are making the most appropriate use of the facilities, given AID's purpose and objectives in establishing the guarantees. In turn, such feedback and evaluation will help AID to establish "internal guidance lines," that is, determinations about which banks the Mission can count on, and to what extent, in the area of financial intermediation.

III. Other Constraint - Issues

In addition to the key issue of maintaining administrative simplicity in the operation of both guaranty facilities, there are two further issues which bear keen attention. The first of these concerns the commissions which are to be charged for the guarantees. Some bankers expressed objections to what they considered the high cost of these fees and to their application. One banker indicated that the fees--which in any case would be passed on to the sub-borrowers--were simply too high in the aggregate and would either discourage potential sub-borrowers or would be accepted by sub-borrowers who really could not afford to pay them. The banker referred specifically to the fees required for use of the U.S.-based Line, which include a one percent (1%) one time, opening commission and a one percent p.a. (1%) line utilization commission, both due to AID, plus a .25% p.a. Standby L/C commission due to the U. S. commercial bank. (On a one-year loan, these commissions would bring the effective borrowing cost to an end-user from 14% of principal--which is the current maximum rate in Guatemala--to over 15.125%). As regards application, the banker indicated that his institution was highly averse to paying up-front opening commissions such as that to be charged on the U.S.-based Line. He explained that his bank would only pay such commissions after a subloan's funding and formalization were ready and where the bank could immediately pass on the commission to the sub-borrower, on a case-by-case basis.

Other bankers did not express serious reservations about the commissions, and no plans have been made to modify these fees on the U.S.-based Line. Notwithstanding, if the currently proposed maximum 0.5% total fee for using the Local Currency Guaranty Fund is finalized, there will be a sharp discrepancy between the two facilities, and there could be confusion and objections among the banks as a result. (See also Recommendations.)

The second issue concerns the possibility of exchange rate unification in Guatemala and its probable impact on the Local Currency Fund. If unification occurs before the Fund can be converted into hard currency instruments then, in dollar terms, the Fund will diminish and will therefore be available to a smaller number of users. An example is the case where the exchange rate reaches Q4.00 = US$1.00. At this rate, the Fund's dollar equivalent value will have dropped from US$5.5 million to only US$3.6 million (Q14,205,785 divided by 4), a decline of nearly 35%. Similarly, the opportunity to progressively enrich the Fund in hard currency and quetzal terms will be seriously reduced, as will the residual value for the Guatemalan Government in the event that the Fund is

as will the residual value for the Guatemalan Government in the event that the Fund is liquidated.

IV. Conclusions

1. The U.S.-based Credit Guaranty Line is viable and can be activated soon.

2. In the absence of normal liquidity in the banking system and particularly when portfolio expansion is otherwise restricted by the Bank of Guatemala, both AID guaranty facilities will be available to support loans funded from international credit lines.

3. There are no guaranty facilities presently planned or operating in Guatemala that would be significantly competitive with AID's facilities.

4. Administrative and control procedures for the U.S.-based Line have been thoroughly reviewed with private banks and with CAEM. While numerous, they are uncomplicated and subject to simple standardization.

5. Despite the fact that both AID guaranty facilities are essentially private sector mechanisms, it is deemed prudent to consult closely with the Bank of Guatemala as to their scope and operation.

6. Participation in the channeling of the guaranty facilities can be expected to increase gradually as more financial institutions learn about the pertinent operational details and benefits. The banks will probably not contribute directly to publicizing the guaranty facilities.

7. Administrative and control procedures for the Local Currency Guaranty Fund require modifications on both general and specific levels in order to ensure the Fund's smooth operation.

8. The subject of commissions--the cost of using the facilities--could become a problem if bank and sub-borrowers find these costs to be too high and/or confusing because of differentials.

9. Exchange rate unification will have a negative impact on the Local Currency Fund.

V. Recommendations

1. The U.S.-based Line Project Agreement should be signed as soon as possible and a goal should be set to have the first standby L/C opened no less than 30 days after the signing.

2. Every effort should be made to ensure the full understanding and support of the Bank of Guatemala in the launch and ongoing operation of both facilities.

3. In publicizing the facilities, the major focus should be on demonstrating to financial institutions that the operation of both mechanisms is uncomplicated and that access will in no way compromise confidentiality. Broad promotional and publicity efforts should be coordinated with the participating banks' internal plans.

4. Administrative and control procedures for the Local Currency Fund, to ensure simplicity, should be patterned as closely as possible after those of the U.S.-based Line.

5. The role of the Local Fund's Administration Committee should be limited to that of a "Board of Directors." It should only meet quarterly to review the Fund's guaranty program and financial progress. Day-to-day administration should be left to CAEM. On an as-needed basis, the Committee could be consulted to deal with major issues such as waivers, defaults, decertification, etc.

6. Any "participation contract" involving the Bank of Guatemala should be patterned essentially after the participation and eligibility terms of the Project Agreement for the U.S.-based Line.

7. For both facilities, through CAEM, but with support from AID, an informal system should be established to monitor every sub-loan and every participating financial institution. Reporting on an "internal guidance" basis, should be formal and the Mission should review progress every month to determine if the guarantees are getting to those borrowers who most need and best use them and if the related financing is leading to increased employment and incomes.

8. Specific administrative and control considerations which may need special attention in the Local Currency Guaranty Fund include:

- Maximum Loan and Guarantee Amounts: These should be the same amounts as provided for under the U.S.-based Line. The maximum loan amount should be set as a single ceiling and there should no distinction as to medium or small enterprise. The maximum guarantee should be expressed as a percentage (up to 50%) of loans and not as an absolute number. Provision should be made to increase the loan ceiling from time to time to adjust for inflation and, if necessary, for devaluation.

- Guarantee Document: The planned guarantee certificate must be uncomplicated and acceptable to the banks, as well as legally binding on the parties. To help ensure creation and/or selection of the most uniformly appropriate instrument, it would be advisable to consult with the Guatemalan Bankers' Association and with the Superintendency of Banks. A draft document comparable to a Standby L/C or other standard commercial guarantee document could be used as a working paper.

- Estimated Guarantee Utilization: The Local Fund design does not call for advance estimates of utilization. Although not absolutely necessary, such estimates can be useful for administrative/financial projections and as a means to encourage and follow-up on bank participation.

- Loss Certification and Assignment of Recovery Proceeds: The Fund should have a document comparable to that of the U.S.-based Line--which explicitly provides for a guarantee pay-out computation and certification together with terms of prorata assignment to the Fund of principal recoveries accomplished before and after the guarantee has been paid. (See Annex D of the Project Agreement, Appendix D.)

- Accounting: The accounting proviso whereby banks may not apply guarantee payments to reduce loan balances until after the completion of the corresponding judicial collection process, (Article 16, Appendix F) is probably over-restrictive. It is extremely difficult, if not impossible, to reasonably predict a terminal date for the judicial process in Guatemala. A more practical and acceptable definition of the earliest date for crediting guarantee payments to loan balances would be that date which is one year from the date on which the guarantee payment was received.

(Consideration should also be given to the legal, accounting and practical effects of eliminating the restriction altogether, since loan recoveries from the judicial process are essentially out of the banks' control.)

- Bank Limits: No provision is made in the proforma document (Appendix F) for a maximum guaranty limit for any single bank. Such limit should parallel the one provided for in the U.S.-based Line (US$1,000,000).

- Claim Period: Article 14 of Appendix F refers to a 90-day period after the final date of loan maturity, as the minimum period before a bank may effect a claim. This should be changed to parallel the claim period that rules for the U.S.-based Line, namely, a minimum of 180 days from the first payment default on the guarantied loan.

- Training for Bankers: The PED Project Paper contemplates a U.S.$50,000 budget for training bankers from participating banks. Special attention should be given to providing relevant loan appraisal training in the Guatemalan context, so as to help ensure successful promotion and ongoing use of the guaranty facilities.

9. The cost for both facilities should be made identical except for the additional Standby L/C commission in the case of the U.S.-based Line.

10. Strong consideration should be given to costs no higher than 1.5% for the Local Currency Guaranty Fund and than 1.75% for the U.S.-based Line.

11. Application of the costs should be as follows for each facility:

	Up-front Opening Commission	Utilization Over Life of Guarantee	Standby L/C
Guatemala Fund	0.50%	1% p.a.	--
U.S.-Line	0.50%	1% p.a.	0.25% p.a.

12. Every effort should be made to ensure that the Local Currency Fund may be invested in hard currency instruments as soon as possible.

13. If such investment is feasible, then the management of the Fund's assets should be contracted to a foreign investment advisory group.

14. If such investment is restricted, consideration should be given to investment in Government of Guatemala dollar-denominated bonds.

15. If such investment is disallowed entirely, and if the proposed Trust Fund is to be lodged at a local bank or other local institution selected by competitive bid, then strong consideration should be given to initially disqualify that institution from access to the guaranty program so as to avoid any possibility of perceived conflict of interest.

VI. Appendices

A. PRE-940 Executive Summary

B. February 5, 1988 memorandum re work description of the Administrator

C. Agreement between Southeast Bank, N.A. and AID

D. Draft Project Agreement, February 26, 1988 (English)

E. Draft Project Agreement, February 26, 1988 (Spanish)

F. Proforma Local Currency Guaranty Fund document entitled "Mecanismo Operativo del Fondo de Garantia para el Otorgamiento de Prestamos destinados a la Pequeña y Mediana Empresa (SME)

G. Persons contacted

PRE-940 EXECUTIVE SUMMARY

PRE-940 is a Three Million Dollar ($3,000,000) Credit Guarantee Line. It works, basically, as follows:

1. AID/Washington (PRE/I) has entered into a five (5) year $3,000,000 loan agreement with Southeast Bank, N.A.

2. Southeast, strictly on a service basis, will issue Stand-by Letters of Credit (L/C) in favor of Participating Banks in Guatemala, in amounts equal to 50% of what those banks lend to qualifying sub-borrowers for qualifying sub-projects (subloans). (The risk, of course, is for account of AID, as Southeast will offset any drawings under the L/C's against its loan from AID).

3. Participating Banks, CAEM and AID will enter into the attached Project Agreement which sets out the details of the following operational steps:

   a) Participating Banks present their sub-loan guarantee requests and schedules to CAEM.

   b) CAEM reviews these requests and schedules to confirm subloan eligibility and to verify that standard forms have been properly executed. CAEM then forwards the pertinent documents to Southeast Bank, N.A.

   c) Southeast checks the standard forms and opens the Stand-by L/C in favor of the Participating Bank(s).

   d) If a sub-borrower fails to pay its loan, the Participating Bank may, after following stipulated procedures, present standard claim documents to CAEM which will examine these documents to certify that they are in the right form and that they are complete.

   e) CAEM will then forward the claim documents to Southeast which, after checking same, will pay the pertinent claim to the Participating Bank(s) in question.

Pursuant to in-depth consultations with the Banks, it was agreed that, in principle, the draft Project Agreement attached would be suitable. It was further agreed that a final version, in Spanish, should be submitted to the Banks on Tuesday February 9, 1988 with a request that their final observations be provided to the Mission by February 19, 1988.

The final version of the draft is also being distributed to CAEM on Tuesday, February 9, 1988.

The Project Agreement is to be signed by the Participating Bank(s), CAEM and AID on Monday, February 29, 1988.

Two Banks have already specified early interest and sub-loan back-up for aggregate guarantee line coverage utilization of $300,000. It is not unreasonable to expect that at least one of these banks will have activated the line by obtaining guarantee coverage for eligible subloans by April 30, 1988.

2501c

M E M O R A N D U M

TO: Felipe Manteiga, C/OPSP DATE: February 5, 1988

FROM: Stephen J. Lack, Consultant

SUBJECT: Work description of the Administrator (CAEM) per the December 3, 1987 Draft Project Agreement for the PRE 940 Credit Guarantee Line.

The primary description of the Administrator's job is contained in Article 4 of the draft p.4-5, attached. (Attachment I).

Proper execution of the Administrator's job, however, requires complete familiarity with the entire Project Agreement.

The nature of the job is, as the title suggests, purely administrative. There are only a few judgement calls ever required of the Administrator. Guidance in making these calls is usually provided in the Agreement itself and could always be supplemented through consultation with other CAEM executives, eventually with the PMU and always with AID. Perhaps the best example of a judgement arises in Section 5.4 of the Agreement entitled Decertification. Here the Administrator might have some doubt as to whether a Lending Bank has really defaulted under the Agreement or not, and further doubt therefore as to whether or not he/she should Decertify that Bank. First he/she would consult Section 12.2 on Events of Default. Then, if he/she were still uncomfortable, a consultation with CAEM, PMU and/or AID could be undertaken to decide finally on the proper course of action.

A more complete "roadmap" of the nature of the job is contained in Attachment II to this Memorandum. This roadmap further explicates how administrative the job is while demonstrating how important it still is for the person who fills the job to know the Project Agreement inside and out.

As I have stated in point 2 of Attachment II, the job is full-time from the outset. Let me qualify this by saying that if CAEM has a person who could learn the job fast and always be in close communication with the Project, then certainly of the very outset he/she might be able to do the job on a part-time basis.

As you know, Howard Aller and I hope to have final drafts of the Agreement in English and Spanish ready for your review next week. Simultaneously, we will be delivering copies to the Banks for their review. If all goes well, the Project Agreement could be signed by CAEM, the first Bank Participant(s) and AID during the last week in February.

2508c

Pursuant to your request, following is:

1) A best effort abstract from the PRE/940 Credit Guarantee Line December 3, 1987 Project Agreement Draft addresssing subject above.

2) An estimate and discussion of the time input necessary from the outset for the person(s) representing the Administrator for this Project, and

3) a listing of the articles, sections and items in the document where either specific reference is made to the "Administrator" or where the Administrator must become familiar with he contents and meaning of the referred to artlicles, sections and items.

1. The word "Administrator" as setout in the opening paragraph of the draft is to be treated as equal to CAEM, one of three draft signatories to the Project Agrteement. The word, of course, rtranslates, for purposes of project execution, into a person or persons duly empowered to represent CAEM.

The primary description of the Administrator's "job" is set out in ARticle 4 of the draft, page 4-5. As you will note, none of the verbs that immediately dfollows eachj of items A) - G), Article 4, Sec. 4.1 requires that the Administrator do more than minimal analaysis. Rather, these verbs, such as "certifying" "Aportioning", "Reviewing" or "Coordinating" speak, in almost every instance to a purelty administrative undertaking. There are specific details that spell out a number of specific and discrete actions and responsibilities required of the administrator, but, again, in virtually every instance, the persons' role is adminsitrative and only rarely is it in any way judgmenetal, in both theory and praritularly, practice. Please note that thhe kobs set out in the items referred to above, wherever they refer to another place in the codument thaty are virtually always refering to some fact of the aggreement that represents explicit guidance to the Administratorinistrator for his taking of any action. Thus, for example, item, (b) Sec. 4.1, Article 4, states at its finish"....in accordance with Sec. 7.2" refernce to Sec. 7.2 show the specific definition of governing considerartions for somethin, in this case, called a Bank Limit. Clearly, little or now <u>judgement</u> is required for the

Administratorinistrator to determine if he is properly executng his repsonsibilities under item (b), Sec. 4.1, Article 4 as set out.
The number and the requirements are clear as are any related computations.

Section 4.2 refers to responsibilities for mainitngin books and records. The Administrator will perhaps need or want at the outset a part timwe bookseepr and or accountant bu, aghain, the mandarte is simple, clear and non judgemental.

Section 4.3 states simpy the dcricumtances under which the Administratorinsitrator may be dertimated. It refers clearly also to the person or persons whjo carry out the Administrator's responsbilities. Provision is made for an eventuial successor to the Administrator and for the transfer ofd authority. No judgemnt and o aciton required here unless ther is a rterminiation in which case transffer of authroity is spelled out clearly.

Section 5.,2 refers back to Section 5.2 which setout very clear eligibility requireements no judge,ment - just good eyes are necessary here. Requirements are further spelled out and ther can be no doubt about what this section is after.

Section 5.3 allows a prerogative - no problem here, and again reference is back to Sec. 5.2.

Section 5.4: <u>Decertification</u> is clearly very serious business. But the possible judgement call in this case receives guidance from SEctionm 12.2 which is quite clear and specific re. "Events of default". Some judgement could be reqwuired here byut if it were, and if ther Administrator person or persons felt uncomfortable, thiose persons could always check with CAEM (PMU) and/or AID directly.

Secton 5.5 never mentions the Administrator, but it is clear that the Administratorinmistraor must at least be familiar with it to help him "certify" or "report" whenever necesssary on the subject of whether or not the lending banks are fulfillling their repsonsibilities . Nor is the adminsitrator called upon to conduct any audit or examination as to compliance with items (A) - (E) Section 5,.5 but obviously if it came to Administrator's attention that there esisted nopn compliance, thjen, at least, he (she) should report / discuss sanme with PMU and or AID.

The same holds true for Article 6 dealing with: Subloan ELigiblity, Suboboorwer eligiblity, qualifying activites , subloan noncompliance and suborrower disuaklification. You will note that directly, the Administratorinistrator needsot provide no impout by thie Article but clearly he/she should be aware of it,. aware of its implications and sufficiently interfaces with the lending banks to learn quickly about any pertinent facts.

All of ARticle 7 is important for the Administratorinsitrator. It is "high sounding" but spells out simply and clearly the Administratorini role in reduction determination, in getting "notice" from AID, in being sure that conditions precedent, all spelled out, are all met on time, in knowing what constiitutes first disbursement, in taking notice from Southeas t once this disbursemnt is accompliished, in knowing the conditions p[recedent for subsequent disbursemnts, in effecting coverage increase, coverage increases, in respoinmding to reasonavble requests from AID for indformation relating to the Administrator own performance and that of the lednign banks.

Article 7, Section 7.7 - 7.10 deal with the standby facility and must beocme very familiar to the adm, especially in his/her role as recipient of the subloan schedules. Again, "familiarity" related basically to the needs to "begin to know" to "tell" to "certify", to "receive" et. al., but not to think very much or jkudge very much or take any material personal executive risk.

Section 8 gets technical re claims, papers required, etc.. But, again, it is very specific and very straight forwrd but familiarity with Aritlce 8 gets technical concerning claims, required papers, etc.. But again it is very spefici and straight forward and familiarity with all of the article makes it relativelet easy, for example to undertake the certification requiried in Section 8.3 or no to give such certification.

Section 9.1 related back to Section 3.3 an will require simple comoputations if any at all. The Administratorinstrator should also be familiar with this Section becasue it deals with moneys owed to AID and to Southeast. AGain, hosevber, the Administrator's repsonsbilities are clearly spelled out. The rest he just has to know. He knows by reading and memorizing and living with the project agreement.

Article 10 is basically boiler plate. Article 11 is the same. In both of these cases, specific mention are mare of the Administrator but the drills are very simple. (YOu may want to look hard at Section 11.5, publicity.)

Note also that 11.4 is a warranty of completelness of information that the Administrator (CAEM) undertakes in signing the project agreement. AGain, the person is signing for CAEM he has gotten the "information" from CAEM and it is CAEM that is liable for any breach not the individual.

Aritcle 12 (AID) requires familiarity but no direct significant aciton.

Aritcle 13 is boilerpleate, but also requires familiarity, especially concerninmg the PIL's 13.3, what they are , and hwo they work. Section 13.A, re. jurisdiction is also to be noted bu the Administratorn.

The Annexes are very speficif whereever related to the Administrator, (especially where his/her signature is required) No problem here if the Administrator is familiar twith the documents.

2. The work time required of the Adm-person is not all that great providfed that the person is capable and efficient. On the other hand, until he/she can really become familiar with the job - and this means knwoigbn every article, bacwards and forwards- it could surely take some time.

On this basis, it woudl be prudent to imagine that we are dealing with a full time job from day one.

I would be please to review with you and to interview if you wish, possible candidates. As we discussed, the individual whoi is the Adm - functionary when PRE 340 is launched nmeed not necesarily continue in the post coulf merge later into PMU, could be replaced, could also manage PED 341, etc., etc.

3. Adm references in the Document:

Article, Sections and Items 3.3; 4.0-endp; 5.2; 5.3; 5.4; 7.0-end; 8.0 - end; 9.1; 9.3.

Articles 6, 10, 11, 12, and 13, must all be familiar to the administrator although they represent principally infdormqtion and only secondarily any requirement for action.

AGREEMENT

between

SOUTHEAST BANK N.A.

and the

UNITED STATES OF AMERICA

acting through the

AGENCY FOR INTERNATIONAL DEVELOPMENT

Project No. 940-0002.74

Loan No. _____

Date: as of September 30, 1987

LOAN AGREEMENT

This loan agreement ("Agreement") is entered into as of September 30, 1987, by and between Southeast Bank N.A., a national banking association organized and existing under the laws of United States, ("Borrower" or "Issuing Bank") and the United States of America, acting through the Agency for International Development ("A.I.D.").

Recitals

WHEREAS, A.I.D. wishes to increase the availability of productive credit to small and medium-sized private enterprises located in Guatemala; and

WHEREAS, this Agreement between A.I.D. and the Borrower will establish one aspect of a standby letter of credit facility involving the Borrower, the Camera Empresarial de Guatemala ("CAEM" or "Administrator") and selected prequalified privately owned Guatemalan banking institutions ("Lending Banks") under which the Lending Banks are expected to make credit available to the above-mentioned class of businesses;

NOW, THEREFORE, A.I.D. and the Borrower ("Parties") agree as follows:

Article 1: The Agreement

The purpose of this Agreement is to set forth the obligations and understandings of the Parties with respect to the establishment of the Standby Facility and the issuance of Standby Letters of Credit.

Article 2: Definitions

The following terms when capitalized shall have the definitions stated below throughout this Agreement and its Annexes unless the context clearly indicates otherwise.

Section 2.1. "Certificate of Estimated Standby Utilization." A document substantially in the form of Annex A to this Agreement in which the Lending Banks estimate their utilization of the Standby Facility during the six (6) months immediately following the date of the certificate. See Section 4.6(a).

Section 2.2. "Claim Documents." The documents that the Lending Bank must submit to the Borrower to draw under a Standby Letter of Credit in accordance with Section 4.6 of this Agreement.

Section 2.3. "Interest Due Date." Each date upon which interest is due under this Agreement in accordance with Section 4.1(b) below.

Section 2.4. "Lending Bank." A privately owned banking institution located in Guatemala which A.I.D. has designated as qualified to participate in the Project, and which has executed a conformed copy of the Project Agreement.

Section 2.5. "Lending Bank Standby Certificate." A document substantially in the form of Annex F to this Agreement submitted by the Lending Bank to the Borrower to request issuance of a Standby Letter of Credit.

Section 2.6. "Project Agreement." The agreement between A.I.D., CAEM and the participating Lending Banks setting forth, among other matters, the circumstances under which the Lending Banks may apply for and draw under a Standby Letter of Credit.

Section 2.7. "Standby Letter of Credit" or "Standby L/C." A standby letter of credit substantially in the form of Annex B to this Agreement, issued by the Borrower in accordance with Section 4.6 of this Agreement, to cover up to fifty percent (50%) of the principal of qualifying subloans made by the Lending Banks.

Section 2.8. "Standby Facility." The Borrower's commitment to issue Standby Letters of Credit in accordance with the terms of this Agreement.

Section 2.9. "Subloan." A loan made by the Lending Bank.

Section 2.10. "Subloan Coverage." The total amount of Subloan principal covered by one or more Standby Letters of Credit, equal to up to fifty percent (50%) of the aggregate principal amount of the Subloans relating to such Standby L/Cs.

Section 2.11. "Subloan Schedule." A schedule, in the form of Annex I to this Agreement, listing the Subloans covered in connection with a Standby Letter of Credit.

Article 3: Resources for the Project

Section 3.1. The Loan. Pursuant to the Foreign Assistance Act of 1961, as amended, A.I.D. agrees to make available to the Borrower under the terms of this Agreement an amount not to exceed Three Million U.S. Dollars ($3,000,000) ("Loan"). The Loan shall be disbursed in not more than six

(6) separate disbursements of at least Five Hundred Thousand U.S. Dollars ($500,000) each. Except as A.I.D. may otherwise agree in writing, the Loan will be available for disbursement for twelve (12) months following the date of execution of the Project Agreement.

Section 3.2. Borrower Resources for the Project. The Borrower agrees that, after disbursement of the Loan, and at the request of the Administrator (on behalf of the Lending Banks), it will issue Standby Letters of Credit as described in Section 4.6 below.

Article 4: Loan Terms and Standby Facility

Section 4.1. Interest.

(a) The Borrower shall pay interest to A.I.D. on the outstanding principal balance of the Loan at a per annum rate equal to the yield per annum on 90-day U.S. Treasury Bills, plus Three-eighths of One percent (.375%). Interest shall be payable in arrears on each March 31, June 30, September 30 and December 31, and upon final payment of the Loan. Any interest payment that falls due on a day other than a Business Day shall be paid on the next succeeding Business Day.

(b) The interest shall be recalculated for each interest period, as follows:

(1) For the period immediately following the first disbursement of the Loan, the "yield per annum on 90-day U.S. Treasury Bills" shall mean the average yield on 90-day U.S. Treasury Bills as quoted in the Wall Street Journal on the day following the date of the first disbursement.

(2) For each succeeding period, the "yield per annum on 90-day U.S. Treasury Bills" shall mean the average yield on 90-day U.S. Treasury Bills as quoted in the Wall Street Journal on the second day of such period.

Section 4.2. Repayment of Principal.

(a) Subject to the provisions of Section 4.6 below on accelerated repayment, the Borrower shall repay the principal of the Loan within five (5) years of

the date of the first disbursement in two (2) equal annual installments the first of which shall be due on the date three (3) years after the date of the first disbursement.

(b) If a principal payment falls due on a day other than a Business Day, it shall be paid on the next succeeding Business Day.

(c) Notwithstanding the foregoing, the Borrower may deduct from the outstanding principal balance of the Loan any amounts paid by the Borrower under a Standby L/C in accordance with Section 4.6 below by delivering to A.I.D. of a Notice of Setoff in the form of Annex H to this Agreement. Such deductions may be made immediately upon payment under the Standby L/C and shall be applied to reduce installments of principal in the order of their maturity.

Section 4.3. Interest Rate After Default. Upon the occurrence of an Event of Default under Section 9.1 below, if A.I.D. declares all principal and interest on the Loan immediately due and payable, then interest on the outstanding balance shall upon such acceleration and without any further notice to the Borrower begin to accrue at the rate of four percent (4%) per annum plus the interest rate provided in Section 4.1 until all amounts owing under this Agreement have been paid.

Section 4.4. Application, Currency, and Place of Payment. All payments of amounts owing under this Agreement including principal, interest and fees shall be made in U.S. Dollars and shall be applied first to the payment of interest due and then to principal. Except as A.I.D. may otherwise specify in writing, payments shall be made by electronic funds transfer in immediately available funds to the Federal Reserve Bank of New York by specifying a credit to U.S. Treasury, New York City, A.I.D. Agency Location Code 72000001, referencing A.I.D. Loan Number _____. The Borrower shall notify A.I.D. of such payments by telex on the day that such payments are made.

Section 4.5. Termination on Full Payment. Upon payment in full of all amounts owing under this Agreement, the Agreement and all obligations of the Borrower and A.I.D. under it will immediately cease.

Section 4.6. Standby Facility.

(a) Commitment to Issue. After the first disbursement of the Loan, and upon receipt of a Lending Bank Standby Certificate (Annex F), the Borrower agrees to issue Standby Letters of Credit substantially in the form of Annex B to this Agreement. The Borrower shall not be required to issue a Standby Letter of Credit if such issuance would cause the Borrower's aggregate liabilities outstanding at any time on all Standby Letters of Credit issued under the Standby Facility to exceed the aggregate amount of Loan principal outstanding at any such time prior to the expiration of the requested Standby Letter of Credit. If the Standby Letter of Credit satisfies Section 2.6 above, the Borrower need not obtain A.I.D.'s prior approval.

(b) Payment of Claims. The Borrower may pay claims submitted under a Standby Letter of Credit only upon receipt from the Lending Bank of the following Claim Documents:

(1) an executed Sight Draft (Annex C);

(2) an executed Assignment and Certificate (Annex D); and

(3) an executed Subloan Schedule (Annex I) in which the Defaulted Subloan identified in Section I(1) of the Assignment and Certificate appears as a "New Subloan."

The Borrower agrees to furnish A.I.D. with the original Assignment and Certificate, and with such copies of the other Claim Documents or other documents exchanged between the Borrower and the Lending Bank as A.I.D. may request.

(c) Letter of Credit Application. A.I.D. shall be the account party in relation to Standby Letters of Credit opened under the Standby Facility, and the Lending Bank shall be the beneficiary. This Agreement shall be deemed A.I.D.'s application for the Standby Letters of Credit; and A.I.D. shall have no obligations to the Borrower other than those expressly provided in this Agreement or otherwise agreed to in writing by A.I.D. The Borrower's right

to deduct the amount of the payments made under a Standby Letter of Credit in accordance with Section 4.2(c) above shall be in lieu of any obligation A.I.D. might otherwise have to reimburse the Borrower for such amounts.

(d) Reduction of Standby Facility. If the aggregate utilization of the Standby Facility by all Lending Banks fails to reach the full amount of the Standby Facility within twelve (12) months of the first disbursement of the Loan:

(1) With the written concurrence of the Lending Banks, A.I.D. may instruct the Borrower to reduce the amount of the Standby Facility to equal the maximum amount of Subloan Coverage outstanding under the Standby Facility at any one time during the initial twelve-month period (as certified by A.I.D.), and to reduce any outstanding Standby L/Cs accordingly. However, in no event shall the Borrower be required to reduce the amount of any Standby L/C below the amount of Subloan principal covered thereunder; and

(2) A.I.D. may require the Borrower to prepay an amount of the Loan principal equal to the total outstanding principal balance of the Loan less the aggregate amount of the Standby L/Cs outstanding after reduction pursuant to Section 4.6(d)(1), without limitation to Borrower's rights under Section 4.2(c). Such prepayment shall be due on the Interest Due Date immediately following the reduction.

(e) Termination of Standby Facility. In the event a Lending Bank defaults under the Project Agreement, A.I.D. may, in addition to any other remedies provided by governing law

(1) terminate the Lending Bank's further access to the Standby Facility; and

(2) with the written concurrence of the Lending Bank, instruct the Borrower to reduce the amount of the Standby Letters of Credit to equal the amount of Subloan Coverage then outstanding, as indicated by the Lending Bank's most recent Subloan Schedule; and

(3) require the Borrower to prepay an amount of Loan principal equal to the total outstanding

principal balance of the Loan less the total amount of the Borrower's outstanding contingent liabilities under the Standby Letters of Credit after reduction pursuant to Section 4.6(e)(2), without limitation to Borrower's rights under Section 4.2(c), on the Interest Due Date immediately following the reduction. Thereafter, the Borrower shall repay the balance of the principal outstanding on the Interest Due Dates immediately following the dates on which the Borrower's outstanding contingent liabilities under the Standby Letters of Credit are reduced.

(f) Letter of Credit Fees. The Borrower may charge a fee for the issuance of Standby L/Cs in an amount of up to One quarter of One percent (.25%) per annum of the outstanding balance of the Standby L/C, payable in U.S. Dollars in advance. The Borrower may also charge other fees in accordance with its standard fee schedule or to be negotiated with the Lending Banks. The Borrower shall obtain payment of such fees directly from the Lending Banks. The Borrower's recourse for such fees shall be against the Lending Banks only, and A.I.D. shall have no other liability with respect to such fees.

Article 5: Representations and Warranties

The Borrower hereby represents and warrants as follows:

Section 5.1. Organization, Existence, Etc. of Borrower. The Borrower is a national banking association duly organized and validly existing under the laws of United States. To the best of Borrower's knowledge, the Borrower is qualified to do business in each jurisdiction where the conduct of its business requires such qualification, and it has full power, authority and legal right to carry out its business as presently conducted, to execute, deliver and perform this Agreement and all other documents which this Agreement contemplates will be executed by the Borrower.

Section 5.2. Authorization. The execution, delivery and performance by the Borrower of this Agreement, and any borrowing hereunder, have been duly authorized by all necessary action of the Borrower, do not require any additional approvals, do not contravene any law, regulation, rule or order binding on the Borrower, and do not contravene the provisions of or constitute a default under any indenture, mortgage,

contract or other agreement or instrument to which the Borrower is a party or by which the Borrower or any of its properties may be bound or affected.

Section 5.3. Government Approvals, Etc. No approval, permit, license, authorization, certificate, or consent of the Government of the United States or any political subdivision of any such government or any branch, department, agency, instrumentality, court, tribunal or regulatory authority which constitutes a part or exercises any sovereign power of any such government, including but not limited to all competent United States monetary authorities, is required for the making and performance by the Borrower of this Agreement, except such as have been heretofore obtained and are in full force and effect or will be obtained prior to any disbursement hereunder.

Section 5.4. Binding Obligations, Etc. This Agreement has been duly executed and delivered by the Borrower and constitutes a legal, valid and binding obligation of the Borrower enforceable against the Borrower in accordance with its terms.

Section 5.5. Litigation. There are no actions or proceedings and, to the best of Borrower's knowledge, no investigations or claims against or affecting the Borrower now pending before any court, arbitrator or Governmental Authority (or to the knowledge of the Borrower have any thereof been threatened nor does any basis exist therefor) which is likely to have a material adverse effect on the financial condition or operations of the Borrower.

Section 5.6. Representations as a Whole. This Agreement and any of the documents referred to herein, taken as a whole, do not, and will not when executed, contain any untrue statements of material fact or omit to state any material fact by the Borrower necessary in order to make the statements contained herein or therein not misleading. The facts and circumstances of which the Borrower has informed A.I.D., or caused A.I.D. to be informed, in the course of reaching agreement with A.I.D. on the Loan, are accurate and complete, and include all facts and circumstances that might materially affect the discharge of the Borrower's obligations under this Agreement. The Borrower will inform A.I.D. in a timely manner of any subsequent facts and circumstances that might materially affect, or that it is reasonable to believe might so affect, the Borrower's discharge of its obligations under this Agreement.

32

Article 6: Conditions Precedent

Section 6.1. Conditions Precedent to the First Disbursement. Except as A.I.D. may agree otherwise in writing, the obligation of A.I.D. to make the first disbursement of the Loan is subject to receipt by A.I.D. of each of the following in form and substance satisfactory to A.I.D.:

(a) an opinion of counsel that all the Borrower's representations in Sections 5.1, 5.2, 5.3, 5.4 and 5.5, are true and correct;

(b) a statement of the name of the person holding or acting in the office of the Borrower specified in Section 10.2, and of any additional representatives of the Borrower, together with a specimen signature of each person specified in such statement;

(c) a duly executed Project Agreement among A.I.D., the Administrator and the Lending Banks;

(d) a Certificate of Estimated Standby Utilization signed by the Administrator in an amount equal to the amount o the disbursement requested by the Borrower; and

(e) a Request and Certificate in the form of Annex G to this Agreement.

Section 6.2. Terminal Date for Satisfaction of Section 6.1 Conditions Precedent. If all of the conditions specified in Section 6.1 have not been met within sixty (60) days of the date of execution of the Project Agreement, or such later date as A.I.D. may agree to in writing, A.I.D. may, at its option, terminate this Agreement by written notice to Borrower.

Section 6.3. Conditions Precedent to Further Disbursements. Except as A.I.D. may agree otherwise in writing, the obligation of A.I.D. to make any further disbursements of the the Loan is subject to receipt by A.I.D. of each of the following in form and substance satisfactory to A.I.D.:

(a) a Certificate of Estimated Standby Utilization signed by the Administrator in an amount equal to the amount of the disbursement requested by the Borrower;

33

(b) such information as A.I.D. may reasonably request from the Administrator and the Lending Banks regarding their performance under the Project Agreement; and

(c) a Request and Certificate in the form of Annex G to this Agreement."

Article 7: Covenants.

Section 7.1. Reporting.

(a) The Borrower agrees to furnish quarterly reports to A.I.D. within thirty (30) days of the end of each quarter showing with respect to the quarter just ended:

(1) the amount of the Standby L/Cs issued;

(2) the total amount of drawings made under the Standby L/Cs;

(3) the total amounts paid against such drawings;

(4) the Borrower's total outstanding contingent liabilities under Standby L/Cs as of the last day of the quarter just ended.

(b) The Borrower shall also furnish A.I.D. such further information and reports relating to the Standby Facility and to this Agreement as A.I.D. may reasonably request.

Section 7.2. Records and Audits. The Borrower agrees that it will:

(a) maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices consistently applied, on Borrower's books and records, entries relating to the Standby Facility and to this Agreement, adequate to show, without limitation, the receipt and use of services acquired or furnished under the Loan. Such books and records will be audited regularly, in accordance with generally accepted auditing standards, and maintained except as A.I.D. may otherwise agree in writing, until the Loan has been fully repaid by the Borrower; and

(b) afford authorized representatives of A.I.D. an opportunity at all reasonable times to inspect Borrower's books, records, and other documents relating to the Standby Facility and the Loan to verify that Loan funds are being used in accordance with the terms and conditions of this Agreement.

Section 7.3. Notice of Project Agreement Execution. A.I.D. will promptly notify the Borrower of the date of execution of the Project Agreement among A.I.D., the Administrator and the Lending Banks.

Article 8: Disbursements

Section 8.1. Disbursement Mechanism. After satisfaction of conditions precedent set forth in Section 6.1(a) through (d), or Section 6.3(a) and (b), as appropriate, the Borrower may obtain disbursement of funds by submitting to A.I.D. a "Request and Certificate" in the form of Annex G to this Agreement. The Borrower shall submit the Request and Certificate directly to

Office of Investment
Bureau for Private Enterprise
Agency for International Development
2201 C Street, N.W.
Washington, D.C. 20523
Attention: Kathy Wilson

with a copy to

Office of Financial Management (FM/LMD)
Agency for International Development
Room 619
1975 Florida Avenue, N.W.
Washington, D. C. 20523.

Upon receipt of the appropriate documents and A.I.D.'s determination that the Borrower is entitled under this Agreement to the disbursement requested, A.I.D. shall disburse the requested amount to the Borrower. The submission of the Request and Certificate shall be deemed, in addition to the representations contained therein, a restatement of all representations and warranties contained in Article 5 as of the date of such submission.

35

Section 8.2. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as the Parties agree to in writing.

Article 9: Cancellation, Events of Default, Remedies

Section 9.1. Events of Default. The occurrence of any of the following events shall constitute an "Event of Default" under this Agreement regardless of the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any Governmental Authority.

(a) Payment Default. The Borrower shall fail to pay when due any amount of principal or interest on the Loan or any other amount payable by the Borrower under this Agreement.

(b) Breach of Warranty. Any representation, certification or warranty made by the Borrower under or in connection with this Agreement, including but not limited to representations made in Article 5 hereunder or any Request and Certificate, shall prove to have been incorrect when made or deemed made in accordance with Section 8.1.

(c) Breach of Covenant. The Borrower shall fail to comply with any covenant contained in this Agreement; or

(d) Insolvency, Etc. The Borrower shall admit in writing its inability to pay its debts or shall voluntarily suspend all, or substantially all, of its business operations, or to make a general assignment for the benefit of creditors; or any proceeding shall be instituted by the Borrower in any jurisdiction seeking to adjudicate it a bankrupt or insolvent, seeking reorganization, arrangement, adjustment or composition of it or its debt under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking appointment of a receiver, trustee or other similar official for it or for such part of its property as in the reasonable opinion of A.I.D. is a substantial part; or any such proceeding is instituted against the Borrower which is not dismissed within reasonable time in the jurisdiction

36

of or within whose venue the matter falls after the institution thereof; or the Borrower shall take action to authorize any of the actions set forth above in this subsection (d).

Section 9.2. Consequences of Default. Upon the occurrence of an Event of Default, A.I.D. may, at its sole option, and in addition to any other remedies provided by governing law:

(a) immediately terminate, or suspend and at any time thereafter terminate, A.I.D.'s obligation to make any further disbursements under the Loan; and/or

(b) without any presentment, demand or protest of any kind, all of which are expressly waived by the Borrower

(1) accelerate and declare immediately due all or any part of the outstanding principal, interest and fees under this Agreement that exceeds the Borrower's outstanding liabilities under the Standby Letters of Credit. As such liabilities are thereafter reduced, the Borrower shall repay an amount of the Loan principal equal to such reduction on the Interest Due Date immediately following such reduction; and/or

(2) with the written concurrence of the Lending Bank, require the Borrower to reduce the amount of all Standby L/Cs outstanding under the Standby Facility to the amount of Subloan Coverage outstanding thereunder, and accelerate and declare immediately due all or any part of the outstanding principal under this Agreement that exceeds the aggregate amount of Standby L/Cs outstanding after such reduction. As such Subloan Coverage is thereafter reduced, the Borrower shall reduce the amount of the Standby L/Cs accordingly, and repay an amount of the Loan principal equal to such reduction on the Interest Due Dates immediately following such reductions.

Section 9.3 Continued Effectiveness of Agreement. Notwithstanding any suspension of disbursements or acceleration of repayment, the provisions of this Agreement will continue in effect until the payment in full of all principal and interest hereunder.

Section 9.4. Refunds. In case the disbursement is not supported by valid documentation in accordance with this Agreement, A.I.D., notwithstanding the availability or exercise of any other remedies provided for under this Agreement, may require the Borrower to refund the amount of such disbursement less the amount of the Borrower's outstanding contingent liabilities under the Standby L/C which amount shall be refunded as reductions in such contingent liabilities permit such refunds. The right to require such refunds will continue, notwithstanding any other provision of this Agreement, for the term of this Agreement.

Section 9.5. Nonwaiver of Remedies. No delay in exercising any right or remedy accruing to A.I.D. in connection with its financing under this Agreement will be construed as a waiver of such right or remedy.

Section 9.6. Suspension of Disbursement. Notwithstanding any other provision of this Agreement, A.I.D. may decline to make a disbursement hereunder which would cause A.I.D. to be in violation of any statute or regulation governing it.

Article 10: Miscellaneous

Section 10.1. Communications. Except as otherwise specifically provided above, any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram, cable or telex, and will be deemed duly given or sent when delivered to such Party at the following address:

To the Borrower:

Mail Address: Southeast Bank N.A.
Int'l Trade Services Group
20th Floor
One Southeast Financial Center
Miami, Florida 33131
Attn: Mr. Donald Knowlton

Alternate address for telex: 6811519 SEMIA UW

To A.I.D.:

Mail Address: Office of Investment
Bureau for Private Enterprise
Agency for International Development
Washington, D.C. 20523
Attn: Kathy Wilson
Ref: Loan No. _____

Alternate address for telex: 248379 AID UR

Other addresses may be substituted for the above upon the giving of written notice.

Section 10.2. Representatives. For all purposes relevant to this Agreement, the Borrower will be represented by the individuals who are duly authorized representatives of the Borrower empowered to commit the Borrower, and A.I.D. will be represented by the individual holding or acting in the Office of Assistant Administrator, Bureau for Private Enterprise, each of whom, by written notice, may designate additional representatives for all purposes. The names of the representatives of the Borrower, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

Section 10.3. Project Implementation Letters. To assist the Borrower in the implementation of the Project, A.I.D., from time to time, may issue Project Implementation Letters that will furnish additional information about matters stated in this Agreement. Any such Project Implementation Letters shall not have the effect of amending or modifying any provision of this Agreement. The Parties may use jointly agreed-upon Project Implementation Letters to confirm and record their mutual understanding on aspects of the implementation of this Agreement.

Section 10.4. Governing Law. This Agreement shall be governed by the laws of the United States and the District of Columbia.

Section 10.5. Amendments. This Agreement may be amended only in writing signed by authorized representatives of both Parties.

Section 10.6. Jurisdiction. The Borrower consents to jurisdiction in the United States Federal District Court for the District of Columbia and agrees that, unless waived by A.I.D., any action brought to resolve any breach, default, dispute or interpretation of this Loan Agreement shall be commenced in the United States District Court for the District of Columbia. The Borrower agrees not to claim, in any such legal action, that the District of Columbia is an inconvenient place for trial. The foregoing shall not, however, limit the right of A.I.D. to serve legal process in any manner permitted by law or affect the right of A.I.D. to bring any action or proceeding against the Borrower or its property in any other courts having jurisdiction.

Section 10.7. Costs of Collection. With respect to any action brought by A.I.D. for breach of this Agreement, Borrower shall pay to A.I.D. all costs of collection, including reasonable attorneys fees, incurred in connection with any such action.

Section 10.8. Headings. The headings of the various provisions of this Agreement are for convenience of reference only, do not constitute a part hereof, and shall not affect the meaning or construction of any provision hereof.

Section 10.9. Assignment of Rights. The Borrower may assign any of its rights and delegate any of its duties under this Agreement only with the express written consent of A.I.D.

IN WITNESS WHEREOF, the Borrower and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the day and year first above written.

SOUTHEAST BANK N.A.	UNITED STATES OF AMERICA
By: [signature]	By: _____
Title: Vice President	Title: _____

ANNEXES

Annex A - Certificate of Estimated Standby Utilization

Annex B - Form of Irrevocable Standby L/C

Annex C - Draft

Annex D - Assignment and Certificate

Annex E - Notice of Final Payment

Annex F - Lending Bank Standby Certificate

Annex G - Request and Certificate

Annex H - Notice of Setoff

Annex I - Subloan Schedule

ANNEX A
(to Loan Agreement)

CERTIFICATE OF
ESTIMATED STANDBY UTILIZATION

This document is submitted with respect to the standby letter of credit facility ("Standby Facility") established pursuant to that loan agreement ("Loan Agreement") dated as of September 30, 1987, by and between Southeast Bank N.A. ("Issuing Bank") and the United States of America, acting through the Agency for International Development ("A.I.D.").

The _____ ("Administrator") hereby submits its good faith estimate that during the six (6) months immediately following the date of this certificate, the Local Lending Banks participating in the Project will be able to use _____ U.S. Dollars ($_____) of guaranty coverage under the Standby Facility.

CAMERA EMPRESARIAL DE GUATEMALA

By: _____

Title: _____

Date: _____

ANNEX B
(to Loan Agreement)

[FORM OF IRREVOCABLE STANDBY
LETTER OF CREDIT]

Letter of Credit No. _____

Date: _____

Location: _____

Gentlemen:

1. By order of our client, the United States of America, acting through the Agency for International Development ("A.I.D."), Southeast Bank N.A. ("Issuing Bank") hereby opens an irrevocable Letter of Credit in favor of _____ ("Beneficiary") for the initial amount of _____ United States Dollars ($_____).

2. The initial amount shall be reduced from time to time as follows ("Scheduled Reductions"):

(1) U.S.$_____ on _____;

(2) U.S.$_____ on _____;

(3) U.S.$_____ on _____.

The Scheduled Reductions provided in this Section are effective at _____, _____ time.

3. This letter of credit expires at _____, _____ time on _____ or upon receipt by the Issuing Bank of a tested or otherwise duly authenticated telex containing a "Notice of Final Payment" in the form of Annex E to the Loan Agreement dated as of September 30, 1987, by and between the Issuing Bank and and A.I.D. ("Loan Agreement"), whichever is earlier.

4. Drawings under this Letter of Credit shall be made by delivery of the following to the Issuing Bank's Letter of Credit Division:

(i) an executed sight draft ("Draft") (specifying "Drawn under _____ Letter of Credit No _____") in the form of Annex C to the Loan Agreement;

(ii) an executed Assignment and Certificate in the form of Annex D to the Loan Agreement, and

(iii) an executed Subloan Schedule in the form of Annex I to the Loan Agreement in which the Defaulted Subloan identified in Section I(1) of the Assignment and Certificate appears as a "New Subloan."

PARTIAL DRAWINGS UNDER THIS LETTER OF CREDIT ARE PERMITTED.

5. Upon receipt by the Issuing Bank of documents as provided in Paragraph 4 above before the time this Letter of Credit expires, the Issuing Bank will unconditionally and promptly honor same.

6. Drawings paid under this Letter of Credit, and all unscheduled reductions in the amount of this Letter of Credit, shall be subtracted from the amount of the succeeding Scheduled Reductions in the order in which they occur.

7. This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1983 Revision), International Chamber of Commerce, Publication No. 400, provided, however, that notwithstanding Article 45 thereof, if any installment is not drawn with the period, if any, allowed for that installment, this Letter of Credit shall not cease to be available for any subsequent installment.

8. All Letter of Credit fees shall be for the account of the Beneficiary.

9. All communications regarding this Letter of Credit shall be by an instrument in writing or by a tested or otherwise duly authenticated telex addressed to the Issuing Bank, Telex No. _____, Attention: Letter of Credit Division, and shall refer to Southeast Bank Letter of Credit No. _____.

Yours very truly,

SOUTHEAST BANK N.A.

By:_____

Title:_____

44

ANNEX C
(to Loan Agreement)

DRAFT

[to be supplied by the Issuing Bank]

ANNEX D
(to Loan Agreement)

Letter of Credit No. _____

ASSIGNMENT AND CERTIFICATE

The _____ ("Lending Bank") hereby submits this Assignment and Certificate in accordance with the terms of the Project Agreement, dated _____ __, 1987, by and among the Lending Bank, the Camera Empresarial de Guatemala ("Administrator") and the United States of America, acting through the Agency for International Development ("A.I.D.").

I. Certifications and Warranties

The Lending Bank hereby certifies and warrants as follows:

(1) This Assignment and Certificate relates to a loan by the Lending Bank dated _____ __, 198_ ("Defaulted Subloan") to _____ ("Defaulting Subborrower"). The Defaulted Subloan is identified as Subloan No. _____ in Lending Bank Subloan Schedule No. ___, dated _____, which was the Subloan Schedule in effect on the date that payments of principal or interest on the Defaulted Subloan most recently became past due ("Default Date"). As of the date of this Assignment and Certificate, the Defaulting Subborrower's payments under the Defaulted Subloan are at least One hundred eighty (180) days past due.

(2) Between and the Default Date and the date of this Assignment and Certificate, the Lending Bank has made commercially reasonable efforts to induce or compel the Defaulting Subborrower, and any other person or entity that may be liable primarily or secondarily for the Defaulted Subloan, to cure the default or repay the entire amount of the Defaulted Subloan, including the following: _____
_____.

(3) The Lending Bank's Net Principal Loss on the Defaulted Subloan is _____[local currency], calculated as follows:

(A) Principal balance of the Subloan on the Default Date (local cur.) _____

46

(B) (1) Recoveries against the Defaulting Subborrower between the Default Date and the date hereof that may be applied to the Defaulted Subloan (from all sources) _____

(2) Actual and reasonable collection expenses - _____

(3) Net Recoveries (B1-B2) - _____

(C) Net Principal Loss (A-B3) _____

(4) The Exchange Rate (as defined in Section 2._ of the Project Agreement) on the date of this Assignment and Certificate was _____ per one U.S. Dollar.

(5) The Net Principal Loss in U.S. Dollars is _____ U.S. Dollars ($_____).

(6) The amount of the Lending Bank's claim under the Standby L/C is the smaller of

(a) fifty percent (50%) of its Net Principal Loss on the Defaulted Subloan, and

(b) the amount outstanding of the Standby Letter under which this Assignment and certificate is submitted.

This amount is stated after the signature line in this Assignment and Certificate and is the amount of the draft being presented to the Issuing Bank along with this Assignment and Certificate.

II. Assignment

The Lending Bank acknowledges that the Issuing Bank will obtain reimbursement for its payment on the Standby Letter of Credit by offsetting amounts owed under a Loan Agreement between the Issuing Bank and the United States of America, acting through the Agency for International Development ("A.I.D."). The Lending Bank hereby assigns to A.I.D., in consideration for payment under the Standby Letter of Credit, fifty percent (50%) of the Lending Bank's right to receive payment of principal and interest under the Defaulted Subloan, including but not limited to the right to receive payment from

any person or entity primarily or secondarily liable on the Defaulted Subloan or from the realization of any collateral securing the Defaulted Subloan. The Lending Bank makes this assignment without warranty as to the collectibility of the indebtedness assigned and without recourse against the Lending Bank except for breach of any warranty or other obligation under this Assignment and Certificate.

III. Affirmative Undertakings

(a) Recoveries. (1) The Lending Bank agrees to pursue recovery of all unpaid principal and interest under the Defaulted Subloan in a commercially reasonable manner, and in no event shall the Lending Bank discontinue its collection efforts when the amount the Lending Bank could reasonably except to recover from all persons and entities primarily or secondarily liable for the Defaulted Subloan exceeds the amount of collection expenses the Lending Bank is likely to incur in making such recovery.

(2) With respect to any amounts recovered by the Lending Bank after the date of this Assignment and Certificate from any source that may be applied to the Defaulted Subloan, the Lending Bank agrees to promptly remit to A.I.D. fifty percent (50%) of such recovered amounts, reduced by fifty percent (50%) of actual and reasonable collection expenses. However, if there are any unreimbursed collection expenses that were incurred under the Defaulting Subloan between the Default Date and the date of this Assignment and Certificate, the amounts recovered may be applied to such expenses before calculating the amount that A.I.D. is entitled to receive.

(3) Except as A.I.D. may otherwise specify in writing, payments shall be made in U.S. Dollars by electronic funds transfer in immediately available funds to the Federal Reserve Bank of New York by specifying a credit to U.S. Treasury, New York City, A.I.D. Agency Location Code 72000001, A.I.D. Loan Number _____. The amounts remitted to A.I.D. shall be converted into U.S. Dollars at the Exchange Rate in effect on the date the funds are recovered.

(4) The Lending Bank's obligations under this Assignment and Certificate to pursue reasonable and diligent collection efforts and to distribute recoveries as provided herein shall terminate only when the entire amount of the Defaulted Subloan herein assigned to A.I.D. has been satisfied.

43

(b) Records. (1) The Lending Bank agrees to maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices consistently applied, the Lending Bank's books and records relating to the Defaulted Subloan and to this Assignment and Certificate adequate to show, without limitation, the actions taken by the Lending Bank in collecting on the Defaulted Subloan, and the manner in which amounts collected were applied. Such books and records will be maintained, except as A.I.D. may otherwise agree in writing, for three (3) years after the date of this Assignment and Certificate. The Lending Bank further agrees to afford authorized representatives of A.I.D. the opportunity at all reasonable times to inspect such books, records, and other documents to verify that Defaulted Subloan recoveries have been and will continue being applied in accordance with the terms and conditions of this Assignment and Certificate.

(2) A.I.D. shall use its best efforts to assure that confidential information obtained under this section shall not be disclosed without the written permission of the Lending Bank, except to other agencies of the United States Government.

IV. Miscellaneous

(a) The Lending Bank understands that the Issuing Bank is paying pursuant to the Standby Letter of Credit in reliance on the certifications, warranties and promises made in this Assignment and Certificate, and that the Lending Bank's obligations and liabilities under this Assignment and Certificate are in favor of A.I.D. as well as the Issuing Bank.

(b) The terms of this Assignment and Certificate are governed by the laws of the United States and the State of New York. The Lending Bank consents to the jurisdiction of the United States District Court for the District of Columbia with respect to any action brought to resolve any breach, default, dispute or interpretation of this Assignment and Certificate and agrees that, unless waived by A.I.D., venue in such court for such action is proper. The foregoing shall not, however, limit the right of A.I.D. to serve legal process in any manner permitted by law or affect the right of A.I.D. to bring any action or proceeding against the Lending Bank or its property in any other courts having jurisdiction. With respect to any action brought by A.I.D. for breach of this Assignment and Certificate, the Lending Bank shall pay to A.I.D. all costs,

including reasonable attorneys' fees, incurred in connection with such action.

[LENDING BANK]

By: _____

Title: _____

Date: _____

Amount claimed under Southeast Bank Letter of Credit No. _____:
U.S. $_____.

ADMINISTRATOR'S CERTIFICATION

The Camera Empresarial de Guatemala ("Administrator") hereby certifies that:

(a) the Subloan identified in Section I(1) of this Assignment and Certificate was covered by the Standby Facility on the Default Date; and

(b) to the best of the Administrator's knowledge, the Lending Bank has made commercially reasonable efforts to induce or compel the Defaulting Subborrower, and any other person or entity that may be liable primarily or secondarily for the Defaulted Subloan, to cure the default or repay the entire amount of the Defaulted Subloan, as stated in Section I(2) of this Assignment and Certificate.

CAMERA EMPRESARIAL DE GUATEMALA

By: _____

Title: _____

Date: _____

ANNEX E
(to Loan Agreement)

NOTICE OF FINAL PAYMENT

The _____ ("Lending Bank") hereby notifies _____ ("Issuing Bank") that on _____ the last outstanding Subloan covered by the Letter of Credit identified above was repaid in full. The Letter of Credit identified above is therefore discharged as of the date of the Issuing Bank's receipt of this Notice, if such discharge has not already occurred.

[LENDING BANK]

By: _____

Title: _____

Date: _____

ANNEX F
(to Loan Agreement)

LENDING BANK STANDBY CERTIFICATE

1. _____ ("Lending Bank") hereby requests that Southeast Bank N.A. ("Issuing Bank") issue a Standby Letter of Credit in its favor under the Standby Facility established pursuant to the Loan Agreement dated as of September 30, 1987, by and between the United States of America, acting through the Agency for International Development ("A.I.D."), and the Issuing Bank.

2. The Standby Letter of Credit requested hereby will be in the amount of _____ U.S. Dollars ($_____) ("Initial Amount") and will amortize and/or expire as provided in Paragraph 4 below.

3. The Standby Letter of Credit will cover up to Fifty percent (50%) of the Lending Bank's net principal losses on Qualifying Subloans made in accordance with the terms of the Project Agreement, dated _____ __, 1987, between A.I.D. and the Lending Bank ("Project Agreement"). Accordingly, the maximum aggregate principal amount of Subloans that may be covered under the Standby Letter of Credit at any one time is the local currency equivalent of twice the face amount of the Standby L/C, calculated in accordance with the Exchange Rate (as defined in the Project Agreement) in effect on the date of each Subloan, respectively.

4. The coverage reduction schedule of the requested Standby Letter of Credit will be as follows:

(i) the Initial Amount from the date of the issuance of the Standby Letter of Credit until _____;

(ii) _____U.S. Dollars from _____, until _____;

(iii) _____ U.S. Dollars from _____, until _____; and

(iv) ____ _____ U.S. Dollars from _____, until _____; at which time the Standby Letter of Credit will expire.

5. The submission of this Lending Bank Standby Certificate shall be deemed a representation and warranty by the Lending Bank that all the representations and warranties contained in Article 5 of the Project Agreement continue to be true as of the date of submission and that the Lending Bank has, since the Execution Date, carried out the Project in accordance with the terms of the Project Agreement.

6. The Lending Bank has simultaneously transmitted a copy of this Lending Bank Standby Certificate to A.I.D.

[LENDING BANK]

By: _____

Title: _____

Date: _____

ADMINISTRATOR'S CERTIFICATION

The Camera Empresarial de Guatemala ("Administrator") hereby certifies as follows: If the Standby L/C requested in this Lending Bank Standby Certificate is issued by the Issuing Bank, at all times during the life of such Standby L/C

(a) the aggregate amount of the Standby L/Cs outstanding under the Standby Facility in favor of the Lending Bank will not exceed the Lending Bank's share of guaranty coverage under the Standby Facility; and

(b) the aggregate amount of the Standby L/Cs outstanding under the Standby Facility will not exceed the amount of guaranty coverage available under the Standby Facility.

CAMERA EMPRESARIAL DE GUATEMALA

By: _____

Title: _____

Date: _____

ANNEX G
(to Loan Agreement)

REQUEST AND CERTIFICATE

Under the terms of the Loan Agreement ("Agreement") by and between Southeast Bank N.A., a national banking association organized and existing under the laws of the United States ("Borrower"), and the United States of America acting through the Agency for International Development ("A.I.D"), dated as of September 30, 1987, for Loan No. _____, the Borrower hereby requests a disbursement of _____ United States Dollars ($_____).

Without limiting any other representations, warranties or certifications the Borrower has made under the Agreement, the Borrower certifies that, with the submission of this Request and Certificate, all Conditions Precedent to Disbursement set forth in Section 6.1 [or Section 6.3, as appropriate] have been satisfied and that all the representations set forth in Article 5 are true and correct as of the date of the submission of this Request and Certificate.

The Borrower further certifies that it is in compliance with all the covenants and other terms and conditions of the Loan Agreement; that since the date of the Loan Agreement, the Borrower has carried out its obligations as contemplated thereunder; and that there has been no adverse change in the financial condition of the Borrower since the date of the Agreement which has materially affected or is likely materially to affect the Borrower's operations.

SOUTHEAST BANK N.A.

By: _____

Title: _____

Date: _____

ANNEX H
(to Loan Agreement)

NOTICE OF SETOFF

In accordance with Section 4.2 of the Loan Agreement ("Loan Agreement") for Loan No. _____ dated as of September 30, 1987, by and between Southeast Bank N.A. ("Borrower") and the United States of America, acting through the Agency for International Development ("A.I.D."), the Borrower hereby notifies A.I.D. that on _____, the Borrower paid _____ U.S. Dollars ($_____) to _____ ("Lending Bank") under the terms of the Standby Letter of Credit relating to a loan between the Lending Bank and _____ ("Defaulting Subborrower").

The Borrower hereby assigns to A.I.D., without warranty or recourse, any rights the Borrower may have acquired against either the Lending Bank or the Defaulting Subborrower by virtue of its payment under the Standby Letter of Credit. The Borrower's principal repayment obligation to A.I.D. under the Loan Agreement was reduced by the amount of the payment effective as of the date the payment was made.

SOUTHEAST BANK N.A.

By: _____

Title: _____

Date: _____

ANNEX I
(to Loan Agreement)

Letter of Credit No. _____

SUBLOAN SCHEDULE NO. ____

1. The _____ ("Lending Bank") hereby states that, as of the execution date of this Subloan Schedule, the following loans are covered by Southeast Bank Letter of Credit No. _____ in accordance with the terms of the Project Agreement ("Project Agreement") dated _____ __, 1987, by and among the Lending Bank, the Camera Empresarial de Guatemala ("Administrator") and the United States of America, acting through the Agency for International Development ("A.I.D."):

A. SUBLOANS PREVIOUSLY REPORTED

Subloan No.	Subborrower	Date of First Disbrsmnt	Initial Subloan Amt. (loc cur/$)	Current Subloan Amt. (loc cur/$)	Current A.I.D. Coverage ($)
1	_____	_____	_____	_____	_____
2	_____	_____	_____	_____	_____
SUBTOTALS:				_____	_____

B. NEW SUBLOANS

Subloan No.	Subborrower	Date of First Disbrsmnt	Initial Subloan Amt. (loc cur/$)	Current Subloan Amt. (loc cur/$)	Current A.I.D. Coverage ($)
3	_____	_____	_____	_____	_____
4	_____	_____	_____	_____	_____
SUBTOTALS:				_____	_____
TOTALS				_____	_____

2. The Lending Bank hereby certifies that all the loans identified above are Qualifying Subloans under Section 2.__ of the Project Agreement.

3. In the event that A.I.D. certifies to the Issuing Bank that the aggregate amount of Subloan Coverage outstanding at any one time under the Standby Facility has not reached the full amount of the Standby Facility within twelve (12) months of the date on which the Standby Facility was opened, this Subloan Schedule shall constitute the Lending Bank's instruction to the Issuing Bank to reduce the amount of the above-referenced Standby L/C so that the total amount of Standby L/C's outstanding equals the maximum amount of Subloan Coverage outstanding under the Standby Facility at any one time during the initial twelve (12) month period, as certified by A.I.D.

4. In the event of a default by the Lending Bank under the Project Agreement, or an event that permits A.I.D. to terminate the Lending Bank's utilization of the Standby Facility, certified as such to the Issuing Bank by A.I.D., this Subloan Schedule shall constitute the Lending Bank's instruction to the Issuing Bank

(1) to reduce the amount of the above-referenced Standby L/C to the total amount of Subloan Coverage listed in Section 2 of the Subloan Schedule current on the date of default or termination, and

(2) to reduce further the amount of the Standby L/C as and when the listed Subloans in that Subloan Schedule are repaid.

[LENDING BANK]

By: _____

Title: _____

Date: _____

Doc No. 2500c
DRAFT of February 26, 1988

PROJECT AGREEMENT

GUATEMALA

PRE 940 LOAN GUARANTY FACILITY

Project No.940-0002.74

Loan No.

Date: February 26, 1988

TABLE OF CONTENTS

		Page
Preamble		
Art. 1	- Purpose, Description	2
Art. 2	- Definitions	3
Art. 3	- Resources for the Project	4
Art. 4	- Administrator	4
Art. 5	- Lending Banks	6
Art. 6	- Qualifying Subloans	8
Art. 7	- Guaranty Facility	12
Art. 8	- Claim Procedures	17
Art. 9	- Fees	19
Art. 10	- Special Covenants	20
Art. 11	- General Covenants	21
Art. 12	- Rights & Remedies of A.I.D.	23
Art. 13	- Miscellaneous	26
Signature Page		29

Annex A-1 Project Description
Annex A-2 Estimate of Standby Utilization
Annex B Form of Irrevocable Standby L/C
Annex C Form of Sight Draft
Annex D Assignment and Certificate
Annex E Notice of Final Payment
Annex F Standby Certificate
Annex G Eligible Subloan Profile
Annex H Subloan Schedule

PROJECT AGREEMENT

This PROJECT AGREEMENT ("Agreement") is entered into as of the ____ day of February, 1988, by and among the Camara Empresarial de Guatemala ("CAEM" or "Administrator"), a civil association with recognized legal status, organized and existing under the laws of Guatemala, the United States of America, acting through the Agency for International Development ("A.I.D."), and such eligible private Guatemalan financial institutions as may, from time to time, execute a conformed copy of this Agreement ("Lending Banks").

Article 1. The Agreement

Section 1.1. Project Purpose. The purpose of the Project is to increase the amount of short-term and medium-term credit extended by the Lending Banks to small and medium-sized private enterprises located in Guatemala that produce, process or distribute agricultural products, or are engaged in industrial, artisanal or handicraft production. The Project is co-sponsored by A.I.D.'s Bureau for Private Enterprise in Washington, and the USAID Mission to Guatemala ("USAID/Guatemala"). USAID / Guatemala's participation is set forth in a separate agreement, identified as Private Enterprise Development Project (PED) No. 520-0341

Section 1.2. Project Description. To achieve the purposes of the Project, the Parties have taken or will take, as noted, the following steps:

(a) A.I.D. has entered into a loan agreement ("Loan Agreement"), dated September 30, 1987, with Southeast Bank N.A., a banking association organized and existing under the laws of the United States ("Issuing Bank"), under which A.I.D. has agreed to lend up to Three Million U.S. Dollars ($3,000,000) to the Issuing Bank ("Loan").

(b) In return for the Loan, the Issuing Bank has agreed to open standby letters of credit ("Standby L/Cs") in favor of the participating Lending Banks in an aggregate amount not to exceed the outstanding principal balance of the Loan.

(c) The Lending Banks will make loans to qual

(d) Should a Lending Bank be unable to collect principal due under a Qualifying Subloan covered by a Standby L/C, the Lending Bank may, subject to the terms and conditions of this Agreement, draw under that Standby L/C an amount not to exceed fifty percent (50%) of the uncollected principal.

Article 2: Definitions

The following terms, when capitalized, shall have the definitions stated below throughout this Agreement and its Annexes, unless the context clearly indicates otherwise:

Section 2.1. "Exchange Rate." The interbank spot rate in Guatemala of exchange for commercial transactions between Guatemalan Quetzales and U.S. Dollars as of 12:00 Noon in Guatemala City.

Section 2.2. "First Disbursement." As defined in Section 7.5 of this Agreement.

Section 2.3. "Governmental Authority." The government of the Host Country, or any other country, or any political subdivision of any such government, or any branch, department, agency, instrumentality, court, tribunal, or regulatory authority that constitutes a part, or exercises any sovereign power, of any such government.

Section 2.4. "Host Country." Guatemala.

Section 2.5. "Host Country Taxes." Taxes imposed, assessed, levied or collected by the Host Country, as described in Section 10.3 below.

Section 2.6. "Local Currency." Guatemalan Quetzales.

Section 2.7. "National of Host Country."

(a) An individual shall be deemed a National of the Host Country if, and only if, such individual is a citizen and legal resident of the Host Country.

(b) A corporation shall be deemed a National of the Host Country if the majority of its stock is owned by individuals or other corporations which are Nationals of the Host Country.

Section 2.8. "Standby Facility." The facility established by the Loan Agreement under which the Issuing Bank agrees to issue Standby L/Cs in favor of the Lending Bank.

Section 2.9. "Subborrower." A borrower under a Subloan.

61

Section 2.10. "Subloan." A loan made by a Lending Bank.

Section 2.11. "Subloan Coverage." The amount of Subloan principal guarantied by one or more Standby L/Cs, equal to up to Fifty percent (50%) of the aggregate principal amount of the Subloans relating to such Standby L/Cs.

Article 3: Resources for the Project

The Project described in Article 1 of this Agreement will be financed as follows:

Section 3.1. A.I.D. Resources.

(a) Pursuant to the Foreign Assistance Act of 1961, as amended, A.I.D. will lend the Issuing Bank up to Three Million U.S. Dollars ($3,000,000) under a five-year amortizeable loan against which the Issuing Bank has agreed to establish the Standby Facility described in Article 7 herein. A.I.D. has agreed that amounts paid by the Issuing Bank to the Lending Banks under Standby Letters of Credit opened under the Standby Facility may be offset against amounts owed A.I.D. by the Issuing Bank.

(b) Pursuant to separate agreement and subject to the availability of funds and administrative approvals, USAID/Guatemala may make available a guaranty fund of Local Currency in the equivalent of up to Five Million Five Hundred Thousand U.S. Dollars ($5,500,000) in support of the Project.

Section 3.2. Lending Bank Resources. The Lending Banks will provide one hundred percent (100%) of the funding for each Qualifying Subloan, and will invest reflows from Qualifying Subloans in new Qualifying Subloans during the life of the Standby Facility.

Section 3.3. Administrator and Lending Bank Contribution. The Administrator and the Lending Banks agree to provide (or cause to be provided) all other resources required to carry out the Project effectively, in a timely manner, and consistent with the terms of this Agreement.

Article 4. The Administrator

Section 4.1. Administrator's Responsibilities. The Administrator shall diligently and expeditiously take each

action that it is required to take under this Agreement to enable the Project to proceed, including, but not limited to,

(a) certifying the eligibility of financial institutions to participate as Lending Banks in the Project, in accordance with Section 5.2;

(b) apportioning the guaranty coverage available under the Standby Facility, and reductions thereto, among the participating Lending Banks, in accordance with Section 7.2;

(c) submitting Estimates of Standby Utilization on behalf of the participating Lending Banks, in accordance with Section 7.3(c);

(d) reviewing and certifying to A.I.D. each Lending Bank Standby Certificate in accordance with Section 7.3.;

(e) reviewing and certifying the Claim Documents submitted by participating Lending Banks, in accordance with Section 8.3;

(f) preparing and submitting such reports as may be reasonably requested by A.I.D.; and

(g) coordinating all communications between the Lending Banks and A.I.D.

Section 4.2. Books and Records. The Administrator shall maintain, in accordance with generally accepted accounting principles and practices, books and records relating to the Project and to this Agreement until three (3) years after the termination of the Standby Facility and shall afford authorized representatives of A.I.D. the opportunity at all reasonable times to inspect records and other documents relating to the Project and to this Agreement.

Section 4.3. Termination of Administrator. A.I.D. may, upon notice, terminate the Administrator. Such termination shall be effective upon the appointment of a successor Administrator. The outgoing Administrator shall use its best efforts to assist in the transfer of authority to the successor, and shall transfer all books, records, documents and instruments relating to the Project to the successor.

Article 5. The Lending Banks

Section 5.1. Eligibility Requirements. Unless A.I.D. agrees otherwise in writing, to be eligible for certification as a Lending Bank, a financial institution must:

(a) have its principal place of business in Guatemala;

(b) be more than fifty percent (50%) owned by citizens of Guatemala;

(c) be one Hundred percent (100%) privately owned, controlled and operated;

(d) be a corporation duly organized and validly existing under the laws of Guatemala, duly qualified to do business in each jurisdiction which requires such qualification;

(e) be registered with and currently licensed by the appropriate banking authority to operate as a bank primarily engaged in commercial credit activities;

(f) possess capital and reserves of not less than the Local Currency equivalent of One Million U.S. Dollars ($1,000,000);

(g) have demonstrated profitable performance -- including positive earnings calculated as a return on assets of at least One half of one percent (.5%) before technical adjustments -- from continuing operations for the three (3) years preceding the date of certification and for the entire period of participation in the Project;

(h) carry on its balance sheet total non-performing loans of not more than twelve percent (12%) of its total loan portfolio;

(i) provide for and fund a loan loss reserve equivalent to the amount of the Bank's uncollectible portfolio;

(j) have credit approval, extension, collection and monitoring standards and procedures acceptable to A.I.D.

(k) be unaware of any facts or circumstances which would be likely to have a material adverse effect on its operations or on its ability to perform its obligations under this Agreement, including any actions, proceedings, investigations or claims against or affecting it now

pending or threatened before any court, arbitrator or governmental or quasi-governmental authority, and including any material breach or default under any agreement to which it is a party or which is binding on it or on its assets;

(l) have informed A.I.D., or caused A.I.D. to be informed, of all facts and circumstances that might materially affect the Project and the discharge of its obligations under this Agreement and have made no untrue statements of material fact or failed to state any material fact necessary in order to make the statements contained herein or therein not misleading; and

(m) be in compliance with all applicable Guatemalan laws and regulations as evidenced by the institution's independently audited financial statements.

Section 5.2. Application for Certification. To apply for certification as a Lending Bank for the First Disbursement and to maintain its certification thereafter, a financial institution must submit to the Administrator evidence, in form and substance satisfactory to the Administrator and to A.I.D., that it meets the criteria set forth in Section 5.1. Such evidence shall include, but not be limited to, statements, audited and certified by an independent accountant, of assets, liabilities, net worth, and income source and use, for the three (3) years preceding the date of certification.

Section 5.3. Certification of Lending Banks after the First Disbursement. After the First Disbursement, the Administrator and A.I.D. may certify additional eligible financial institutions to participate in the Project as Lending Banks by providing to A.I.D., in form and substance satisfactory to A.I.D., all documents and certifications required by Section 5.2. and a statement of the amount of guaranty coverage (in U.S. Dollars) that has been apportioned to each such institution under the Standby Facility.

Section 5.4. Decertification of Lending Banks. Should the Administrator have reason to believe that any material adverse change has occurred in a Lending Bank's eligibility to participate in the Project, or that any events have occurred that constitute an Event of Default under Section 12.2, the Administrator shall immediately notify the Issuing Bank and A.I.D. that the Lending Bank

is no longer certified to request issuance of additional Standby Letters of Credit under the Standby Facility or to designate additional Qualifying Loans under Standby L/Cs outstanding.

Section 5.5. Lending Bank's Responsibilities. Each participating Lending Bank shall diligently and expeditiously take each action that it is required to take under this Agreement to enable the Project to proceed, including, without limitation:

(a) analyzing the credit risk of each Qualifying Subborrower in accordance with commercially reasonable standards and with the same degree of care that it applies to loans that are not covered by the Standby Facility;

(b) requiring such security as may be reasonably necessary to secure repayment of the Qualifying Subloan in accordance with commercially reasonable standards applied to loans that are not covered by the Standby Facility;

(c) ensuring that all Qualifying Subloans are in compliance with this Agreement;

(d) taking every reasonable action necessary to recover any amounts due and owing to A.I.D.; and

(e) applying all recoveries from Qualifying Subborrowers in default on a pro-rata basis to all amounts due to A.I.D., as required by Section III of the Assignment and Certificate (Annex D).

Article 6. Qualifying Subloans.

Section 6.1. Qualifying Subloan. To be eligible for coverage under the Standby Facility, a Subloan made by the Lending Bank must meet the following requirements:

(a) The Subborrower must be a Qualifying Subborrower as defined in Section 6.2 of this Agreement.

(b) The Subloan must be used by the Subborrower to finance only Qualifying Activities as defined in Section 6.3 of this Agreement.

(c) Unless A.I.D. agrees otherwise in writing, the total principal amount of all Subloans to the Subborrower guarantied under the Standby Facility

must not be greater than the Local Currency equivalent of One Hundred Thousand U.S. Dollars ($100,000), calculated according to the Exchange Rate prevailing on the date of the Subloan.

(d) The Subborrower must not be a borrowing customer of the Lending Bank, or if the Subborrower is a borrowing customer, the Subloan must be additional to the credit already being provided and must not be a renewal or extension of a pre-existing loan.

(e) The final payment of the guarantied portion of the Subloan must be due and payable not later than Two Hundred Ten (210) days before the expiration of the Standby L/C under which the Subloan is guarantied.

(f) No portion of the risk of repayment of the Subloan may be borne at any time by any Governmental Authority or any entity owned or controlled by any Governmental Authority.

(g) No portion of the Subloan may be directly financed with subsidized funds obtained by the Lending Bank from a Governmental Authority or an aid donor.

Section 6.2. Qualifying Subborrower. A Qualifying Subborrower is an individual, partnership, association, cooperative or corporation that:

(a) is more than fifty percent (50%) owned by Guatemalan nationals;

(b) is One Hundred percent (100%) privately owned, controlled and operated;

(c) has its principal place of business in Guatemala;

(d) owns a total of not more than the Local Currency equivalent of Two Hundred Thousand U.S. Dollars ($200,000) in assets and employs not more than one hundred (100) people (full - time equivalent) at the time the Subloan is made;

(e) presents evidence of satisfactory compliance with the terms and conditions of all previous Qualifying Subloans;

(f) has no loans outstanding from, or loan applications pending with, any other bank in Guatemala that have not been disclosed on its loan application to the Lending Bank; and

(g) meets such other eligibility requirements as A.I.D. may reasonably require.

Section 6.3. Qualifying Activities. To be covered by a Standby L/C and to retain that coverage for the duration of the loan, the proceeds of Qualifying Subloans must be used to finance the production, processing or distribution of agricultural, industrial, artisanal or handicraft products and, unless A.I.D. agrees otherwise in writing, may not at any time be used to finance the following activities:

(a) the production, processing or marketing of sugar, palm oil, cotton, or citrus, in whole or in part, for export;

(b) the purchase, manufacture, importation, distribution or application of pesticides;

(c) the production, processing or marketing of luxury goods or gambling equipment;

(d) activities related to abortion or involuntary sterilization;

(e) police, other law enforcement, or military activities;

(f) the production, processing or marketing of materials for explosives, surveillance equipment, or weather modification equipment;

(g) the purchase of goods or services which are shipped from or produced in the USSR, Albania, Bulgaria, Czechoslovakia, German Democratic Republic, Estonia, Hungary, Latvia, Lithuania, Romania, Poland, Vietnam, North Korea, People's Republic of China, Mongolia, Laos, Cambodia, or Cuba, or are produced by corporations or other entities that are more than fifty percent (50%) owned by citizens of those countries;

(h) the purchase of motor vehicles not manufactured in the United States, if more than fifty percent

68

(50%) of the proceeds of the Subloan are used for such purchases; and

(i) such other activities as A.I.D. may identify from time to time after notice to the Administrator and the Lending Banks.

Section 6.4. Subloan Noncompliance.

(a) Lending Bank's Duty to Cure.

(1) In the event that the Lending Bank has reason to believe that a Subloan covered by the Standby Facility is not in compliance with Section 6.3, the Lending Bank shall promptly notify A.I.D. Upon receiving such notice, A.I.D. shall determine whether, under the circumstances, the prohibition at issue may be waived, and shall promptly notify the Lending Bank of its determination.

(2) If A.I.D. notifies the Lending Bank that the prohibition may not be waived, the Lending Bank shall, within thirty (30) days of receipt of such notice, either

(i) demonstrate to A.I.D.'s satisfaction that, in fact, the Subloan was always in compliance with Section 6.3; or

(ii) induce or compel the noncomplying Subborrower to cure such noncompliance.

(b) Forfeit of Guaranty. In the event that the Lending Bank fails to present evidence satisfactory to A.I.D. that it has satisfied the requirements of subsection (a)(2) above, then notwithstanding the terms of the relevant Standby L/C, the Lending Bank shall forfeit its right to obtain payment under the Standby Facility on the noncomplying Subloan and shall immediately remove the noncomplying Subloan from the Subloan Schedule (Annex H).

(c) Repayment. If the Lending Bank obtains payment under the Standby L/C for a Subloan which is in noncompliance with this Section 6, the Lending Bank shall be liable immediately to repay to A.I.D. the full amount of such payment plus interest accruing from the date of payment at the rate of Twelve percent (12%) per annum.

Section 6.5. Disqualification. Any previously Qualifying Subborrower that does not cure noncompliance with this Agreement promptly upon receiving notice of such noncompliance shall no longer be qualified to receive loans guarantied under the Standby Facility.

Article 7: The Standby Facility

Section 7.1. Amount of Coverage Available. The amount of guaranty coverage available under the Standby Facility shall be equal to the outstanding principal balance of the Loan. The Loan shall be disbursed to the Issuing Bank in increments of not less than Five Hundred Thousand U.S. Dollars ($500,000) and the total amount disbursed shall not exceed Three Million U.S. Dollars ($3,000,000). The amount disbursed becomes the principal balance due A.I.D. by the Issuing Bank under the Loan Agreement and that balance shall be reduced as follows:

(a) as the Issuing Bank repays the principal balance of the Loan within five (5) years of the date of the first disbursement in two (2) equal annual installments the first of which is due on the fourth anniversary of the first disbursement of A.I.D.'s loan to the Issuing Bank;

(b) as amounts paid in claims under the Standby Facility are offset against principal payments due under the Loan Agreement;

(c) by A.I.D., at its option, at the conclusion of the twelve-month period immediately following the first disbursement of the Loan. At that time, A.I.D. may instruct the Issuing Bank:

(1) to reduce the amount of the Standby Facility to equal the maximum amount of Subloan Coverage outstanding under the Standby Facility at any one time during the initial twelve-month period (as certified by A.I.D.);

(2) to reduce the amount of any outstanding Standby L/Cs accordingly; and

(3) to make a prepayment of the Loan,

provided, however, that the Issuing Bank shall not be required to reduce the amount of any Standby L/C below the amount of Subloan Coverage outstanding thereunder; and

(d) by A.I.D., at its option and upon notice to the Administrator and to each participating Lending Bank, in the event of a default by the Issuing Bank under the Loan Agreement.

Section 7.2. Bank Limit.

(a) The amount of guaranty coverage apportioned to any one Lending Bank shall not, without the prior written approval of A.I.D., exceed twenty percent (20%) of the Lending Bank's paid in capital, or the Local Currency equivalent of One Million U.S. Dollars ($1,000,000), whichever is less.

(b) Reductions in the amount of coverage under Section 4.1 shall be distributed among the Lending Banks as the Administrator shall determine, provided, however, that reductions under Section 4.1(b) shall be charged to the Lending Bank whose claim was paid.

Section 7.3. Conditions Precedent to Initial Utilization of Standby Facility. Unless A.I.D. agrees otherwise in writing, prior to the first disbursement of the Loan and the opening of the Standby Facility, A.I.D. shall receive from the Administrator, in form and substance satisfactory to A.I.D., the following:

(a) An opinion of counsel for the Administrator acceptable to A.I.D. stating that:

(1) the Administrator has full power, authority and legal right to execute, deliver, and perform the obligations set forth in this Agreement and in all other documents that this Agreement contemplates will be executed by the Administrator;

(2) the execution, delivery, and performance of this Agreement have been duly authorized by all necessary actions of the Administrator and require no additional approvals; contravene no law, regulation, rule or order binding on the Administrator; require no approvals, permits, licenses, authorizations, certificates, or consents of any Governmental Authority except such as have been heretofore obtained and are in full force and effect; and,

(3) this Agreement has been duly executed and delivered by the Administrator and constitutes a legal, valid and binding obligation of the Administrator in accordance with its terms.

(b) A statement showing the name of the persons holding or acting in the office of the Administrator specified in Section 13.2, and of any additional representatives of the Administrator, together with a specimen signature of each person named in such statement;

(c) A copy of the Estimate of Standby Utilization ("ESU"), substantially in the form of Annex A-2 to this Agreement, in an amount not less than Five Hundred Thousand U.S. Dollars ($500,000), that has been submitted by the Administrator to the Issuing Bank.

(d) For each Lending Bank named in the ESU, an evaluation by the Administrator of the Lending Bank's credit review and collection procedures; a certification by the Administrator that the Lending Bank meets the eligibility requirements set forth in Article 5 of this Agreement; and evidence that the Lending Bank has provided to the Administrator, in form and substance satisfactory to the Administrator, the following documents, the originals of which shall be forwarded by the Administrator to A.I.D.:

(1) a conformed copy of this Agreement executed by the Lending Bank;

(2) a description of the Lending Bank's lending criteria (e.g., collateral requirements) and loan origination plans;

(3) an opinion of counsel acceptable to the Administrator, stating that:

(i) the Lending Bank has full power, authority and legal right to execute, deliver, and perform the obligations set forth in this Agreement and in all other documents that this Agreement contemplates will be executed by the Lending Bank including making all remittances of amounts recovered in accordance with this Agreement and the Assignment and Certificate;

(ii) the execution, delivery, and performance of this Agreement have been duly authorized by all necessary action of the Lending Bank and require no additional approval; contravene no law, regulation, rule or order binding on the Lending

Bank; contravene no provisions of or constitute a default under any indenture, mortgage, contract or other agreement or instrument to which the Lending Bank is a party or by which the Lending Bank or any of its properties may be bound or affected; require no approvals, permits, licenses, authorizations, certificates, or consents of any Governmental Authority except such as have been heretofore obtained and are in full force and effect; and

(iii) this Agreement has been duly executed and delivered by the Lending Bank and constitutes a legal, valid and binding obligation of the Lending Bank in accordance with its terms.

(4) the names of the duly appointed representatives of the Lending Bank, together with a specimen signature of each representative named;

(5) a Standby Certificate substantially in the form of Annex F to this Agreement, certifying that the amount of the Standby L/C requested is not in excess of the Bank Limit;

(6) a Subloan Schedule substantially in the form of Annex H to the Agreement identifying the Qualifying Subloans to be covered by the Standby L/C; and

(7) such other information as the Administrator may reasonably request.

(e) Such other information as A.I.D. may reasonably request.

Section 7.4. Terminal Date for Satisfaction of Section 7.3 Conditions Precedent. If all of the conditions specified in Section 7.3 have not been met within one hundred eighty (180) days of the execution date of this Agreement, or such later date as A.I.D. may agree to in writing, A.I.D. may, at its option, terminate this Agreement by written notice to Administrator.

Section 7.5. First Disbursement. After the conditions precedent set forth in Sections 7.3 are met, and upon receipt from the Issuing Bank of a request for disbursement, A.I.D. will make a disbursement of the Loan in an amount equal to the anticipated utilization stated in the ESU. The Issuing Bank will then notify the Administrator that the Standby Facility has been opened in an amount equal to the amount of the A.I.D. disbursement.

73

Section 7.6. Conditions Precedent to Subsequent Disbursements. Except as A.I.D. may otherwise agree in writing, at any time after the first disbursement of the Loan, but not later than twelve (12) months after the date of the first disbursement, the Administrator may request an increase in the coverage of the Standby Facility by submitting to A.I.D., in form and substance satisfactory to A.I.D., the following:

(a) an Estimate of Standby Utilization in an amount that is not less than Five Hundred Thousand U.S. Dollars ($500,000) and that, with the amounts previously disbursed, is not in excess of Three Million U.S. Dollars ($3,000,000); and

(b) a certification that the Lending Bank(s) requesting an increase in Standby L/C coverage continue to be eligible to participate in the Project, or, if a new bank, that it has satisfied the eligibility requirements for participation in the project; and

(c) such information as A.I.D. may reasonably request from the Administrator, including, without limitation, information relating to the performance of the Administrator, the Lending Banks and the performance of the Subloans under this Agreement.

Section 7.7. Standby L/Cs.

(a) The Standby L/Cs requested under the Standby Facility may guaranty one or more Qualifying Subloans and, unless A.I.D. and the Issuing Bank agree otherwise in writing, must be in an initial amount of not less the One Hundred Thousand U.S. Dollars ($100,000).

(b) The Lending Banks shall request issuance of Standby L/Cs only if such issuance would not cause the aggregate amount of Standby L/Cs issued in its favor under the Standby Facility to exceed its Bank Limit (as reduced from time to time in accordance with Section 4.1) at any time during the life of such Standby L/Cs.

Section 7.8. Qualifying Subloan Report. The Lending Bank shall submit a Qualifying Subloan Report, in the form of Annex G to this Agreement, for each Qualifying Subloan covered under the Standby Facility, within ten (10) days of the date on which the Subloan Agreement is made.

.94

Section 7.9. Subloan Schedules. For each Standby L/C opened under the Standby Facility, the Lending Bank shall submit to the Administrator a Subloan Schedule, substantially in the form of Annex H, identifying the Qualifying Subloans guarantied thereunder. A Subloan Schedule shall be prepared at the time the Lending Bank requests issuance of a Standby L/C, and quarterly thereafter.

Section 7.10. Termination of Standby Facility.

(a) The last date upon which the Lending Bank may request the issuance of a Standby L/C is Two Hundred Forty (240) days prior to the last principal due date under the Loan Agreement.

(b) The final payment of the portion of each Subloan guarantied hereunder must be due no later than Two Hundred Ten (210) days prior to the expiration of the Standby L/C under which the Subloan is guarantied. See Section 8.1. The Lending Bank will thus have thirty (30) days after any Subloan payment is One Hundred Eighty days (180) days past due to draw under the relevant Standby L/C.

Article 8. Claims Under the Standby Facility.

Section 8.1. Collection Period. Unless A.I.D. agrees otherwise in writing, a Lending Bank may submit a claim for payment under a Standby L/C only after registering with the Subborrower a Notice of Collection and thereafter pursuing all reasonable and diligent collection activities against the defaulting Subborrower for a minimum period of One Hundred Eighty (180) days. All amounts recovered from the defaulting Subborrower during that period must be applied to reduce the uncollected interest and principal as provided in the Assignment and Certificate (Annex D).

Section 8.2. Submission of Claim Documents to Administrator. To make a claim for payment under a Standby L/C, the Lending Bank shall submit the following Claim Documents to the Administrator for each defaulted Subloan:

(a) an executed sight draft ("Draft") in the form of Annex C to this Agreement, specifying ("Drawn under Southeast Bank Letter of Credit No. _____");

15

(b) evidence that a Demand Certificate has been duly filed with the appropriate judicial authorities confirming: 1) the legal action taken against the Subborrower, 2) the relevant executive instrument and legal precedents and premises on which the requested action is based and, 3) the judgement being requested of the court.

(c) an executed Assignment and Certificate in the form of Annex D to this Agreement; and

(d) a copy of the Subloan Schedule in the form of Annex H to this Agreement in which the defaulted Subloan identified in Section I(1) of the Assignment and Certificate appears as a "New Subloan."

(e) such other information as the Administrator may reasonably request.

Section 8.3. Administrator's Certification of Claim. The Administrator shall review the Claim Documents submitted by the Lending Bank to assure that the Subloan Schedule includes the Subloan identified in Section I(1) of the Assignment and Certificate, and shall certify the accuracy of the information set forth in the Assignment and Certificate, and shall forward the Claim Documents to the Issuing Bank.

Section 8.4. Limitation on Amount of Claim. The amount of any claim under the Standby Facility is limited to fifty percent (50%) of the uncollected principal of the defaulted Subloan or the amount of coverage remaining under the Standby L/C under which the Subloan is covered, whichever is less.

Section 8.5. Pursuit of Recovery. After payment of a claim, the Lending Bank shall pursue recovery of all amounts due under the defaulted Subloan no less diligently than it pursues recovery of its loans that are not covered by the Standby Facility, and shall continue its collection efforts until A.I.D. agrees in writing that such efforts may be discontinued.

Section 8.6. Disposition of Recoveries. The Lending Bank shall apply all amounts recovered from the defaulting Subborrower as provided in the Assignment and Certificate.

Article 9. Fees for Standby Facility.

Section 9.1. A.I.D. Facility Fee.

(a) Each participating Lending Bank shall pay to A.I.D. a one-time fee ("Facility Fee") in U.S. Dollars of One percent (1%) of its initial Bank Limit as determined by the Administrator under Section 7.2. The Lending Bank shall pay its Facility Fee within ten (10) days after the Administrator submits the Estimate of Standby Utilization certifying the Lending Bank's eligibility.

(b) In the event that its Bank Limit is increased, the Lending Bank shall pay an additional Facility Fee in U.S. Dollars of One percent (1%) of the amount of such increase within ten (10) days thereafter unless such increase is a reassignment of guaranty coverage for which another Lending Bank has already paid a Facility Fee.

(c) Facility Fees shall be non-refundable notwithstanding the failure of the Administrator to request sufficient coverage to support disbursements up to the Bank Limit, or the failure of the Lending Bank to request issuance of Standby L/Cs in aggregate amount equal to its Bank Limit.

Section 9.2. A.I.D. Guaranty Fee. Each participating Lending Bank shall pay to A.I.D. a fee ("Guaranty Fee") in U.S. Dollars of One percent (1%) per annum of the aggregate amount of their Subloan Coverage under the Standby Facility. The Guaranty Fee shall begin to accrue on the date of issuance of the first Standby L/C and shall be payable in arrears on each June 30 and December 31, and at the termination of the Standby Facility.

Section 9.3. Issuing Bank Fees. Each participating Lending Bank shall pay to the Issuing Bank a fee for the issuance of Standby L/Cs of up to One quarter of One percent (.25%) per annum on the principal amount of the Standby L/Cs outstanding in its favor, payable quarterly in arrears.

Section 9.4. Late Payment Charge. In the event of late payment of any amounts due to A.I.D., a charge ("Late Payment Charge") shall be assessed on the unpaid amount at the rate of twelve percent (12%) per annum, accruing from the date the payment was due until the date payment is received by A.I.D.

Section 9.5. Application, Currency, and Place of Payment. All payments of amounts owing to A.I.D. under this Agreement shall be made in U.S. Dollars and shall be applied first to the payment of interest due under Section 9.4 above, and then to fees and any other amounts owing. Except as A.I.D. may otherwise specify in writing, payments shall be made by electronic funds transfer in immediately available funds to the Letter of Credit Issuing Bank at _____ with Reference to A.I.D. Loan No. _____. The Lending Bank shall notify A.I.D. of such payment by telex on the date such payments are made.

Article 10. Special Covenants

Section 10.1. Execution of Project. The Administrator and the Lending Banks shall use their best efforts to:

(a) carry out the Project or cause it to be carried out with due diligence and efficiency, in conformity with sound technical, financial and management practices; and,

(b) provide qualified and experienced management for, and train such staff as may be appropriate for the maintenance and operation of the Project, and, as applicable for continuing activities, cause the Project to be operated and maintained in such manner as to assure the continuing and successful achievement of the purposes of the Project.

Section 10.2. Preference to Certain Qualifying Subloans. Each participating Lending Bank agrees to use its best efforts to provide credit that will increase the participation of women in productive enterprises.

Section 10.3. Taxes. All amounts payable under this Agreement shall be made free and clear of, and without reduction by reason of, any taxes set forth below and, with respect to such taxes, each participating Lending Bank agrees as follows:

(a) to pay when due all present and future income, stamp and other taxes and levies, imposts, deductions, charges, compulsory loans and withholdings whatsoever imposed, assessed, levied or collected by the government of Guatemala or any

18

political subdivision or taxing authority thereof or therein, together with interest thereon and penalties with respect thereto, if any, on or in the respect of this Agreement or the registration, notarization or other formalization thereof (hereinafter termed "Host Country Taxes").

(b) to furnish promptly to A.I.D. any tax receipts in respect of such Country Taxes and such other evidence as A.I.D. may from time to time reasonably require to establish to its satisfaction that full and timely payment has been made of all Host Country Taxes.

(c) to indemnify A.I.D. against, and reimburse A.I.D. upon demand for, any Country Taxes and any loss, liability, claim or expense, including interest, penalties and legal fees which A.I.D. may incur at any time arising out of or in connection with any failure of the Lending Bank to make any payment of Host Country Taxes when due.

Article 11. General Covenants

Section 11.1. Project Review and Evaluation. The Parties agree to cooperate to review and evaluate the Project as follows:

(a) Project Review. At least every three months during the first twelve months of the Project and at least yearly thereafter for the duration of the Project, the Parties shall meet to review the Project and discuss such matters as may be appropriate to fulfill the Project objectives. During these reviews, each Lending Bank shall provide A.I.D. a statement of its financial condition for A.I.D.'s review. In the event the Administrator is not fulfilling its obligations to the satisfaction of A.I.D., or if the Project is not proceeding in a manner satisfactory to A.I.D., it is agreed that A.I.D. may use whatever remedies it deems necessary under this Agreement and under the Loan Agreement, until such time, if any, that A.I.D. is satisfied that the Project may proceed.

(b) Project Evaluation. Except as the Parties agree otherwise in writing, A.I.D. shall be responsible for evaluating the Project and shall determine and bear the costs involved in such evaluation. Such evaluation shall assess the progress of the Project

toward attainment of the objectives; identification and evaluation of problem areas or constraints that may inhibit such attainment; assessment of how such information may be used to help overcome such problems; and an evaluation, to the degree feasible, of the overall development impact of the Project.

Section 11.2. Consultation. The Parties will cooperate to assure that the purpose of this Agreement will be accomplished. To this end, the Parties will exchange views at the request of any one Party and as otherwise requested by A.I.D.

Section 11.3. Reports, Records, Inspections, Audit. Each participating Lending Bank shall:

(a) furnish to the Administrator copies of the following documents:

(1) quarterly financial statements to be submitted within sixty days of the end of the bank's usual reporting period; and

(2) annual financial statements audited by independent accountants acceptable to A.I.D. to be submitted within 120 days after the close of the fiscal year;

(b) maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices consistently applied, books and records relating to the Project, to this Agreement, to the Qualifying Subloans and to the Assignment, adequate to show the Lending Bank's compliance with this Agreement and including, without limitation, the purpose for which the Qualifying Subloans were made, the size and type of business of the borrowers, actions taken by the Lending Bank in collecting on the defaulted Subloans, and the manner in which amounts collected were applied. Such books and records shall be audited regularly by independent accountants acceptable to A.I.D. in accordance with generally accepted auditing standards and maintained (except as A.I.D. may otherwise agree in writing) until three (3) years after the termination of the Standby Facility;

(c) afford authorized representatives of A.I.D. the opportunity at all reasonable times to inspect records, and other documents relating to the Project

and the Standby Facility to verify that Qualifying Subloans are being made and recoveries pursued and applied in accordance with the terms and conditions of this Agreement; and

(d) such other information and reports as A.I.D. may reasonably request.

Section 11.4. Completeness of Information. The Administrator and each Lending Bank warrants and represents that:

(a) the facts and circumstances of which they have informed A.I.D., or caused A.I.D. to be informed, in the course of reaching this Agreement with A.I.D. are accurate and complete, and include all facts and circumstances that might materially affect the Project, this Agreement, and the discharge of each's responsibilities under this Agreement; and

(b) each will inform A.I.D. in timely fashion of any subsequent facts and circumstances that might materially affect, or that it is reasonable to believe might so affect, the Project, this Agreement, or the discharge of each's responsibilities under this Agreement.

Section 11.5. Publicity. The Administrator will give appropriate publicity to the Standby Facility and the Project as a program to which the United States has contributed and identify the Project as financed partially by A.I.D., as may be requested in Project Implementation Letters, as described in Section 13.3.

Article 12: Rights and Remedies of A.I.D.

Section 12.1. Suspension of Standby Facility.

(a) If events have occurred that give A.I.D. reasonable grounds to believe that a Lending Bank may be unable to perform its obligations under this Agreement, A.I.D. may upon notice to the Administrator, suspend the Lending Bank's right

(1) to request issuance of new Standby L/Cs under the Standby Facility, and

(2) to add new Qualifying Subloans to Standby L/Cs outstanding.

Such notice shall state the basis for the suspension. If the Lending Bank provides A.I.D. with adequate assurance of performance, A.I.D. shall, upon notice to the Lending Bank, lift the suspension. If no such adequate assurance is provided to A.I.D. within thirty (30) days of receipt by the Lending Bank of the notice of suspension, A.I.D. may thereafter declare an Event of Default as provided in Section 12.2(e) of this Agreement.

(b) In the event that the suspension provided for in subsection (a) of this Section is lifted without default, the Lending Bank may add to its Subloan Schedules or place under a newly opened Standby L/C, any Qualifying Subloans, not in default, made by the Lending Bank during the suspension.

(c) Suspension of new Standby L/C availability under subsection (a) of this Section shall not affect the validity and enforceability of Standby L/Cs outstanding at the time of the suspension, or the Lending Bank's obligations in connection therewith.

Section 12.2. Events of Default. The occurrence of any of the following events shall constitute an "Event of Default" under this Agreement regardless of the reason for such event and whether it shall be voluntary or involuntary or be effected by operation of law or pursuant to any judgment, decree or order of any court or any order, rule or regulation of any Governmental Authority:

(a) Payment Default. A Lending Bank shall fail to pay when due any amount owing under this Agreement or any fees or other amounts due directly from the Lending Bank to the Issuing Bank in payment for the Standby Facility.

(b) Breach of Warranty. Any material representation, certification or warranty made by the Lending Bank under or in connection with this Agreement shall prove to have been incorrect when made or deemed made in accordance with this Agreement.

(c) Breach of Covenant. A Lending Bank shall fail to comply with any covenant or other provision contained in this Agreement.

(d) Insolvency, Etc. A Lending Bank shall admit in writing its inability to pay its debts or shall voluntarily suspend all, or substantially all, of its business operations, or to make a general assignment for the benefit of creditors; or any proceeding shall be instituted by the Lending Bank in any jurisdiction seeking to adjudicate it a bankrupt or insolvent, seeking reorganization, arrangement, adjustment or composition of it or its debt under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking appointment of a receiver, trustee or other similar official for it or for such part of its property as in the reasonable opinion of A.I.D. is a substantial part; or any such proceeding is instituted against the Lending Bank which is not dismissed within reasonable time in the jurisdiction of or within whose venue the matter falls after the institution thereof; or the Lending Bank shall take action to authorize any of the actions set forth above in this subsection (d).

(e) Adverse Events. Any event shall have occurred which gives A.I.D. reasonable grounds to believe that a Lending Bank may be unable to perform its obligations under this Agreement, and within thirty (30) days after notice from A.I.D. as provided in Section 12.1(a), the Lending Bank fails to provide adequate assurance of due performance.

(f) Disqualification. A Lending Bank no longer qualifies to participate in the Project in accordance with Section 6.5 of this Agreement.

Section 12.3. Consequences of Default. Upon the occurrence of an Event of Default, A.I.D. may, in addition to any other remedies provided by governing law and any additional rights A.I.D. may have with respect to the Issuing Bank under the Loan Agreement

(a) immediately terminate, or suspend and at any time thereafter terminate, any right the defaulting Lending Bank may have

(1) to request issuance of additional Standby L/Cs under the Standby Facility, and

(2) to designate additional Qualifying Subloans under Standby L/Cs outstanding,

provided, however, that a termination or suspension by A.I.D. shall have no effect on the validity and enforceability of the Standby L/Cs then outstanding, or on the Lending Bank's obligation to submit Subloan Schedules and to pay Guaranty Fees when due with respect to Standby L/Cs outstanding; and

(b) with the written concurrence of the Lending Bank, require the Issuing Bank to reduce the amount of any Standby L/C to equal the amount of Subloan Coverage then outstanding thereunder, as indicated by the Lending Bank's most recent Subloan Schedule.

Section 12.4. Nonwaiver of Remedies. No delay in exercising any right or remedy accruing to A.I.D. in connection with this Agreement will be construed as a waiver of such right or remedy.

Section 12.5. Suspension of Disbursements. Notwithstanding any other provision of this Agreement, A.I.D. may decline to make any disbursements under the Loan Agreement which would cause A.I.D. to be in violation of any statute or regulation governing it, whether or not such statute or regulation is in existence as of the date of execution of this Agreement or is amended thereafter.

Article 13: Miscellaneous

Section 13.1. Communications. Except as otherwise specifically provided in this Agreement, any notice, request, document, or other communication submitted by either Party to the other under this Agreement will be in writing or by telegram, cable or telex, and will be deemed duly given or sent when delivered to such Party at the following address:

To the Administrator

Mail Address:
Camara Empresarial de Guatemala
_____
_____
Attn: _____

Alternate address for telex:
_____

To A.I.D.:

Mail Address:
Office of Investment
Bureau for Private Enterprise
Agency for International Development
Washington, D.C. 20523
Attn: Kathy Wilson

Alternate address for telex:
248379 AID UR

All such communications will be in English, unless the Parties otherwise agree in writing. Other addresses may be substituted for the above upon the giving of notice.

Section 13.2. Representatives. For all purposes relevant to this Agreement, the Administrator and each of the Lending Banks, respectively, will be represented by the individuals who are duly authorized to commit them, and A.I.D. will be represented by the individual holding or acting in the Office of Assistant Administrator, Bureau for Private Enterprise. Each representative may, by written notice, designate additional representatives for all purposes. The names of the representatives of the Administrator and each of the Lending Banks, respectively, with specimen signatures, will be provided to A.I.D., which may accept as duly authorized any instrument signed by such representatives in implementation of this Agreement, until receipt of written notice of revocation of their authority.

Section 13.3. Project Implementation Letters. To assist the Lending Bank in the implementation of the Project, A.I.D., from time to time, may issue separately numbered Project Implementation Letters that will furnish additional information about matters stated in this Agreement. The Parties may also use jointly agreed-upon Project Implementation Letters to confirm and record their mutual understanding on aspects of the implementation of this Agreement.

Section 13.4. Amendments. This Agreement may be amended only by a written document executed by the Parties. Unless otherwise clearly stated in the text thereof, an amendment shall become effective, as follows:

(a) with respect to the Administrator's obligations, at the time such amendment is duly executed by A.I.D. and the Administrator; and

(b) with respect to the obligations of any Lending Bank, at the time such amendment is duly executed by A.I.D., the Administrator, and the Lending Bank.

Section 13.5. Term of Agreement. The term of this Agreement shall be from the date hereof until the date all sums due A.I.D. under the Loan Agreement are paid.

Section 13.6. Language of Agreement. This Agreement may be translated into Spanish for the convenience of the Parties. In the event of ambiguity or conflict between the English and Spanish versions of this Agreement, the English version shall control.

Section 13.7. Governing Law. This Agreement shall be governed by the laws of the United States and the District of Columbia.

Section 13.8. Jurisdiction. The Administrator and each Lending Bank consent to jurisdiction in the United States District Court for the District of Columbia and agree that, unless waived by A.I.D., any action brought to resolve any breach, default, dispute or interpretation of this Agreement and of any Assignment shall be commenced in the United States District Court for the District of Columbia. The Administrator and each Lending Bank agree not to claim, in any such legal action, that the District of Columbia is an inconvenient place for trial. The foregoing shall not, however, limit the right of A.I.D. to serve legal process in any manner permitted by law or affect the right of A.I.D. to bring any action or proceeding against another Party or its property in the courts of the Republic of Guatemala or in any other courts that may have jurisdiction.

Section 13.9. Headings. The headings of the various provisions of this Agreement are for convenience of reference only, do not constitute a part hereof, and shall not affect the meaning or construction of any provision hereof.

Section 13.10. A.I.D. Disclaimer. This Agreement refers in various places to actions that the Issuing Bank will take in establishing and administering the Standby Facility. The only contractual obligations the Issuing

Bank has to A.I.D. are those stated in the Loan Agreement. A.I.D. makes no warranty and undertakes no obligation to the Administrator or the Lending Banks with respect to the Issuing Bank's performance of its obligations under the Loan Agreement or of those actions or responsibilities that this Agreement describes as being undertaken by the Issuing Bank. A.I.D.'s only obligations with respect to the Lending Bank shall be those expressly imposed on A.I.D. under this Agreement.

* * * * *

IN WITNESS WHEREOF, the Administrator, the Lending Bank identified below, and the United States of America, each acting through its duly authorized representative, have caused this Agreement to be signed in their names and delivered as of the dates written below.

CAMARA EMPRESARIAL DE GUATEMALA

By: _____

Title: _____

UNITED STATES OF AMERICA

By: _____

Title: _____

LENDING BANK

By: _____

Title: _____

LENDING BANK

By: _____

Title: _____

LENDING BANK

By: _____

Title: _____

ANNEXES

Annex A-1 - Project Description

Annex A-2 - Estimate of Standby Utilization (ESU)

Annex B - Form of Irrevocable Standby L/C

Annex C - Form of Sight Draft

Annex D - Lending Bank Assignment and Certificate

Annex E - Notice of Final Payment

Annex F - Lending Bank Standby Request & Certificate

Annex G - Qualifying Subloan Profile

Annex H - Subloan Schedule

ANNEX A-1

PROJECT DESCRIPTION

This Annex A is for descriptive purposes and does not impose any contractual obligation on the A.I.D. or the Lending Bank except as otherwise expressly provided in the main body of this Agreement, nor does it vary any obligations otherwise arising under the body of this Agreement.

I. Objectives

II. Project Implementation

The Parties contemplate that the Project will be implemented according to the following schedule:

September 30, 1987	-	Loan Agreement signed
March 15, 1988	-	Project Agreement signed
March 31, 1988	-	Satisfaction of Section 7.3 Conditions Precedent
April 30, 1988	-	First Disbursement of A.I.D Loan; opening of Standby Facility
July 31, 1988	-	Full utilization of first $500,000 in coverage; second disbursement of A.I.D. Loan
November 30, 1988	-	Full utilization of second $500,000 in coverage; third disbursement of A.I.D. Loan
February 1, 1989	-	Full utilization of third $1,000,000 in coverage

III. Reporting and Consultation Requirements

The Lending Bank shall furnish to A.I.D. copies of the Lending Bank's quarterly unaudited financial statements within 60 days of the end of the relevant reporting period, and annual financial statements audited by independent accountants acceptable to A.I.D. within thirty (30) days after their submission to shareholders. The Lending Bank shall also complete the Qualified Subloan Report approved by A.I.D. for each Subloan guarantied under the Standby Facility, and shall submit these reports within ten (10) days of the date each Qualifying Subloan is signed. The Lending Bank agrees to meet with A.I.D. personnel periodically to review the implementation of the Project.

ANNEX A-2

ESTIMATE OF STANDBY UTILIZATION

(ESU)

This document is submitted with respect to the standby letter of credit facility ("Standby Facility") established pursuant to that loan agreement ("Loan Agreement") dated as of September 30, 1987, by and between Southeast Bank N.A. ("Issuing Bank") and the United States of America, acting through the Agency for International Development ("A.I.D.").

The Camara Empresarial de Guatemala ("Administrator") hereby submits its good faith estimate that during the six (6) months immediately following the date hereof, the participating Lending Banks will be able to use _____ U.S. Dollars ($_____) of guaranty coverage under the Standby Facility.

CAMARA EMPRESARIAL DE
GUATEMALA

By: _____

Title: _____

Date: _____

ANNEX B

FORM OF IRREVOCABLE STANDBY
LETTER OF CREDIT

Letter of Credit No. _____

Date: _____
Location: _____

Gentlemen:

1. By order of our client, the United States of America, acting through the Agency for International Development ("A.I.D."), Southeast Bank N.A. ("Issuing Bank") hereby opens an irrevocable Letter of Credit in favor of _____ ("Beneficiary") for the initial amount of _____ United States Dollars ($_____).

2. The initial amount shall be reduced by U.S.$ on ("Scheduled Reduction").

The Scheduled Reduction provided in this Section is effective at _____, _____ time.

3. This letter of credit expires at _____, _____ time on _____ or upon receipt by the Issuing Bank of a tested or otherwise duly authenticated telex containing a "Notice of Final Payment" in the form of Annex E to the Loan Agreement dated as of September 30, 1987, by and between the Issuing Bank and A.I.D. ("Loan Agreement"), whichever is earlier.

4. Drawings under this Letter of Credit shall be made by delivery of the following to the Issuing Bank's Letter of Credit Division:

(i) a sight draft ("Draft") (specifying "Drawn under _____ Letter of Credit No. _____") in the form of Annex C to the Loan Agreement signed by an officer of the beneficiary;

(ii) an Assignment and Certificate in the form of Annex D to the Loan Agreement signed by an officer of the beneficiary; and

(iii) a copy of the Subloan Schedule in the form of Annex H to the Loan Agreement in which the Defaulted Subloan identified in Section I(1) of the Assignment and Certificate appears as a 'New Subloan.'

PARTIAL DRAWINGS UNDER THIS LETTER OF CREDIT ARE PERMITTED.

5. Upon receipt by the Issuing Bank of documents as provided in Paragraph 4 above before the time this Letter of Credit expires, the Issuing Bank will unconditionally and promptly honor same.

6. Drawings paid under this Letter of Credit, and all unscheduled reductions in the amount of this Letter of Credit, shall be subtracted from the amount of the succeeding Scheduled Reductions in the order in which they occur.

7. This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1983 Revision), International Chamber of Commerce, Publication No. 400, provided, however, that notwithstanding Article 45 thereof, if any installment is not drawn within the period, if any, allowed for that installment, this Letter of Credit shall not cease to be available for any subsequent installment.

8. All Letter of Credit fees shall be for the account of the Beneficiary.

9. All communications regarding this Letter of Credit shall be by an instrument in writing or by a tested or otherwise duly authenticated telex addressed to the Issuing Bank, Telex No. _____, Attention: Letter of Credit Division, and shall refer to Southeast Bank Letter of Credit No. _____.

Yours very truly,

SOUTHEAST BANK N.A.

By: _____

Title: _____

ANNEX C

SIGHT DRAFT

(To be supplied by the Issuing Bank)

ANNEX D

LENDING BANK ASSIGNMENT AND CERTIFICATE

Letter of Credit No. _____

The _____ ("Lending Bank") hereby submits this Assignment and Certificate in accordance with the terms of the Project Agreement, dated February , 1988, by and among the Lending Bank, the Camara Empresarial de Guatemala ("Administrator") and the United States of America, acting through the Agency for International Development ("A.I.D.").

I. Certifications and Warranties

The Lending Bank hereby certifies and warrants as follows:

(1) This Assignment and Certificate relates to a loan by the Lending Bank dated _____, 198_ ("Defaulted Subloan") to _____ ("Defaulting Subborrower"). The Defaulted Subloan is identified as Subloan No. _____ in Lending Bank Subloan Schedule No. ___, dated _____, which was the Subloan Schedule in effect on the date that payments of principal or interest on the Defaulted Subloan most recently became past due ("Default Date"). As of the date of this Assignment and Certificate, the Defaulting Subborrower's payments under the Defaulted Subloan are at least One hundred eighty (180) days past due.

(2) Between the Default Date and the date of this Assignment and Certificate, the Lending Bank has made commercially reasonable efforts to induce or compel the Defaulting Subborrower, and any other person or entity that may be liable primarily or secondarily for the Defaulted Subloan, to cure the default or repay the entire amount of the Defaulted Subloan, including the following: _____
_____
_____.

(3) The Lending Bank's net principal loss on the Defaulted Subloan is _____local currency, calculated as follows:

(A) Principal balance of the Subloan on the Default Date (local cur.) _____

(B) (1) Recoveries against the Defaulting Subborrower between the Default Date and the date hereof that may be applied to the Defaulted Subloan (from all sources) _____

(2) Actual and reasonable collection expenses _____

(3) Net Recoveries (B1-B2) _____

(C) Net Principal Loss (A-B3) _____

(4) The Exchange Rate (as defined in Section 2.1 of the Project Agreement) on the date of this Assignment and Certificate was _____ per one U.S. Dollar.

(5) The net principal loss in U.S. Dollars is _____ U.S. Dollars ($_____).

(6) The amount of the Lending Bank's claim under the Standby L/C is the smaller of

(a) fifty percent (50%) of its net principal loss on the Defaulted Subloan, and

(b) the amount outstanding of the Standby Letter under which this Assignment and certificate is submitted.

This amount is stated after the signature line in this Assignment and Certificate and is the amount of the draft being presented to the Issuing Bank along with this Assignment and Certificate.

II. Assignment

The Lending Bank acknowledges that the Issuing Bank will obtain reimbursement for its payment on the Standby Letter of Credit by offsetting amounts owed under a Loan Agreement between the Issuing Bank and the United States of America, acting through the Agency for International Development ("A.I.D."). The Lending Bank hereby assigns to A.I.D., in

consideration for payment under the Standby Letter of Credit, fifty percent (50%) of the Lending Bank's right to receive payment of principal and interest under the Defaulted Subloan, including but not limited to the right to receive payment from any person or entity primarily or secondarily liable on the Defaulted Subloan or from the realization of any collateral securing the Defaulted Subloan. The Lending Bank makes this assignment without warranty as to the collectibility of the indebtedness assigned and without recourse against the Lending Bank except for breach of any warranty or other obligation under this Assignment and Certificate.

III. Affirmative Undertakings

(a) Recoveries.

(1) The Lending Bank agrees to pursue recovery of all unpaid principal and interest under the Defaulted Subloan in a commercially reasonable manner, and in no event shall the Lending Bank discontinue its collection efforts when the amount the Lending Bank could reasonably expect to recover from all persons and entities primarily or secondarily liable for the Defaulted Subloan exceeds the amount of collection expenses the Lending Bank is likely to incur in making such recovery.

(2) With respect to any amounts recovered by the Lending Bank after the date of this Assignment and Certificate from any source that may be applied to the Defaulted Subloan, the Lending Bank agrees to promptly remit to A.I.D. fifty percent (50%) of such recovered amounts, reduced by fifty percent (50%) of actual and reasonable collection expenses. However, if there are any unreimbursed collection expenses that were incurred under the Defaulting Subloan between the Default Date and the date of this Assignment and Certificate, the amounts recovered may be applied to such expenses before calculating the amount that A.I.D. is entitled to receive.

(3) Except as A.I.D. may otherwise specify in writing, payments shall be made in U.S. Dollars by electronic funds transfer in immediately available funds to the Letter of Credit Issuing Bank by specifying a credit to _____ A.I.D. Loan Number _____. The amounts remitted under this Assignment and Certificate shall be converted into U.S. Dollars at the Exchange Rate in effect on the date the funds are recovered.

(4) The Lending Bank's obligations under this Assignment and Certificate to pursue reasonable and diligent collection efforts and to distribute recoveries as provided

herein shall terminate only when the entire amount of the Defaulted Subloan herein assigned to A.I.D. has been satisfied.

(b) Records.

(1) The Lending Bank agrees to maintain or cause to be maintained, in accordance with generally accepted accounting principles and practices consistently applied, the Lending Bank's books and records relating to the Defaulted Subloan and to this Assignment and Certificate adequate to show, without limitation, the actions taken by the Lending Bank in collecting on the Defaulted Subloan, and the manner in which amounts collected were applied. Such books and records will be maintained, except as A.I.D. may otherwise agree in writing, for three (3) years after the date of this Assignment and Certificate. The Lending Bank further agrees to afford authorized representatives of A.I.D. the opportunity at all reasonable times to inspect such books, records, and other documents to verify that Defaulted Subloan recoveries have been and will continue being applied in accordance with the terms and conditions of this Assignment and Certificate.

(2) A.I.D. shall use its best efforts to assure that confidential information obtained under this section shall not be disclosed without the written permission of the Lending Bank, except to other agencies of the United States Government.

IV. Miscellaneous

(a) The Lending Bank understands that the Issuing Bank is paying pursuant to the Standby Letter of Credit in reliance on the certifications, warranties and promises made in this Assignment and Certificate, and that the Lending Bank's obligations and liabilities under this Assignment and Certificate are in favor of A.I.D. as well as the Issuing Bank.

(b) The terms of this Assignment and Certificate are governed by the laws of the United States and the State of New York. The Lending Bank consents to the jurisdiction of the United States District Court for the District of Columbia with respect to any action brought to resolve any breach, default, dispute or interpretation of this Assignment and Certificate and agrees that, unless waived by A.I.D., venue in such court for such action is proper. The foregoing shall not, however, limit the right of A.I.D. to serve legal process in any manner permitted by law or affect the right of A.I.D. to bring any action or proceeding against the Lending Bank or its property in any other courts having jurisdiction. With respect to any action brought by A.I.D. for breach of this Assignment and

Certificate, the Lending Bank shall pay to A.I.D. all costs, including reasonable attorneys' fees, incurred in connection with such action.

LENDING BANK

By: _____

Title: _____

Date: _____

Amount claimed under Southeast Bank Letter of Credit No. _____: U.S. $_____.

ADMINISTRATOR'S CERTIFICATION

The Camara Empresarial de Guatemala ("Administrator") hereby certifies that:

(a) the Subloan identified in Section I(1) of this Assignment and Certificate was covered by the Standby Facility on the Default Date; and

(b) to the best of the Administrator's knowledge, the Lending Bank has made commercially reasonable efforts to induce or compel the Defaulting Subborrower, and any other person or entity that may be liable primarily or secondarily for the Defaulted Subloan, to cure the default or repay the entire amount of the Defaulted Subloan, as stated in Section I(2) of this Assignment and Certificate.

CAMARA EMPRESARIAL DE GUATEMALA

By: _____

Title: _____

Date: _____

ANNEX E

NOTICE OF FINAL PAYMENT

Ref Letter of Credit No._____

The _____ ("Lending Bank") hereby notifies _____ ("Issuing Bank") that on _____ the last outstanding Subloan covered by the Letter of Credit identified above was repaid in full. The Letter of Credit identified above is therefore discharged as of the date of the Issuing Bank's receipt of this Notice, if such discharge has not already occurred.

LENDING BANK

By: _____

Title: _____

Date: _____

ANNEX F

LENDING BANK STANDBY REQUEST AND CERTIFICATE

1. _____ ("Lending Bank") hereby requests that Southeast Bank N.A. ("Issuing Bank") issue a Standby Letter of Credit in its favor under the Standby Facility established pursuant to the Loan Agreement dated as of September 30, 1987, by and between the United States of America, acting through the Agency for International Development ("A.I.D."), and the Issuing Bank.

2. The Standby Letter of Credit requested hereby will be in the amount of _____ U.S. Dollars ($_____) ("Initial Amount") and will amortize and/or expire as provided in Paragraph 4 below.

3. The Standby Letter of Credit will cover up to Fifty percent (50%) of the Lending Bank's net principal losses on Qualifying Subloans made in accordance with the terms of the Project Agreement, dated February__, 1988, between A.I.D. and the Lending Bank ("Project Agreement"). Accordingly, the maximum aggregate principal amount of Subloans that may be covered under the Standby Letter of Credit at any one time is the local currency equivalent of twice the face amount of the Standby L/C, calculated in accordance with the Exchange Rate (as defined in the Project Agreement) in effect on the date of each Subloan, respectively.

4. The coverage reduction schedule of the requested Standby Letter of Credit will be as follows:

(i) the Initial Amount from the date of the issuance of the Standby Letter of Credit until ____;_____

(ii) _____U.S. Dollars from _____, until _____; at which time the Standby Letter of Credit will expire.

5. The submission of this Lending Bank Standby Certificate shall be deemed a representation and warranty by the Lending Bank that all the representations and warranties contained in Article 5 of the Project Agreement continue to be true as of the date of submission and that the Lending Bank has, since the Execution Date, carried out the Project in accordance with the terms of the Project Agreement.

6. The Lending Bank has simultaneously transmitted a copy of this Lending Bank Standby Certificate to A.I.D.

LENDING BANK

By: _____

Title: _____

Date: _____

ADMINISTRATOR'S CERTIFICATION

The Camara Empresarial de Guatemala ("Administrator") hereby certifies as follows: If the Standby L/C requested in this Lending Bank Standby Certificate is issued by the Issuing Bank, at all times during the life of such Standby L/C

(a) the aggregate amount of the Standby L/Cs outstanding under the Standby Facility in favor of the Lending Bank will not exceed the Lending Bank's share of guaranty coverage under the Standby Facility; and

(b) the aggregate amount of the Standby L/Cs outstanding under the Standby Facility will not exceed the amount of guaranty coverage available under the Standby Facility.

CAMARA EMPRESARIAL DE GUATEMALA

By: _____

Title: _____

Date: _____

ANNEX G

QUALIFYING SUBLOAN PROFILE

Subloan No. _____

1. Name of Borrower:

2. Contact Person(s):

3. Business Address:

4. Telephone:

5. Nature of enterprise or business activity:

6. Business Location / Scope of Enterprise:

7. Loan Amount (Quetzales):

8. Date Granted:

9. Terms:

10. Repayment Schedule:

11. Purpose of the Loan:

12. Description and value of collateral / secrutiy provided:

13. Size of enterprise (as of date of the loan):

14. - Form of association or corporation
    - Nature of ownership:

    - Employees: _____male _____female
    - Annual sales / revenues
    - Net Income
    - Total Assets
    - Total Liabilities

15. New Customer: _____ yes _____ no

    If new customer, relationship to any existing customer:

    If existing, nature of current relationship:

    Borrowing:_____ Non-borrowing_____

    Date of Last Loan_____

    Original principal amount last loan_____

    Current balance of loan outstanding_____

    Nature of proposed borrowing relationship:

ANNEX H

Letter of Credit No. _____

SUBLOAN SCHEDULE NO. ____

1. The _____ ("Lending Bank") hereby states that, as of the execution date of this Subloan Schedule, the following loans are covered by Southeast Bank Letter of Credit No. _____ in accordance with the terms of the Project Agreement ("Project Agreement") dated as of February , 1988, by and among the Lending Bank, the Cámara Empresarial de Guatemala ("Administrator") and the United States of America, acting through the Agency for International Development ("A.I.D."):

A. SUBLOANS PREVIOUSLY REPORTED

Sub-loan No.	Subborrower	Date of First Disbrsmnt	Initial Subloan Amt. (loc cur/$)	Current Subloan Amt. (loc cur/$)	Current A.I.D. Coverage ($)
1	_____	_____	_____	_____	_____
2	_____	_____	_____	_____	_____
SUBTOTALS:				_____	_____

B. NEW SUBLOANS

Sub-loan No.	Subborrower	Date of First Disbrsmnt	Initial Subloan Amt. (loc cur/$)	Current Subloan Amt. (loc cur/$)	Current A.I.D. Coverage ($)
3	_____	_____	_____	_____	_____
4	_____	_____	_____	_____	_____
SUBTOTALS:				_____	_____
TOTALS				_____	_____

2. The Lending Bank hereby certifies that all the loans identified above are Qualifying Subloans under Section 6.1 of the Project Agreement.

3. In the event that A.I.D. certifies to the Issuing Bank that the aggregate amount of Subloan Coverage outstanding at any one time under the Standby Facility has not reached the full amount of the Standby Facility within twelve (12) months of the date on which the Standby Facility was opened, this Subloan Schedule shall constitute the Lending Bank's instruction to the Issuing Bank to reduce the amount of the above-referenced Standby L/C so that the total amount of Standby L/C's outstanding equals the maximum amount of Subloan Coverage outstanding under the Standby Facility at any one time during the initial twelve (12) month period, as certified by A.I.D.

4. In the event of a default by the Lending Bank under the Project Agreement, or an event that permits A.I.D. to terminate the Lending Bank's utilization of the Standby Facility, certified as such to the Issuing Bank by A.I.D., this Subloan Schedule shall constitute the Lending Bank's instruction to the Issuing Bank

(1) to reduce the amount of the above-referenced Standby L/C to the total amount of Subloan Coverage listed in Section 2 of the Subloan Schedule current on the date of default or termination, and

(2) to reduce further the amount of the Standby L/C as and when the listed Subloans in that Subloan Schedule are repaid.

LENDING BANK

By: _____

Title: _____

Date: _____

2500c

APPENDIX E

Documento No. 2499c
BORRADOR de febrero 26, 1988

CONVENIO DE PROYECTO

GUATEMALA

LINEA DE GARANTIA / PRE 940

Proyecto No. 940-0002.74

Préstamo No.

Fecha: Febrero 26, 1988

CONVENIO DE PROYECTO

Este CONVENIO DE PROYECTO ("Convenio") se celebra a los _____ días del mes de marzo de 1988, entre la Cámara Empresarial de Guatemala ("CAEM" o "Administrador"), asociación civil con personería jurídica que fue organizada y existe dentro de las leyes de Guatemala; los Estados Unidos de Norte América, actuando por medio de la Agencia para el Desarrollo Internacional ("A.I.D."), y las instituciones financieras privadas elegibles que suscriban de este Convenio ("Bancos Prestatarios").

Artículo 1. El Convenio

Sección 1.1. Propósito del Proyecto. El propósito del Proyecto es aumentar el número de créditos de corto y mediano plazo concedidos por los Bancos Prestatarios a las empresas pequeñas y medianas de Guatemala que producen, procesan o distribuyen productos agrícolas, o están dedicadas a la producción industrial, artesanal y de manualidades. El Proyecto está co-auspiciado por la Oficina de la Empresa Privada de la A.I.D en Washington (PRE) y la Misión en Guatemala de la A.I.D ("USAID/Guatemala"). La participación de la USAID/Guatemala ha quedado establecida en un convenio separado identificado como Proyecto de Desarrollo de la Empresa Privada No. 520-0341. _____.

Sección 1.2 Descripción del Proyecto. Para lograr los propósitos del Proyecto, las Partes han llevado o llevarán a cabo lo siguiente:

(a) La A.I.D. ha celebrado un convenio de préstamo ("Convenio de Préstamo") fechado el 30 de septiembre de 1987, con el Southeast Bank, N.A., asociación bancaria organizada y que existe dentro de las leyes de los Estados Unidos ("Banco Emisor"), por el cual la A.I.D. ha convenido en prestar hasta Tres Millones de Dólares de los Estados Unidos ($3,000,000) al Banco Emisor ("Préstamo").

(b) Con base en dicho Préstamo, el Banco Emisor ha convenido en abrir cartas de crédito de compromiso, ("Cartas de Crédito Stand-by" o "Stand-by") a favor de los Bancos Prestatarios en un monto que no excederá del saldo de capital del Préstamo concedido por A.I.D. al Banco Emisor.

(c) Los Bancos Prestatarios concederán préstamos a los subprestatarios elegibles (véase el Artículo 6 sobre "Subpréstamos Elegibles") y podrán, en su oportunidad, solicitar que el Banco Emisor abra Cartas de Crédito Stand-by en montos equivalentes al cincuenta por ciento (50%) del capital de tales préstamos,

(d) En caso que un Banco Prestatario no pueda cobrar el capital del Subpréstamo Elegible cubierto por una Carta de Crédito Stand-by, el Banco Prestatario podrá, sujeto a los términos y condiciones de este Convenio, cobrar bajo dicha Carta de Crédito Stand-by una cantidad que no excederá del cincuenta por ciento (50%) del capital no cobrado.

Artículo 2. Definiciones

Los siguientes términos, cuando se encuentren en mayúsculas, tendrán las definiciones indicadas en el texto de este Convenio y sus Anexos, a menos que el contexto claramente indique lo contrario:

Sección 2.1. "Tasa de Cambio". La tasa vigente en el mercado bancario a las 12:00 del día en la Ciudad de Guatemala para cambio comercial entre Quetzales guatemaltecos y dólares de los Estados Unidos.

Sección 2.2. "Primer Desembolso". Según se define en la Sección 7.5 de este Convenio.

Sección 2.3. "Autoridad Gubernamental". El gobierno del país anfitrión, o de cualquier otro país, o cualquier subdivisión política de cualquier gobierno, o cualquier sucursal, departamento, agencia, juzgado, tribunal, o autoridad reglamentaria que constituyan parte, o ejerciten cualquier poder soberano, de cualquier gobierno.

Sección 2.4. "País Anfitrión". Guatemala.

Sección 2.5. "Impuestos del País Anfitrión". Los impuestos establecidos, determinados, o cobrados por el País Anfitrión, según se describe en la Sección 10.3 que se encuentra a continuación.

Sección 2.6. "Moneda Nacional". El Quetzal.

Sección 2.7. "Nacional del País Anfitrión".

(a) Una persona se considerará como Nacional del País Anfitrión si, y solamente si, tal persona es ciudadano y residente legal del País Anfitrión.

(b) Una corporación será considerada como Nacional del País Anfitrión si la mayoría de sus acciones pertenecen a personas o a otras corporaciones que son Nacionales del País Anfitrión.

Sección 2.8. "Línea de Garantía". El instrumento establecido en el Convenio de Préstamo de acuerdo con el cual el Banco Emisor conviene en emitir Cartas de Crédito Stand-by a favor del Banco Prestatario.

Sección 2.9. "Sub-Prestatario". El prestatario que recibe un Sub-préstamo.

Sección 2.10. "Sub-Préstamo". Un préstamo concedido por un Banco Prestatario.

Sección 2.11. "Cobertura del Sub-Préstamo". El monto del capital del Subpréstamo garantizado por una o más Cartas de Crédito Stand-by, equivalentes hasta el cincuenta por ciento (50%) del monto total del capital de los Subpréstamos relacionados con tales Cartas de Crédito Stand-by.

Artículo 3. Recursos para el Proyecto

El Proyecto descrito en el Artículo 1 de este Convenio será financiado como sigue:

Sección 3.1. Recursos de la A.I.D.

(a) De conformidad con el Acta de Ayuda Exterior de 1961, y sus enmiendas, la A.I.D. prestará al Banco Emisor hasta Tres Millones de Dolares de los Estados Unidos de Norte America ($3,000,000) por medio de un préstamo amortizable de cinco anos, en base de cual el Banco Emisor ha acordado en establecer la Línea de Garantía descrito en el Articulo 7 de este Convenio. La A.I.D. ha convenido en que las sumas pagadas por el Banco Emisor a los Bancos Prestatarios de conformidad con las Cartas de Crédito Stand-by abiertas de acuerdo con la Línea de Garantía, podrán ser cobradas contra los montos adeudados a la A.I.D. por el Banco Emisor.

(b) De conformidad con un convenio separado y sujeto a la disponibilidad de fondos y a las aprobaciones administrativas, la USAID/Guatemala podrá proporcionar un fondo de garantía en Moneda Nacional en un equivalente hasta de Cinco Millones y Medio de Dólares de los Estados Unidos ($5,500,000) en apoyo al Proyecto.

Sección 3.2. Recursos de los Bancos Prestatarios. Los Bancos Prestatarios proporcionarán un cien por ciento (100%) de los fondos para cada uno de los Subpréstamos Elegibles, e invertirán las recuperaciones de capital de estos Subpréstamos Elegibles en nuevos Subpréstamos Elegibles durante la vida de la Línea.

Sección 3.3. Contribución del Administrador y del Banco Prestatario. El Administrador y los Bancos Prestatarios convienen en proporcionar (o ver que sean proporcionados) todos los recursos necesarios para llevar a cabo el Proyecto eficiente y oportunamente, y de conformidad con los términos de este Convenio.

Artículo 4. El Administrador

Sección 4.1. Responsabilidades del Administrador. El Administrador deberá diligente y rápidamente dar los pasos necesarios de conformidad con este Convenio para permitir que el Proyecto se lleve a cabo, incluyendo, pero sin limitarse a:

(a) Certificar la elegibilidad de instituciones financieras para que participen como Bancos Prestatarios en el Proyecto, de conformidad con la Sección 5.2;

(b) Supervisar la distribución de la cobertura de la garantía disponible de conformidad con la Línea de Garantía, y las reducciones de la misma, entre los Bancos Prestatarios, de acuerdo con la Sección 7.2;

(c) Presentar Estimaciones de Utilización de la Línea de Garantía por parte de los Bancos Prestatarios de conformidad con la Sección 7.3.(c);

(d) Revisar la Solicitud y Certificado de Stand-by para la A.I.D. de cada Banco Prestatario de conformidad con la Sección 7.3;

(e) Revisar y certificar los Documentos de Reclamo presentados por los Bancos Prestatarios de conformidad con la Sección 8.3;

(f) Preparar y presentar aquellos informes que razonablemente solicite la A.I.D.; y

(g) Coordinar todas las comunicaciones entre los Bancos Prestatarios y la A.I.D.

Sección 4.2. Libros y Registros. El Administrador mantendrá, de conformidad con los principios y prácticas de contabilidad generalmente aceptados, los libros y registros relacionados con el Proyecto y con este Convenio hasta tres (3) años después del vencimiento de la Línea de Garantía y permitirá a los representantes autorizados de la A.I.D. la

oportunidad en todo tiempo razonable, de inspeccionar los registros y otros documentos relacionados con el Proyecto y con este Convenio.

Sección 4.3. Cancelación del Administrador. La A.I.D. podrá, dando la notificación correspondiente, cancelar al Administrador. Tal cancelación será efectiva al ser nombrado un sucesor del Administrador. El Administrador saliente deberá esforzarse en ayudar en la transferencia de autoridad a su sucesor, y deberá entregar a su sucesor todos los libros, registros, documentos e instrumentos relacionados con el Proyecto.

Artículo 5. Los Bancos Prestatarios

Sección 5.1. Requisitos de Elegibilidad. A menos que la A.I.D. convenga algo diferente por escrito, para ser elegible a obtener certificación como Banco Prestatario, una institución financiera deberá:

(a) Tener su sede principal de negocios en Guatemala;

(b) Pertenecer en más de un cincuenta por ciento (50%) a ciudadanos guatemaltecos;

(c) Pertenecer y estar controlada y operada privadamente, en un cien por ciento (100%);

(d) Ser una corporación debidamente organizada y que exista legalmente de conformidad con las leyes de Guatemala, debidamente calificada para efectuar negocios en las jurisdicciones que requiera tal calificación;

(e) Estar registrada y tener licencia vigente de la autoridad bancaria apropiada para operar como un banco principalmente dedicado a actividades de crédito;

(f) Poséer capital y reservas no menores del equivalente en Moneda Nacional, calculada a la tasa del mercado bancario, de Un Millón de Dólares de los Estados Unidos ($1,000,000);

(g) Haber demostrado ser rentable -- incluyendo ganancias positivas calculadas como beneficio sobre activos, de por lo menos la mitad del uno por ciento (.5%) antes de ajustes técnicos -- de operaciones de curso normal -- durante los tres (3) años previos a la fecha de certificación y durante el período completo de participación en el Proyecto.

(h) Tener en su balance un total de préstamos vencidos de

no más de un doce por ciento (12%) de su cartera crediticia total;

(i) Establecer una reserva para cuentas incobrables equivalente al monto de la cartera que se encuentra perjudicada;

(j) Contar con normas y procedimientos para la aprobación, concesión, cobro, y supervisión de los créditos, aceptables a la A.I.D.;

(k) No tener conocimiento de hechos o circunstancias que pudieran tener un efecto negativo sobre sus operaciones o su capacidad para cumplir con sus obligaciones bajo este Convenio, incluyendo cualesquiera acciones, procedimientos, investigaciones o reclamos en su contra o que le afecten, que estén pendientes o le amenacen en cualquier juzgado, arbitrador, o autoridad gubernamental o cuasi-gubernamental, incluyendo ademas cualquier violación dentro de otros convenios del cual sea parte o que le comprometa;

(l) Haber informado a la A.I.D., o hacer que la A.I.D. sea informada, de todos los hechos y circunstancias que pudieran materialmente afectar al Proyecto y al cumplimiento de sus obligaciones de acuerdo con este Convenio, y no haber hecho ninguna declaración falsa de hechos materiales, o dejado de indicar cualquier hecho material necesario para que las declaraciones contenidas aquí o en cualquier otro documento no se presten a confusión; y

(m) Haber cumplido con todas las leyes y reglamentos de Guatemala aplicables, lo que deberá probarse por medio de los estados financieros de la institución sometidos a auditores independientes.

Sección 5.2. Solicitud de Certificación. Para solicitar la certificación como Banco Prestatario participante para el Primer Desembolso y para mantener dicha certificación en el futuro, una institución financiera deberá presentar al Administrador, pruebas en forma y substancia satisfactorias al Administrador y a la A.I.D., que la misma cumple con los criterios establecidos en la Sección 5.1. Tales pruebas incluirán, pero no estarán limitadas a, estados auditados y certificados por un auditor independiente, de sus activos, pasivos, capital neto, y fuente y utilización de sus ingresos, durante los tres (3) años precedentes a la fecha de la certificación.

Sección 5.3. Certificación de los Bancos Prestatarios

después del Primer Desembolso. Después del Primer Desembolso, el Administrador y la A.I.D. podrán certificar a instituciones financieras elegibles adicionales para que participen en el Proyecto como Bancos Prestatarios proporcionando a la A.I.D., en forma y substancia satisfactorias para la misma, todos los documentos y certificaciones requeridos por la Sección 5.2, y una declaración del monto de cobertura de la garantía (en dólares de los Estados Unidos) que haya sido adjudicada a cada una de tales instituciones de conformidad con la Línea de Garantía.

Sección 5.4. Rescición de la Certificación de los Bancos Prestatarios. Si el Administrador tiene razones para creer que ha ocurrido cualquier cambio adverso en la elegibilidad de un Banco Prestatario para participar en el Proyecto, o que hayan ocurrido eventos que constituyan incumplimiento de conformidad con la Sección 12.2, notificará inmediatamente al Banco Emisor y a la A.I.D. que el Banco Prestatario ya no podrá solicitar la emisión de Cartas de Crédito Stand-by adicionales, de acuerdo con este Convenio.

Sección 5.5. Responsabilidades del Banco Prestatario. Todos los Bancos Prestatarios deberán diligente y rápidamente dar los pasos necesarios dentro de este Convenio, para permitir que el Proyecto se lleve a cabo, incluyendo, pero sin limitaciones:

(a) Un análisis del riesgo crediticio de cada Subprestatario Elegible, de acuerdo con normas comercialmente aceptables, y con el mismo cuidado que se aplica a los préstamos que no estén cubiertos por la Línea de Garantía.

(b) El requerimiento de aquellas garantías que sean razonablemente necesarias para lograr el pago del Subpréstamo Elegible de conformidad con las normas comercialmente aceptables aplicadas a los préstamos que no están cubiertos por la Línea de Garantía;

(c) Asegurar que todos los Subpréstamos Elegibles cumplan con este Convenio;

(d) Dar todos los pasos necesarios para recuperar cualesquiera cantidades adeudadas a la A.I.D.; y

(e) Aplicar todas las recuperaciones de los Subprestatarios Incumplidos, a base de prorrateo a todos los montos adeudados a la A.I.D., según lo requiere la Sección III de la Asignación y Certificado del Banco Prestatario (Anexo D).

Artículo 6. Subpréstamos Elegibles

Sección 6.1 Subpréstamo Elegible. Para ser elegible para cobertura de conformidad con la Línea de Garantía, un Subpréstamo otorgado por el Banco Prestatario deberá cumplir con los siguientes requisitos:

(a) El Subprestatario deberá ser un Subprestatario Elegible, según se define en la Sección 6.2 de este Convenio;

(b) El Subpréstamo deberá ser utilizado por el Subprestatario para financiar únicamente Actividades Elegibles, según se define en la Sección 6.3 de este Convenio;

(c) A menos que la A.I.D. convenga algo diferente por escrito, el monto total del capital de todos los Subpréstamos al Subprestatario garantizado por la Línea de Garantía no deberá ser mayor que el equivalente en Moneda Nacional de Cien Mil Dólares de los Estados Unidos ($100,000), calculados de conformidad con la Tasa de Cambio en el mercado bancario en la fecha del Subpréstamo;

(d) El Subpréstamo debe ser otorgado a un cliente que no ha tomado préstamos anteriormente del Banco Prestatario. En caso contrario, el Subpréstamo deberá ser adicional al crédito ya otorgado y no deberá ser una renovación o extensión a un préstamo preexistente.

(e) La amortización final de la porción garantizada del Subpréstamo deberá fijarsese para una fecha no menor de Doscientos Diez (210) días antes del vencimiento de la Carta de Crédito Stand-by bajo la cual está garantizando el Subpréstamo;

(f) Ninguna porción del riesgo de pago del Subpréstamo deberá ser asumida en ningún momento por cualquier Autoridad Gubernamental o cualquier entidad que pertenezca o esté controlada por una Autoridad Gubernamental;

(g) Ninguna porción del Subpréstamo deberá ser directamente financiada con fondos subsidiados obtenidos por el Banco Prestatario de una Autoridad Gubernamental o de cualquier donante.

Sección 6.2. Subprestatario Elegible. Un Subprestatario Elegible es una persona, sociedad, asociación, cooperativa o corporación que:

(a) Pertenezca en más de un cincuenta por ciento (50%) a nacionales guatemaltecos;

(b) Pertenezca y esté controlada y operada privadamente en un cien por ciento (100%);

(c) Tenga su sede principal de negocios en Guatemala.;

(d) Poséa un total no mayor del equivalente en Moneda Nacional de Doscientos Mil Dólares de los Estados Unidos ($200,000) en activos y que emplée a un máximo de cien (100) personas (equivalente de tiempo completo) en el momento en que se otorgue el Subpréstamo;

(e) Presente prueba de cumplimiento satisfactorio con los términos y condiciones de todos los Subpréstamos Elegibles anteriores;

(f) No tenga préstamos de o solicitudes de préstamo pendientes con cualquier otro banco en Guatemala que no hayan sido indicados en su solicitud de préstamo presentada al Banco Prestatario; y

(g) Llene todos los otros requisitos de elegibilidad que la A.I.D. razonablemente requiera.

Sección 6.3. Actividades Elegibles. Para ser cubierto por una Carta de Crédito Stand-by y para retener tal cobertura durante la vida del préstamo, los fondos de los Subpréstamos Elegibles deben ser utilizados para financiar la producción, procesamiento o distribución de productos agrícolas, industriales, artesanales y manualidades y, a menos que la A.I.D. convenga en algo diferente por escrito, no podrán ser en ningún momento utilizados para financiar las siguientes actividades:

(a) La producción, procesamiento o comercialización de azúcar, aceite de palma, algodón, o cítricos, completamente o en parte, para exportación;

(b) La compra, fabricación, importación, distribución o aplicación de pesticidas;

(c) La producción, procesamiento o comercialización de artículos de lujo o equipos de juego de azar;

(d) Actividades relacionadas con el aborto o esterilización involuntaria;

(e) Actividades policíacas, u otras relacionadas a cumplimiento con la ley, o actividades militares;

(f) La producción, procesamiento o comercialización de materiales para explosivos, equipo de vigilancia, o equipo de modificación del clima;

(g) La compra de mercaderías o servicios que sean producidos o provenientes de la Unión Soviética, Albania, Bulgaria, Checoeslovaquia, República Democrática Alemana, Estonia, Hungría, Latvia, Lituania, Rumanía, Polonia, Vietnam, Corea del Norte, República Popular de China, Mongolia, Laos, Cambodia, o Cuba, o que sean producidas por corporaciones u otras entidades que pertenezcan en más de un cincuenta por ciento (50%) a ciudadanos de los países indicados anteriormente;

(h) La compra de vehículos de motor que no sean fabricados en los Estados Unidos de Norte América, si más de un cincuenta por ciento (50%) de los beneficios del Subpréstamo se utilizan para tales compras; y

(i) Todas aquellas otras actividades que la A.I.D. pueda identificar de tiempo en tiempo después de notificarlo al Administrador y a los Bancos Prestatarios.

Sección 6.4. Incumplimiento en el Subpréstamo

(a) Obligación de Solución por parte del Banco Prestatario

(1) En caso que el Banco Prestatario tenga razones para creer que el Subpréstamo cubierto por la Línea de Garantía no cumple con la Sección 6.3, el Banco Prestatario deberá oportunamente notificar a la A.I.D. Al recibir tal notificación, la A.I.D. deberá decidir si en las circunstancias se perdona el incumplimiento, y deberá oportunamente notificar al Banco Prestatario sobre su decisión.

(2) Si la A.I.D. notificare al Banco Prestatario que no se perdona el incumplimiento, entonces el Banco Prestatario deberá, dentro de los treinta (30) días siguientes al recibo de tal notificación, hacer lo siguiente:

(i) Demostrar a satisfacción de la A.I.D. que, en efecto, el Subpréstamo estuvo en todo momento en cumplimiento con la Sección 6.3; o

(ii) Inducir o pedir al Subpréstatario incumplido que solucione tal incumplimiento.

(b) Rescisión de Garantía. En caso que el Banco Prestatario deje de presentar una prueba satisfactoria a la A.I.D. que ha satisfecho los requisitos de la subsección (a) (2) anterior, entonces, no obstante los términos y condiciones de la Carta de Crédito Stand-by correspondiente, el Banco Prestatario perderá su derecho de obtener pago bajo la Línea de Garantía sobre el Subpréstamo Incumplido, e inmediatamente eliminará al Subpréstamo Inclumplido de su Calendario de Subpréstamos (Anexo H).

(c) Pagos. Si el Banco Prestatario obtuvo pago alguno bajo cualquier Carta de Crédito Stand-by por un Subréstamo que no cumple con los términos de elegibilidad de este Articulo 6, el Banco Prestatario tendrá la obligación de reintegrar a la A.I.D. inmediatamente el monto total del pago recibido, más los intereses acumulados desde la fecha del pago a la tasa del Doce Por Ciento (12%) anual.

Sección 6.5. Descalificación. Cualquier Subprestatario Elegible anteriormente que no solucione el incumplimiento con este Convenio prontamente al recibir la notificación de tal incumplimiento, no podrá después ser calificado para recibir préstamos garantizados por la Línea de Garantía.

Artículo 7. La Línea de Garantía

Sección 7.1. Monto de Cobertura Disponible. El monto total de la cobertura disponible para todos los Bancos Prestatarios que participen de acuerdo con esta Línea de Garantía, deberá ser igual al saldo pendiente de capital del Préstamo otorgado por la A.I.D. al Banco Emisor de la Carta de Crédito Stand-by. Ese Préstamo deberá desembolsarse al Banco Emisor en cantidades no menores de Quinientos Mil Dólares de los Estados Unidos ($500,000) y el monto total desembolsado no deberá exceder de Tres Millones de Dólares de los Estados Unidos ($3,000,000). El monto desembolsado se tornará en el saldo de capital adeudado a la A.I.D. por el Banco Emisor de acuerdo con el Convenio de Préstamo y ese saldo deberá reducirse como sigue:

117

(a) Cuando el Banco Emisor pague el saldo del capital del Préstamo dentro de los cinco (5) años siguientes a la fecha del primer desembolso en dos (2) cuotas anuales iguales, el primero de los cuales se vence en el cuarto aniversario del primer desembolso del Préstamo de A.I.D. al Banco Emisor;

(b) Cuando las sumas pagadas por reclamos de acuerdo con la Línea de Garantía sean canceladas con los pagos de capital que vencen de conformidad con el Convenio de Préstamo;

(c) Por la A.I.D. a su opción, a la conclusión del período de doce meses inmediatamente siguiente al primer desembolso del Préstamo. En ese momento, la A.I.D. puede dar instrucciones al Banco Emisor para que:

(1) reduzca el monto de la Línea de Garantía para igualar a la cantidad máxima de Cobertura de Subpréstamos vigentes de conformidad con la Línea de Garantía en cualquier momento durante el período inicial de doce (12) meses (según lo certifique la A.I.D.);

(2) reduzca el monto de cualesquiera Cartas de Crédito Stand-by; y

(3) efectué un pre-pago del Préstamo;

<u>siempre que</u> no se le requiera al Banco Emisor reducir el monto de cualquier Carta de Crédito Stand-by a un nivel inferior al monto de la correspondiente cobertura de Subpréstamos vigentes; y

(d) por la A.I.D. a su opción, y al notificar al Administrador y a cada uno de los Bancos Prestatarios, en caso de incumplimiento por parte del Banco Emisor, de conformidad con el Convenio de Préstamo.

Sección 7.2 <u>Límite Bancario</u>

(a) El monto de la cobertura de garantía repartida a cualquier Banco Prestatario no deberá, sin previo aviso por escrito de la A.I.D., exceder del veinte por ciento (20%) del capital pagado de dicho Banco o la Moneda Nacional equivalente a Un Millón de Dólares de los Estados Unidos ($1,000,000), lo que sea menor.

(b) Las reducciones en el monto de la cobertura de acuerdo con la Sección 4.1 deberán distribuirse entre los Bancos Prestatarios según lo determine el Administrador, siempre que esas reducciones, de conformidad con la Sección 4.1(b), sean cargadas al Banco Prestatario cuyo reclamo haya sido pagado.

Sección 7.3. Condiciones Previas a la Utilización Inicial de la Línea de Garantía. A menos que la A.I.D. convenga algo diferente por escrito, antes del primer desembolso del Préstamo y de la apertura de la Línea de Garantía, la A.I.D. deberá recibir del Administrador, en forma y substancia aceptables a la A.I.D., lo siguiente:

(a) Un dictamen legal del consejero legal del Administrador, aceptable a la A.I.D., indicando que:

(1) el Administrador tiene pleno poder, autoridad y derecho legal para ejecutar, dictar y cumplir con las obligaciones establecidas en este Convenio y en todos los documentos que se considera en este Convenio sean ejecutadas por el Administrador;

(2) la ejecución, comunicación, y cumplimiento de este Convenio han sido debidamente autorizadas por todas las acciónes necesarias del Administrador y no requieren aprobaciones adicionales; no contravienen ninguna ley, reglamentos, reglas u órdenes que pesen sobre el Administrador; no requieren aprobaciones, permisos, licencias, autorizaciones, certificados, o consentimientos de ninguna Autoridad Gubernamental exceptuando las que han sido ya obtenidas y están en plena vigencia y efecto; y

(3) este Convenio ha sido debidamente ejecutado y transmitido por el Administrador y el mismo constituye una obligación formal del Administrador, de conformidad con sus términos.

(b) Una declaración indicando el nombre de las personas responsables o que actúen en nombre de la oficina del Administrador especificadas en la Sección 13.2, y de cualesquiera representantes adicionales del Administrador, junto con una muestra de la firma de cada persona nombrada en tal declaración;

(c) Una copia de la Estimación de Utilización del Stand-by ("EUS") substancialmente en la forma del Anexo A-2 de este Convenio, en un monto no menor de Quinientos Mil Dólares de los Estados Unidos ($500,000), que haya sido presentada por el Administrador al Banco Emisor.

119

(d) Para cada Banco Prestatario nombrado en la EUS, una evaluación por parte del Administrador de los procedimientos de crédito y cobro de dicho Banco Prestatario; una certificación del Administrador que el Banco Prestatario llena los requisitos de elegibilidad establecidos en el Artículo 5 de este Convenio; y prueba que el Banco Prestatario ha proporcionado al Administrador, en forma y substancia satisfactorias al Administrador, los siguientes documentos, cuyos originales serán enviados por el Administrador a la A.I.D.:

(1) Una copia simple de este Convenio ejecutada por el Banco Prestatario;

(2) una descripción de los criterios y normas del Banco Prestatario para conceder préstamos (e.g. requerimientos de garantías) y el proceso general para el desarrollo de cartera;

(3) un dictamen legal aceptable al Administrador, indicando que:

(i) El Banco Prestatario tiene pleno poder, autoridad y derecho legal para ejecutar, comunicar, y cumplir con las obligaciones establecidas en este Convenio y en todos aquellos documentos que se considere en este Convenio deban ser ejecutados por el Banco Prestatario, incluyendo el envío de remesas de todas las cantidades recuperadas de conformidad con este Convenio y la Asignación y Certificado (Anexo D);

(ii) la ejecución, comunicacion, y cumplimiento de este Convenio han sido debidamente autorizados por todos los actos necesarios del Banco Prestatario y no requieren aprobación adicional; no contravienen ninguna ley, reglamento, regla u orden que pesen sobre el Banco Prestatario; no contravienen las disposiciones ni constituyen incumplimiento de acuerdo con ninguna escritura, hipoteca, contrato u otro convenio o instrumento de los cuales sea Parte el Banco Prestatario o por medio los cuales el Banco Prestatario o cualesquiera de sus propiedades puedan estar gravadas o afectadas; no requiere aprobaciones, permisos, licencias, autorizaciones, certificados, o consentimientos de ninguna Autoridad Gubernamental, exceptuando aquellas que han sido obtenidas a la fecha y se encuentran en plena vigencia y efecto; y

(iii) este Convenio ha sido debidamente ejecutado y dictado por el Banco Prestatario y constituye una obligación legal y formal del Banco Prestatario de conformidad con sus términos.

120

(4) los nombres de los representantes legales del Banco Prestatario debidamente nombrados, junto con una muestra de la firma de cada uno de ellos;

(5) una Solicitud y Certificado de Stand-by en la forma del Anexo F de este Convenio, certificando que el monto de las Cartas de Crédito Stand-by solicitadas, no excede del Límite Bancario;

(6) un Calendario de Subpréstamos substancialmente en la misma forma del Anexo H del Convenio identificando a los Subpréstamos Elegibles que serán cubiertos por las Cartas de Crédito Stand-by; y

(7) toda aquella información que el Administrador razonablemente solicite.

(e) Toda aquella información que la A.I.D. pueda razonablemente solicitar.

Sección 7.4 Fecha Final para Satisfacer las Condiciones Previas de la Sección 7.3. Si todas las condiciones especificadas en la Sección 7.3 no han sido cumplidas dentro de los Ciento Ochenta (180) días siguientes a la fecha de ejecución de este Convenio, o en aquella fecha posterior que la A.I.D. pueda convenir por escrito, la A.I.D. podrá, a su opción, dar por terminado este Convenio por medio de notificación escrita al Administrador.

Sección 7.5 Primer Desembolso. Despues de cumplir con las Condiciones Previas establecidas en Sección 7.3 y al recibir por parte del Banco Emisor una solicitud de desembolso, la A.I.D. efectuará un desembolso del Préstamo en un monto igual a la utilización estimada declarada en la EUS. El Banco Emisor inmediatamente después notificará al Administrador que la Línea de Crédito Stand-by ha sido abierta en un monto igual al monto del desembolso de la A.I.D.

Sección 7.6 Condiciones Previas a Desembolsos Subsiguientes. Excepto que la A.I.D. convenga algo diferente por escrito, en cualquier momento después del primer desembolso del Préstamo, pero no más tarde de doce (12) meses después de la fecha del primer desembolso, el Administrador podrá solicitar un aumento en la cobertura de la Línea de Garantía, presentando a la A.I.D., en forma y substancia satisfactorias a la misma, lo siguiente:

(a) Una Estimación de Utilización del Stand-by en un monto que no sea menor de Quinientos Mil Dólares de los Estados Unidos ($500,000) y que, con las sumas anteriormente desembolsadas, no exceda de Tres Millones de Dólares de los Estados Unidos ($3,000,000);

(b) una certificación que los Bancos Prestatarios que soliciten un aumento en la cobertura de las Cartas de Crédito Stand-by continuan siendo elegibles para participar en el Proyecto o, si se trata de un nuevo banco participante, que el mismo ha llenado los requisitos para participar en el Proyecto; y

(c) aquella información que la A.I.D. pueda razonablemente solicitar del Administrador, incluyendo, sin limitación, la información relacionada con el desempeño del Administrador y de los Bancos Prestatarios, bajo este Convenio.

Sección 7.7. Cartas de Crédito Stand-by

(a) Las Cartas de Crédito Stand-by solicitadas de conformidad con la Línea de Garantía pueden garantizar uno o más Subpréstamos Elegibles y, a menos que la A.I.D. y el Banco Emisor convengan algo diferente por escrito, deben ser por un monto inicial no menor de Cien Mil Dólares de los Estados Unidos ($100,000).

(b) Los Bancos Prestatarios deberán solicitar la emisión de Cartas de Crédito Stand-by únicamente si tal emisión no hace que el monto total de las Cartas de Crédito Stand-by emitidas a su favor bajo la Línea de Garantía exceda su Límite Bancario (según sea reducido de tiempo en tiempo de conformidad con la Sección 4.1) en cualquier momento durante la vida de tales Cartas de Crédito Stand-by.

Sección 7.8 Perfil de Subpréstamo Elegible. El Banco Prestatario presentará un Perfil de Subpréstamo Elegible, en la forma del Anexo G de este Convenio, por cada Subpréstamo Elegible cubierto por la Línea de Garantía, no menos de diez (10) días despues de la fecha de desembolso del Subpréstamo o de la solicitud de emisión de la Carta de Crédito Stand-by.

Sección 7.9. Calendario de Subpréstamos. Para cada Carta de Crédito Stand-by abierta bajo la Línea de Garantía, el Banco Prestatario presentará al Administrador un Calendario de Subpréstamos, substancialmente en la misma forma del Anexo H, identificando a los Subpréstamos Elegibles garantizados por las mismas. En el momento en que el Banco Prestatario solicite la emisión de Cartas de Crédito Stand-by, debe prepararse un Calendario de Subpréstamos, y después, el mismo deberá prepararse trimestralmente.

Sección 7.10 Vencimiento de la Línea de Garantía.

(a) La última fecha en que el Banco Prestatario podrá solicitar la emisión de Cartas de Crédito Stand-by es Doscientos Cuarenta (240) días antes del último pago de capital del préstamo a A.I.D. por parte del Banco Emisor, de conformidad con el Convenio de Préstamo.

(b) El pago final de la porción de cada Subpréstamo garantizado aquí, debe vencer a más tardar Doscientos Diez (210) días antes del vencimiento de la Carta de Crédito Stand-by bajo la cual está garantizando dicho Subpréstamo. (Véase la Sección 8.)1. El Banco Prestatario tendrá entonces treinta (30) días despues que cualquier pago de Subpréstamos tenga ciento ochenta (180) días de haber vencido, para girar bajo las Cartas de Crédito Stand-by correspondientes.

Articulo 8. Reclamos bajo la Línea de Garantía:

Sección 8.1. Período de Cobro. A menos que la A.I.D. convenga algo diferente por escrito, un Banco Prestatario podra presentar un reclamo de pago bajo una Carta de Crédito Stand-by únicamente después de transcurrido un mínimo de Ciento Ochenta (180) dias a partir de la fecha de incumplimiento del Subprestatario y de la fecha del envío de la correspondiente Carta de Cobro. El Banco Prestatario agotará todas las gestiones razonables de cobro extrajudiciales contra el Subprestatario Incumplido. Todas las sumas recuperadas del Subprestatario Incumplido durante dicho período deben aplicarse a reducir los intereses y capital vencidos y no pagados según las disposiciones del Anexo D.

Sección 8.2. Presentación de Documentos de Reclamo al Administrador. Para efectuar un reclamo de pago bajo una Carta de Crédito Stand-by, el Banco Prestatario presentará los siguientes Documentos de Reclamo al Administrador, por cada uno de los Subpréstamos Incumplidos:

(a) un giro a la vista debidamente ejecutado ("Giro") en la forma del Anexo C de este Convenio, especificando: "Girado bajo la Carta de Crédito No._____ del Southeast Bank.

(b) copia del Memorial de Demanda presentado ante los tribunales correspondientes, debidamente sellada por el órgano jurisdiccional, en el cual se hará constar la acción judicial contra el deudor o deudores, la presentación de título

ejecutivo, los fundamentos de derecho, y las peticiones al tribunal.

(c) una Asignación y Certificado en la misma forma del Anexo D de este Convenio;

(d) una copia del Calendario de Subpréstamos en la forma del Anexo H de este Convenio en la que el Subpréstamo Incumplido identificado en la Sección I(1) de la Asignación y Certificado aparece como un "Subpréstamo Nuevo" y;

(e) toda aquella informacion que el Administrador pueda razonablemente solicitar.

Sección 8.3. Certificación de Reclamo del Administrador. El Administrador revisará los Documentos de Reclamo presentados por el Banco Prestatario para asegurarse que en el Calendario de Subpréstamos se incluye el Subpréstamo identificado en la Sección I(1) de la Asignación y Certificado (Anexo D) y certificará la exactitud de esa información, enviando los Documentos de Reclamo al Banco Emisor.

Sección 8.4. Límite del Monto de Reclamo. El monto de cualquier reclamo bajo la Línea de Garantía está limitado a un cincuenta por ciento (50%) del capital no cobrado del Subprestatario Incumplido o el monto de cobertura restante de la Carta de Crédito Stand-by que cubre al Subpréstamo, el que sea menor.

Sección 8.5. Recuperación. Después que un reclamo haya sido pagado, el Banco Prestatario deberá tratar de recuperar todas las cantidades adeudadas bajo el Subpréstamo Incumplido, no menos diligentemente que lo hace para recuperar sus propios préstamos que no están cubiertos por la Línea de Garantía, y deberá continuar sus esfuerzos de cobro hasta que, por mutuo acuerdo con A.I.D. se convenga en que tales esfuerzos pueden ser descontinuados.

Sección 8.6. Aplicación de las Recuperaciones. El Banco Prestatario deberá aplicar todas las cantidades recuperadas del Subprestatario Incumplido según las disposiciones de la Asignación y Certificado.

Artículo 9. Costos para la Línea de Garantía.

Sección 9.1. Comision de Apertura a la A.I.D.

(a) Cada uno de los Bancos Prestatarios pagará al Banco Emisor en favor de la A.I.D., una sola vez, una comisión ("Comisión de Apertura") en Dólares de los Estados Unidos, del uno por ciento (1%) fijo sobre su nivel inicial de participación de conformidad con el límite establecido en el Artículo 7.2. El Banco Prestatario deberá pagar su Comisión de Apertura dentro de los diez (10) días después que el Administrador presente la Estimación de Utilización del Standby certificando la elegibilidad del Banco Prestatario.

(b) En caso que su nivel de Participación sea aumentado de Conformidad con la Sección 7.6, el Banco Prestatario deberá pagar una Comisión de Apertura adicional, en dólares de los Estados Unidos, del Uno por ciento (1%) fijo del monto de tal aumento, una sola vez, dentro de los diez (10) días después de efectuado ese aumento, a menos que el aumento represente una reasignación de cobertura de garantía por la que otro Banco Prestatario haya pagado ya la Comisión de Apertura.

(c) Las Comisiones de Apertura no serán reembolsables no obstante que el Administrador no haya solicitado suficiente cobertura para cubrir desembolsos hasta el Límite Bancario, o que el Banco Prestatario no haya solicitado la emisión de Cartas de Crédito Stand-by en un monto total igual a su Límite Bancario.

Sección 9.2. Comisión para la A.I.D. por el uso de Garantía. Cada uno de los Bancos Prestatarios pagará al Banco Emisor en favor de la A.I.D. una comisión ("Comisión de Garantía"), en dólares de los Estados Unidos, del Uno por ciento (1%) anual (en base de un año de 365 dias) del monto total de su Cobertura de Subpréstamos bajo la Línea de Garantía. La Comisión de Garantía empezará a cargarse desde la fecha de emisión de la primera Carta de Crédito Stand-by y será pagadera trimestralmente y al vencimiento de la Línea de Garantía.

Sección 9.3. Comisión del Banco Emisor. Cada uno de los Bancos Prestatarios deberá pagar al Banco Emisor una comisión por la emisión de Cartas de Crédito Stand-by de un cuarto del Uno por ciento (.25%) anual (en base de un año de 365 dias), sobre el monto de capital de las Cartas de Crédito Stand-by vigentes en su favor, pagadera trimestral.

Sección 9.4. Cargo por Pago Retrasado. En caso de pagos retrasados de cualesquiera cantidades adeudadas a la A.I.D., se efectuará un cargo ("Cargo por Pago Retrasado") sobre la cantidad no pagada a la tasa del doce (12%) anual, cargado desde la fecha de vencimiento del pago hasta la fecha en que el pago sea recibido por la A.I.D.

Sección 9.5. Aplicación, Moneda y Lugar de Pago. Todos los pagos de cantidades adeudadas a la A.I.D. de conformidad con este Convenio, serán hechos en dólares de los Estados Unidos y serán aplicados primero para amortizar los intereses vencidos de conformidad con la Sección 9.4 anterior, y luego a las Comisiones y cualesquiera otras cantidades adeudadas. Excepto que la A.I.D. especifique algo diferente por escrito, los pagos deberán hacerse al Banco Emisor, por medio de transferencia electrónica en fondos inmediatamente disponibles y con referencia específica al Préstamo de la A.I.D. No._____. El Banco Prestatario notificará a la A.I.D. sobre dichos pagos por medio de telex, en la fecha en que dichos pagos sean efectuados.

Artículo 10. Convenios Especiales

Sección 10.1. Ejecución del Proyecto. El Administrador y los Bancos Prestatarios se esforzarán por:

(a) llevar a cabo, o ver que sea llevado a cabo, el Proyecto con las debidas diligencia y eficiencia, de conformidad con prácticas técnicas, financieras y administrativas sólidas; y

(b) proporcionar una administración calificada y con experiencia, y adiestrar al personal que sea apropiado para el mantenimiento y operación del Proyecto, y, según sea aplicable para la continuación de las actividades, ver que el Proyecto sea operado y mantenido en tal forma que se asegure la continuidad y logro exitoso de los propósitos del Proyecto.

Sección 10.2. Preferencia para Ciertos Subpréstamos Elegibles. Cada uno de los Bancos Prestatarios conviene en hacer todo esfuerzo posible para otorgar créditos que aumenten la participación de la mujer en empresas productivas.

Sección 10.3. Impuestos. Todas las cantidades pagaderas de conformidad con este Convenio se pagarán libres, y sin

126

reducciones debidas a los impuestos establecidos e indicados a continuación, y con respecto a tales impuestos, cada uno de los Bancos Prestatarios conviene en lo siguiente:

(a) pagar a su vencimiento, todos los impuestos sobre la renta, impuesto del timbre, y otros impuestos y gravámenes, deducciones, cargos, préstamos obligatorios y retenciones, que sean impuestos, dictados, gravados o cobrados por el Gobierno de Guatemala o por cualquier subdivisión política o autoridad impositiva del mismo, junto con los intereses y multas sobre los mismos, si los hubiere, sobre y al respecto de este Convenio o el registro, notarización, u otra formalización del mismo (lo que en adelante se denominará "Impuestos del País Anfitrión").

(b) proporcionar prontamente a la A.I.D. cualesquiera comprobantes de pago de impuestos con respecto a tales Impuestos del País Anfitrión, y cualesquiera otras pruebas que la A.I.D. pueda de tiempo en tiempo razonablemente requerir para establecer a su satisfacción que los Impuestos del País Anfitrión han sido plena y oportunamente pagados.

(c) indemnizar a la A.I.D. y reembolsarle cualesquiera Impuestos del País Anfitrión, y cualquier pérdida, obligación, reclamo o gasto, incluyendo intereses, multas y comisions legales en las que la A.I.D. pueda incurrir en cualquier tiempo como resultado o en relación con cualquier falta del Banco Prestatario de pagar los Impuestos del País Anfitrión cuando los mismos se venzan.

Artículo 11. Convenios Generales

Sección 11.1. Revista y Evaluación del Proyecto. Las Partes convienen en cooperar para revisar y evaluar el Proyecto, como sigue:

(a) Revista del Proyecto. Por lo menos cada tres meses durante los primeros doce meses del Proyecto, y por lo menos anualmente después durante la vida del mismo, las Partes se reunirán para revisar el Proyecto y para discutir aquellos asuntos que puedan considerarse apropiados para lograr los objetivos del Proyecto. Durante estas revistas, cada uno de los Bancos Prestatarios porporcionará a la A.I.D. un estado de su condición financiera para estudio de la A.I.D.. En caso que el Administrador no esté cumpliendo sus obligaciones a satisfacción de la A.I.D., o si el Proyecto no está siendo llevado a cabo en forma satisfactoria a la A.I.D., se convienen en que la A.I.D. usará cualesquiera remedios que considere necesarios de conformidad con este Convenio y de conformidad

con el Convenio de Préstamo, si lo hubiere, hasta el momento en que la A.I.D. esté satisfecha que el Proyecto debe proseguir.

(b) Evaluación del Proyecto. Excepto que las Partes convengan algo diferente por escrito, la A.I.D. será responsable de evaluar el Proyecto y absorberá los costos de tal evaluación. Tal estudio evaluará el progreso del Proyecto contra los objetivos obtenidos; identificará y evaluará las áreas problema o impedimientos que puedan inhibir tales logros; evaluará cómo podrá utilizarse tal información para ayudar a resolver tales problemas; y evaluará, hasta donde sea posible, el impacto general del desarrollo del Proyecto.

Sección 11.2. Consultas. Las Partes cooperarán para asegurar el logro de los propósitos de este Convenio. Con este fin, las Partes intercambiarán puntos de vista, a solicitud de cualquiera de las mismas y según lo solicite la A.I.D.

Sección 11.3. Informes, Registros, Inspecciones, Auditoría. Cada uno de los Bancos Prestatarios participates deberá:

(a) proporcionar al Administrador copias de los siguientes documentos:

(1) estados financieros trimestrales para ser presentados dentro de los sesenta días siguientes al final del período de informes del banco; y

(2) estados financieros anuales auditados independientemente por una firma de auditores aceptable a la A.I.D. que serán presentados dentro de los ciento veinte (120) días después del cierre del año fiscal.

(b) Mantener o ver que sean mantenidos, de acuerdo con principios y prácticas contables generalmente aplicados, los libros, registros que se relacionen con el Proyecto, con este Convenio, con los Subpréstamos Elegibles, y con la Manifestación del Banco Prestatario, adecuados para mostrar el cumplimiento del Banco Prestatario con este Convenio, incluyendo, sin limitación, el propósito para que se otorgaron los Subpréstamos Elegibles, el tamaño y tipo de negocio de los prestatarios, los pasos dados por el Banco Prestatario para cobrar los Préstamos Incumplidos, y la forma en que se aplicaron los subpréstamos cobrados. Tales libros y registros deberán ser sometidos a auditoría regularmente de conformidad con normas de auditoría generalmente aceptadas y mantenidos

(excepto que la A.I.D. convenga algo diferente por escrito) hasta tres (3) años después de la terminación de la Línea de Garantía.

(c) permitir a los representantes autorizados de la A.I.D. la oportunidad, en todo tiempo razonable, de inspeccionar los registros, y otros documentos relacionados con el Proyecto y la Línea de Garantía, para verificar que se está concediendo Subpréstamos Elegibles y que se está tratando de obtener recuperaciones y las mismas están siendo aplicadas de conformidad con los términos y condiciones de este Convenio; y

(d) toda aquella información e informes que la A.I.D. pueda razonablemente solicitar.

Sección 11.4. Exactitud de la Información. El Administrador y cada uno de los Bancos Prestatarios garantizan y hacen constar lo siguiente:

(a) Los hechos y circunstancias sobre los que han informado a la A.I.D., o han hecho que la A.I.D. sea informada, en el curso de celebración de este Convenio con la A.I.D. son exactos y completos, e incluyen todos los hechos y circunstancias que podrían materialmente afectar al Proyecto, a este Convenio y al cumplimiento de las responsabilidades de cada uno de acuerdo con este Convenio; y

(b) Cada uno de ellos informará a la A.I.D. oportunamente de cualquier hecho y circunstancia subsiguientes que puedan materialmente afectar, o que es razonable pensar que puedan afectar al Proyecto, a este Convenio, o al cumplimiento de las responsabilidades de cada uno, de acuerdo con este Convenio.

Sección 11.5. Publicidad. El Administrador dará publicidad apropiada a la Línea de Garantía y al Proyecto como un programa al que han contribuido los Estados Unidos de América e identificará el Proyecto como financiado parcialmente por la A.I.D., según podrá ser solicitado en las Cartas de Ejecución de Proyecto descritas en la Sección 13.3.

Artículo 12. Derechos y Remedios de la A.I.D.

Sección 12.1. Suspensión de la Línea de Garantía.

(a) Si ocurriere algo que diera a la A.I.D. base suficiente para pensar que un Banco Prestatario no puede cumplir sus obligaciones de conformidad con este Convenio,

la A.I.D. podrá, dando oportuna notificación al Administrador, suspender el derecho del Banco Prestatario de:

(1) solicitar la emisión de nuevas Cartas de Crédito Stand-by, de acuerdo con la Línea de Garantía, y

(2) agregar Subpréstamos Elegibles nuevos a las Cartas de Crédito Stand-by pendientes.

Tal notificación deberá indicar la base para esta suspensión. Si el Banco Prestatario proporciona a la A.I.D. una seguridad adecuada de cumplimiento, la A.I.D. levantará la suspensión, notificando al Banco Prestatario al respecto. Si no se proporciona a la A.I.D. dicha seguridad dentro de los treinta (30) días siguientes al recibo por parte del Banco Prestatario de la notificación de suspensión, la A.I.D. podrá declarar un "Caso de Incumplimiento" según se estipula en la Sección 12.2 de este Convenio.

(b) En caso que la suspensión estipulada en la subsección (a) de esta Sección sea levantada sin incumplimiento, el Banco Prestatario podrá agregar a sus Calendarios de Subpréstamos, o poner bajo las Cartas de Crédito Stand-by, cualesquiera Subpréstamos Elegibles, que no hayan sido incumplidos, otorgados por el Banco Prestatario durante la suspensión.

(c) La suspensión de la disponibilidad de nuevas Cartas de Crédito Stand-by bajo la subsección (a) de esta Sección no afectará la validez y vigencia de las Cartas de Crédito Stand-by pendientes en el momento de la suspensión, o las obligaciones del Banco Prestatario en relación con las mismas.

Sección 12.2. Casos de Incumplimiento. La ocurrencia de cualquiera de los siguientes casos constituirá un "Caso de Incumplimiento" de conformidad con este Convenio, no importa la razón de tal caso o si el mismo es voluntario o involuntario o esté afectado por la operación de la ley o de conformidad con cualquier dictamen, decreto u orden de cualquier juzgado o de cualquier orden, regla o reglamento de cualquier Autoridad Gubernamental:

(a) Incumplimiento en el Pago. Cuando un Banco Prestatario deje de pagar a su vencimiento cualquier cantidad adeudada de conformidad con este Convenio, o cualesquiera comisiones o cantidades adeudadas directamente por el Banco Prestatario al Banco Emisor en pago de la Línea de Garantía,

(b) Incumplimiento en las Constancias. Cuando se encuentre que cualquier manifestacion, certificación o constancia emitidas por el Banco Prestatario en relación con este Convenio haya resultado incorrecta cuando se efectuó, de conformidad con este Convenio.

(c) Incumplimiento del Convenio. Cuando un Banco Prestatario deje de cumplir con cualquier convenio o estipulación contenida en este Convenio.

(d) Insolvencia, Etc. Cuando un Banco Prestatario admita por escrito su imposibilidad de pagar sus deudas o voluntariamente suspenda todas, o substancialmente todas, sus operaciones de negocios, o haga una asignación general para beneficio de sus acreedores, o si el Banco Prestatario instituye cualquier procedimiento en cualquier jurisdicción buscando adjudicarle una bancarrota o insolvencia, buscando reorganización, arreglo, ajuste o composición del mismo o su deuda bajo cualquier ley que se relacione con bancarrotas, insolvencia o reorganización o relevación de deudores, o esté buscando el nombramiento de un receptor, fideicomisario u otro oficial similar para su propiedad o parte de la misma, que a juicio razonable de la A.I.D. sea una parte substancial; o si se instituye cualquier procedimiento contra el Banco Prestatario que no sea retirado durante un tiempo razonable en su jurisdicción o dentro de la sede del asunto después de su institución; o si el Banco Prestatario toma acción para autorizar cualquiera de las acciones indicadas anteriormente en esta subsección (d).

(e) Si ha ocurrido cualquier evento que dé a la A.I.D. base razonable para creer que el Banco Prestatario pueda estar imposibilitado de cumplir con sus obligaciones de conformidad con este Convenio, y si treinta (30 días después de la notificación de la A.I.D., según se estipula en la Sección 12.1(a), el Banco Prestatario deja de proporcionar una seguridad adecuada de su cumplimiento.

(f) Descalificación. Si un Banco Prestatario ya no califica para participar en el Proyecto, de conformidad con la Sección 6.5 de este Convenio.

Sección 12.3. Consecuencias del Incumplimiento. Al ocurrir un Caso de Incumplimiento, la A.I.D. podrá, además de cualesquiera otros remedios estipulados por la ley correspondiente y cualesquiera derechos adicionales, que la A.I.D. pueda tener con respecto al Banco Emisor bajo el Convenio de Préstamo, tomar las acciones siguientes:

(a) Inmediatamente cancelar, o suspender y en cualquier momento posterior cancelar, cualquier derecho que el Banco Prestatario Incumplido pueda tener para:

(1) solicitar la emisión de Cartas de Crédito Stand-by adicionales bajo la Línea de Garantía; y

(2) designar Subpréstamos Elegibles bajo las Cartas de Crédito Stand-by en vigor, siempre que una cancelación o suspensión por parte de la A.I.D. no tenga efecto sobre la validez y vigencia de las Cartas de Crédito Stand-by entonces en vigor, o sobre la obligación del Banco Prestatario de presentar Calendarios de Subpréstamos y de pagar las Comisiones de Garantía corespondientes a su vencimiento con respecto a las Cartas de Crédito Stand-by en vigor; y

(b) Con el consentimiento escrito del Banco Prestatario, pedir al Banco Emisor que reduzca el monto de cualquiera Carta de Crédito Stand-by para igualar el monto de la Cobertura de Subpréstamos entonces vigentes, según haya indicado en el más reciente Calendario de Subpréstamos del Banco Prestatario.

Sección 12.4. No Renuncia de Derechos. Ninguna demora en ejercer cualquier derecho o recurso por parte de la A.I.D. en relación con este Convenio será considerada como una renuncia a tal derecho o remedio.

Sección 12.5. Suspensión de Desembolsos. No obstante cualquier otra estipulación de este Convenio, la A.I.D. podrá negarse a efectuar cualquier desembolso bajo el Convenio de Préstamo que pueda causar que la A.I.D. viole cualquier estatuto o reglamento que la gobiernen, ya sea que tal estatuto o reglamento exista desde la fecha de ejecución de este Convenio o sea enmendado después de la misma.

Artículo 13. Varios

Sección 13.1. Comunicaciones. A menos que específicamente se estipule algo diferente en este Convenio, cualquier notificación, solicitud, documento, u otra comunicación presentada por cualquiera de las Partes a la ótra, de acuerdo con este Convenio, será por escrito o por medio de telegrama, cable o telex, y la misma se considerará debidamente enviada o dada, cuando sea entregada a la Parte en la siguiente dirección:

Al Administrador

Dirección Postal:
Cámara Empresarial de Guatemala
_____
_____
Atención:_____

Dirección para Telex:

A la A.I.D.

Dirección Postal:
Office of Investment
Bureau for Private Enterprise
Agency for Internacional Development
Washington, D.C. 20523
Attn: Kathy Wilson

Dirección para Telex:
248379 AID UR

Todas las comunicaciones serán en el idioma Inglés, a menos que las Partes convengan algo diferente por escrito. Las direcciones anteriores podrán substituirse por ótras dando notificación al respecto.

Sección 13.2. Representantes. Para todos los propósitos relacionados con este convenio, el Administrador y cada uno de los Bancos Prestatarios, respectivamente, estarán representados por las personas que estén debidamente autorizadas para el efecto, y la A.I.D. estará representada por la persona autorizada en la Oficina del Administrador Adjunto, Oficina de Empresas Privadas. Cada representante podría, por medio de notificación escrita, designar a representantes adicionales para todos los propósitos. Los nombres de los representantes del Administrador y de cada uno de los Bancos Prestatarios, respectivamente, con muestras de sus firmas, serán proporcionados a la A.I.D. la que pueda aceptar como debidamente autorizado cualquier instrumento firmado por tales representantes en la ejecución de este Convenio, hasta que reciba notificación escrita de revocación de autoridad.

Sección 13.3. Cartas de Ejecución de Proyecto. Para ayudar al Banco Prestatario en la implantación del Proyecto, la A.I.D. de tiempo en tiempo podrá emitir Cartas de Ejecución de Proyecto numeradas separadamente las que proporcionarán información adicional sobre los asuntos indicados en este Convenio. Las Partes podrán también usar Cartas de Ejecución de Proyecto convenidas conjuntamente, para confirmar y registrar su mútuo entendimiento sobre aspectos relacionados con la implantación de este Convenio.

Sección 13.4. Enmiendas. Este Convenio podrá ser enmendado únicamente por medio de un documento escrito ejecutado por las Partes. A menos que claramente se indique en el texto del mismo, una enmienda entrará en vigencia, como sigue:

(a) con respecto a las obligaciones del Administrador, cuando tal enmienda sea debidamente ejecutada por la A.I.D. y el Administrador; y

(b) con respecto a las obligaciones del Banco Prestatario, cuando tal enmienda sea debidamente ejecutada por la A.I.D., el Administrador, y el Banco Prestatario.

Sección 13.5. Plazo del Convenio. El plazo de este Convenio será desde la fecha del mismo hasta la fecha en que todas las cantidades adeudadas a la A.I.D. bajo el Convenio de Préstamo, hayan sido pagadas.

Sección 13.6. Idioma del Convenio. Este Convenio podrá ser traducido al español para conveniencia de las Partes. En caso de ambigüedad o conflicto entre las versiones en inglés y español de este Convenio, la versión en inglés será la válida.

Sección 13.7. Ley Gobernante. Este Convenio estará gobernado por las leyes de los Estados Unidos y el Distrito de Columbia.

Sección 13.8. Jurisdicción. El Administrador y cada uno de los Bancos Prestatarios consienten en establecer la jurisdicción en la Corte de Distrito para el Distrito de Columbia, Estados Unidos de Norte América, y convienen en que, a menos que la A.I.D. renuncie a este derecho, toda acción para resolver cualquier violación, incumplimiento, disputa o interpretación de este Convenio y cualquier Asignación, será iniciada en la Corte de Distrito para el Distrito de Columbia de los Estados Unidos de Norte América. El Administrador y cada uno de los Bancos Prestatarios convienen en no reclamar,

en cualquier acción legal, que el Distrito de Columbia es un lugar inconveniente para el juicio. Lo anterior, sin embargo, no limitará el derecho de la A.I.D. de llevar el proceso legal en cualquier forma permitida por la ley ni afectara el derecho de la A.I.D. de llevar cualquier acción o procedimiento contra la otra Parte o sus propiedades en los Juzgados de la República de Guatemala o a cualquier otro Juzgado que puedan tener jurisdicción.

Sección 13.9. Encabezamientos. Los encabezamientos de las varias estipulaciones de este Convenio son para conveniencia y referencia únicamente, y los mismos no constituyen parte del mismo, y no afectarán el significado o construcción de cualquier estipulación del Convenio.

Sección 13.10. Renuncia de A.I.D. Este Convenio se refiere en varios lugares a las acciones que el Banco Emisor tomará para establecer y administrar la Línea de Garantía. Las únicas obligaciones contractuales que el Banco Emisor tiene con la A.I.D. son aquellas indicadas en el Convenio de Préstamo entre la A.I.D. y el Banco Emisor. La A.I.D. no hace ninguna constancia ni adquiere ninguna obligación frente al Administrador o frente a los Bancos Prestatarios con respecto al cumplimiento del Banco Emisor con las obligaciones de ese Banco Emisor bajo dicho Convenio de Préstamo o con respecto a aquellas acciones o responsabilidades que el presente Convenio de Proyecto describe como los del Banco Emisor. Las únicas obligaciones de la A.I.D. con respecto al Banco Prestatario serán aquellas expresamente impuestas a la A.I.D. por este Convenio de Proyecto.

****

EN FE DE LO CUAL, el Administrador, cada Banco Prestatario identificado abajo, y los Estados Unidos de Norte América, cada uno actuando por medio de sus representantes debidamente autorizados, celebran este Convenio que será firmado por ellos y entrará en vigor en las fechas abajo indicadas.

CAMARA EMPRESARIAL DE GUATEMALA

Por:_____

Título:_____

ESTADOS UNIDOS DE AMERICA

Por:_____

Título:_____

(BANCO PRESTATARIO)
Por:_____
Título_____

(BANCO PRESTATARIO)
Por:_____
Título_____

A N E X O S

Anexo A-1 Descripción del Proyecto

Anexo A-2 Estimación de Utilización del Stand-by (EUS)

Anexo B Forma de Carta de Crédito Stand-by Irrevocable

Anexo C Forma de Giro a la Vista

Anexo D Asignación y Certificado del Banco Prestatario

Anexo E Notificación de Pago Final

Anexo F Solicitud y Certificado de Stand-by

Anexo G Perfil de Subpréstamo Elegible

Anexo H Calendario de Subpréstamos

ANEXO A-1

DESCRIPCION DEL PROYECTO

Este Anexo A-1 tiene un propósito descriptivo y no impone ninguna obligación contractual a la A.I.D. o al Banco Prestatario, excepto que algo diferente se estipule expresamente en el contenido de este Convenio, ni varía ninguna de las obligaciones que surjan de las estipulaciones de este Convenio.

I. Objetivos

II. Implantación del Proyecto

Las Partes estiman que el Proyecto será ejecutado de conformidad con el siguiente Calendario:

Septiembre 30 1987	Firma del Convenio de Préstamo
Febrero 29, 1988	Firma del Convenio de Proyecto
Marzo 31, 1988	Cumplimiento de las Condiciones Previas de la Sección 7.3
April 30, 1988	Primer Desembolso de $1,000,000 del Préstamo de la A.I.D.; apertura de la Línea de Garantía
Julio 1, 1988	Utilización total del primer $1,000,000 en cobertura, segundo desembolso de $1,000,000
Noviembre 30, 1988	Utilización total del segundo $1,000,000 en cobertura; tercer desembolso de $1,000,000

Febrero 1, 1989	Utilización total del tercer $1,000,000 en cobertura

III. Requisitos para Informes y Consultas

El Banco Prestatario proporcionará a la A.I.D. copias de los estados financieros trimestrales no auditados dentro de los 60 días siguientes al final del período de informe, y estados financieros anuales auditados por una firma de auditores independientes aceptable a la A.I.D. dentro de los treinta (30) días después de su presentación a los accionistas. El Banco Prestatario también completará el Informe de Subpréstamos Elegibles aprobado por la A.I.D. por cada subpréstamo gar[illegible]ado por la Línea de Garantía, y presentará estos informes dentro de los diez (10) días siguientes a la fecha en que cada Subpréstamo Elegible sea otorgado. El Banco Prestatario conviene en reunirse con el personal de la A.I.D. periódicamente pare estudiar la implantación del Proyecto.

ANEXO A-2

ESTIMACION DE UTILIZACION DEL STAND-BY

(EUS)

Este documento se presenta con respecto a la emisión de Cartas de Crédito Stand-by establecidas de conformidad con el convenio de préstamo ("Convenio de Préstamo") fechado el 30 de septiembre de 1987, celebrado por y entre el Southeast Bank, N.A. ("Banco Emisor") y los Estados Unidos de América actuando por medio de la Agencia para el Desarrollo Internacional ("A.I.D.").

La Cámara Empresarial de Guatemala ("Administrador") por este medio presenta una estimación de buena fe que durante los seis (6) meses inmediatamente siguientes a esta fecha, los Bancos Prestatarios podrán utilizar_____Dólares de los Estados Unidos ($_____)__de cobertura de garantía de conformidad con la Línea de Garantía.

CAMARA EMPRESARIAL DE GUATEMALA

Por:_____

Título:_____

Fecha:_____

ANEXO B

FORMULARIO DE CARTA DE CREDITO STAND-BY IRREVOCABLE

Carta de Crédito No._____

Fecha_____
Lugar_____

Señores:

1. Por instrucciones de nuestro cliente, los Estados Unidos de América, actuando por medio de la Agencia para el Desarrollo Internacional ("A.I.D."), el Southeast Bank, N.A. ("Banco Emisor") por este medio abre una Carta de Crédito irrevocable a favor de_____ ("Beneficiario") por el monto inicial de _____Dólares de los Estados Unidos ($_____.)

2. El monto inicial será reducido de tiempo en tiempo como sigue ("Reducciones Programadas"):

(1) U.S. $_____ el_____
(2) U.S. $_____ el_____
(3) U.S. $_____ el_____

Las Reducciomes Programadas estipuladas en esta Sección son efectivas el_____a las_____ horas.

_____

3. Esta carta de crédito vence el_____ a las_____horas, o al recibo por parte del Banco Emisor de un telex debidamente autenticado conteniendo una "Notificación de Pago Final" en la misma forma del Anexo E al Convenio de Préstamo fechado el 30 de septiembre de 1987, por y entre el Banco Emisor y la A.I.D. ("Convenio de Préstamo"), lo que ocurra primero.

4. Los retiros bajo esta Carta de Crédito deberán hacerse por medio de entrega de lo siguiente a la División de Cartas de Crédito del Banco Emisor:

(i) un giro a la vista ("Giro") (especificando "Girado bajo_____Carta de Crédito No._____") en la forma del Anexo C al Convenio de Préstamo debidamente firmado por un funcionario del beneficiario;

(ii) una Asignación y Certificado en la forma del Anexo D al Convenio de Préstamo debidamente firmado por un funcionario del beneficiario; y

(iii) una copia del Calendario de Subpréstamos en la misma forma del Anexo H al Convenio de Préstamo en el cual el Subpréstamo Incumplido identificado en la Sección I (1) de la Asignación y Certificado aparece como un "Nuevo Subpréstamo".

ESTAN PERMITIDOS RETIROS PARCIALES BAJO ESTA CARTA DE CREDITO

5. Al recibo por parte del Banco Emisor de los documentos estipulados en el Párrafo 4 anterior, antes de la fecha en que vence esta Carta de Crédito, el Banco Emisor incondicional y oportunamente efectuarán los mismos.

6. Los retiros pagados de acuerdo con esta Carta de Crédito, y todas las reducciones no programadas en el monto de esta Carta de Crédito serán sustraídos del monto de las Reducciones Programadas subsiguientes en el órden en que ocurran las mismas.

7. Esta Carta de Crédito está sujeta a las Costumbres y Prácticas Uniformes para Créditos Documentarios (Enmienda de 1983), Cámara Internacional de Comercio, Publicación No. 400, siempre que, no obstante el Artículo 45 de dicho documento, si cuaquier abono no es retirado dentro del período, si lo hubiere, permitido para tal abono, esta Carta de Crédito no demará de estar disponible para cualquier abono subsiguiente.

8. Todas las comisions de las Cartas de Crédito serán por cuenta del Beneficiario.

9. Todas las comuricaciones relativas a esta Carta de Crédito serán por escrito o por medio de telex debidamente autenticado dirigido al Banco Emisor, Telex No._____, Atención: División de Cartas de Crédito, y deberán referirse a la Carta de Crédito del Southeast Bank No._____.

Atentamente,

SOUTHEAST BANK, N. A.

Por:_____
Título_____

ANEXO C

FORMA DE GIRO A LA VISTA

(Será proporcionada por el Banco Emisor)

ANEXO D

ASIGNACION Y CERTIFICADO DEL BANCO PRESTATARIO

Carta de Crédito No._____

El_____("Banco Prestatario") por este medio presenta esta Asignación y Certificado de conformidad con los términos del Convenio de Proyecto, fechado_____ por y entre el Banco Prestatario, la Cámara Empresarial de Guatemala ("Administrador") y los Estados Unidos de América, actuando por medio de la Agencia para el Desarrollo Internacional ("A.I.D.").

I. Certificaciones y Garantías

El Banco Prestatario por este medio certifica y garantiza lo siguiente:

(1) Esta Asignación y Certificado se relaciona con un préstamo del Banco Prestatario fechado_____ ("Subpréstamo Incumplido") a_____ ("Prestatario Incumplido"). El Subpréstamo Incumplido está identificado como Subpréstamo No._____en el Calendario de Subpréstamos del Banco Prestatario No._____ fechado _____que era el Calendario de Subpréstamos en efecto en la fecha en que venció el

_____ pago de capital o intereses sobre el Subpréstamo Incumplido ("Fecha de Incumplimiento"). A la fecha de esta Asignación y Ceritificado, los pagos del Prestatario Incumplido bajo el Subpréstamo Incumplido, tienen por lo menos, ciento ochenta (180) días de atraso.

(2) Entre la Fecha de Incumplimiento y la fecha de esta Asignación y Certificado, el Banco Prestatario ha hecho esfuerzos comercialmente razonables para inducir o exigir al Subprestatario Incumplido, y a cualquier otra persona o entidad que pueda ser responsable principalmente o secundariamente del Subpréstamo Incumplido, para remediar el incumplimiento o pagar el monto completo de dicho Subpréstamo, incluyendo lo siguiente:

_____

(3) La pérdida neta de capital del Banco Prestatario a causa del Subpréstamo Incumplido es_____ (moneda nacional), calculado en la forma siguiente:

(A) Saldo de Capital del Subpréstamo en la fecha de Incumplimiento (moneda nacional) _____

144

(B) (1) Recuperaciones contra el Subprestatario Incumplido entre la Fecha de Incumplimiento y la fecha de este documento que puedan ser aplicadas al Subpréstamo Incumplido (de todas las fuentes) _____

(2) Gastos reales y razonables de cobro _____

(3) Recuperaciones Netas (B-1 y B-2) _____

(C) Pérdida Neta de Capital(A-B3) _____

(4) La Tasa de Cambio (según se define en la Sección 2.1 del Convenio de Proyecto) en la fecha de esta Asignación y Certificado era_____por un dólar de los Estados Unidos.

(5) La pérdida neta de capital en dólares de los Estados Unidos es _____($_____).

(6) El monto del reclamo del Banco Prestatario bajo la Carta de Crédito Stand-by es la menor entre

(a) cincuenta por ciento (50%) de su pérdida neta de capital sobre el Subpréstamo Incumplido, y

(b) el monto pendiente de la Carta de Crédito Stand-by bajo la cual se presenta esta Asignación y Certificado.

Este monto se indica después de la línea de firma en esta Asignación y Certificado y es el monto del giro que se presentará al Banco Emisor junto con esta Asignación y Certificado.

II Asignación

El Banco Prestatario reconoce que el Banco Emisor obtendrá el reembolso del pago bajo la Carta de Crédito Stand-by compensando las cantidades adeudadas bajo el Convenio de Préstamo entre el Banco Emisor y los Estados Unidos de América actuando por medio de la Agencia para el Desarrollo Internacional ("A.I.D."). El Banco Prestatario por este medio asigna a la A.I.D., en consideración del pago bajo la Carta de Crédito Stand-by, el cincuenta por ciento (50%) del derecho del Banco Prestatario de recibir pago de capital e intereses bajo el Subpréstamo Incumplido, incluyendo, pero sin limitación, el derecho a recibir pagos de cualquiera otra persona o entidad principal o secundariamente responsables del Subpréstamo Incumplido o de la realización de cualquier garantía colateral que asegure el Subpréstamo Incumplido. El Banco Prestatario hace esta asignación sin garantía de cobro de la deuda asignada y sin recurso contra el Banco Prestatario excepto por violación de cualquier garantía u otra obligación bajo esta Asignación y Certificado.

III. Compromisos Afirmativos

(a) Recuperaciones.

(1) El Banco prestatario conviene en proseguir la recuperación de todo el capital e intereses no pagados bajo el Subpréstamo Incumplido en forma comercialmente razonable, y en ningún caso deberá el Banco Prestatario descontinuar sus esfuerzos de cobro cuando el monto que el Banco Prestatario pueda razonablemente esperar recuperar de todas las personas y entidades principal o secundariamente responsables del Subpréstamo o de la realización de cualquier garantía colateral exceda del monto de los gastos de cobro en que incurra el Banco Prestatario para efectuar tal recuperación.

(2) Con relación a cualesquiera montos recuperados por el Banco Prestatario después de la fecha de esta Asignación y Certificado, de cualquier fuente, que puedan ser aplicados al Subpréstamo Incumplido, el Banco Prestatario conviene en oportunamente remitir a la A.I.D. el cincuenta por ciento (50%) de tales montos recuperados, reducido en un cincuenta por ciento (50%) de los gastos de cobro reales y razonables. Sin embargo, si hubiere cualesquiera gastos de cobro no reembolsados que fueron incurridos bajo el Subpréstamo Incumplido entre la Fecha de Incumplimiento y la fecha de esta Asignación y Certificado, los montos recuperados podrían aplicarse a tales gastos antes de calcular el monto que la A.I.D. tiene derecho a recibir.

(3) Excepto que la A.I.D. especifique algo diferente por escrito, los pagos deberán hacerse en dólares de los Estados Unidos por medio de una transferencia electrónica de fondos en fondos inmediatamente disponibles al Banco Emisor especificando que es un crédito al Préstamo de A.I.D. No._____. El monto remitido a la A.I.D. deberá ser convertida a dólares de los Estados Unidos a la Tasa de Cambio en el mercado bancario en la fecha en que los fondos sean recuperados.

(4) Las obligaciones del Banco Prestatario bajo esta Asignación y Certificado de proseguir diligente y razonablemente sus esfuerzos de cobro y de distribuir las recuperaciones, según se estipula aquí, terminarán únicamente cuando el monto completo del Subpréstamo Incumplido asignado por este medio haya sido pagado.

(b) Registros.

(1) El Banco Prestatario conviene en mantener o hacer que se mantenga, de acuerdo con principios y prácticas de contabilidad generalmente aceptadas, los libros y registros del Banco Prestatario relacionados con el Subpréstamo Incumplido y con esta Asignación y Certificado adecuados para mostrar, sin limitación, las acciones tomadas por el Banco Prestatario para el cobro del Subpréstamo Incumplido, y la forma en la cual las cantidadas cobradas fueron aplicadas. Tales libros y registros serán mantenidos, excepto que la A.I.D. convenga algo diferente por escrito, durante los tres (3) años siguientes a la fecha de esta Asignación y Certificado. El Banco Prestatario además conviene en permitir a los representantes autorizados de la A.I.D. la oportunidad en todo tiempo razonable de inspeccionar tales libros, registros y otros documentos, para verificar que las recuperaciones
del Subpréstamo Incumplido han sido y continuarán siendo aplicadas de conformidad con los términos y condiciones de esta Asignación y Certificado.

(2) La A.I.D. hará todo esfuerzo posible para asegurar que la información confidencial obtenida bajo esta sección no sea descubierta sin el permiso escrito del Banco Prestatario, excepto a otras agencias del Gobierno de los Estados Unidos.

IV. Varios

(a) El Banco Prestatario queda entendido que el Banco Emisor está pagando de conformidad con la Carta de Crédito Stand-by con base en las certificaciones, garantías y promesas hechas en esta Asignación y Certificado, y que las obligaciones y compromisos del Banco Prestatario bajo esta Asignación y Certificado están a favor de la A.I.D., así como del Banco Emisor

(b) Los términos de esta Asignación y Certificado están gobernados por las leyes de los Estados Unidos de América y del Estado de Nueva York. El Banco Prestatario consiente en la jurisdicción del Juzgado de Distrito del Distrito de Columbia, de los Estados Unidos con respecto a cualquier acción para resolver cualquier violación, incumplimiento, disputa o interpretación de esta Asignación y Certificado y conviene en que, a menos que la A.I.D. renuncie, la sede en tal juzgado para tal acción es apropiada. No obstante, lo anterior no limitará el derecho de la A.I.D. de seguir el proceso legal de cualquier manera permitida por la ley ni afectará el derecho de la A.I.D. de llevar cualquier acción o procedimiento contra el Banco Prestatario o sus propiedades a cualquier otro juzgado que tenga jurisdicción. Con respecto a cualquier acción de la A.I.D. por violación de esta Asignación y Certificado, el Banco Prestatario pagará a la A.I.D. todos las costas, incluyendo honorarios razonables de abogados, pagados en relación con tal acción.

(BANCO PRESTATARIO)

Por: _____
Título: _____
Fecha: _____

Monto reclamado bajo Southeast Carta de Crédito No. _____:

U.S.$_____.

CERTIFICACION DEL ADMINISTRADOR

La Cámara Empresarial de Guatemala ("Administrador") por este medio certifica que:

(a) el subpréstamo identificado en la Sección I(1) de esta Asignación y Certificado estaba cubierto por la Línea de Garantía en la Fecha de Incumplimiento; y

(b) de acuerdo con el mejor saber y entender del Administrador, el Banco Prestatario ha hecho esfuerzos comercialmente razonables para inducir o exigir al Subprestatario Incumplido, y a aquellas personas o entidades que puedan ser principal y secundariamente responsables del Subpréstamo Incumplido, para remediar el incumplimiento o pagar el monto completo del Subpréstamo Incumplido, según se estipula en la Sección I(2) de esta Asignación y Certificado.

CAMARA EMPRESARIAL DE GUATEMALA
Por: _____
Título: _____
Fecha: _____

148

ANEXO E
NOTIFICACION DE PAGO FINAL

Carta de Crédito No._____

El_____("Banco Prestatario") por este medio notifica a_____("Banco Emisor") que el_____fue pagado completamente el último Subpréstamo pendiente cubierto por la Carta de Crédito identificada arriba. Por lo tanto, la Carta de Crédito identificada arriba queda descargada en la fecha de recepción de esta notificación por el Banco Emisor, si lo mismo nc ha ocurrido ya.

(BANCO PRESTATARIO)

Por:_____
Título:_____
Fecha:_____

ANEXO F
SOLICITUD Y CERTIFICADO DE STAND-BY

1._____("Banco Prestatario") por este medio solicita del Southeast Bank, N.A. ("Banco Emisor") que emita una Carta de Crédito Stand-by a su favor de conformidad con la Línea de Garantía establecida de acuerdo con el Convenio de Préstamo fechado el 30 de septiembre de 1987, por y entre los Estados Unidos de América, actuando por medio de la Agencia para el Desarrollo Internacional ("A.I.D.") y el Banco Emisor.

2. La Carta de Crédito Stand-by solicitada por este medio será por un monto de_____Dólares de los Estados Unidos ($_____) ("Monto Inicial") y se amortizará o/vencerá según se estipula en el párrafo 4 que se encuentra a continuación.

3. La Carta de Crédito Stand-by cubrirá hasta un Cincuenta por ciento (50%) de las pérdidas netas de capital del Banco Prestatario sobre Subpréstamos Elegibles otorgados de conformidad con los términos del Convenio de Proyecto, fechado_____, entre la A.I.D. y el Banco Prestatario ("Convenio de Proyecto"). De esta forma, el monto máximo total de capital de Subpréstamos que podrá ser cubierto por la Carta de Crédito Stand-by en cualquier momento, es el equivalente en moneda nacional al doble del monto indicado en la carátula de la Carta de Crédito Stand-by, calculado de conformidad con la Tasa de Cambio (según se define en el Convenio de Proyecto) en efecto en la fecha de cada Subpréstamo, respectivamente.

4. El calendario de reducción de cobertura de la Carta de Crédito Stand-by solicitada será como sigue:

(i) el Monto Inicial desde la fecha de emisión de la Carta de Crédito Stand-by, hasta_____.
(ii) _____Dólares de los Estados Unidos desde_____hasta_____; en cuya fecha vencerá la Carta de Crédito Stand-by.

6. El Banco Prestatario ha transmitido simultáneamente una copia de este Certificado de Stand-by del Banco Prestatario a la A.I.D.

BANCO PRESTATARIO

Por:_____
Título:_____
Fecha:_____

150

CERTIFICACION DEL ADMINISTRADOR

La Cámara Empresarial de Guatemala ("Administrador") por este medio certifica lo siguiente: Si la Carta de Crédito Stand-by solicitada en este Certificado de Compromiso del Banco Prestatario es emitida por el Banco Emisor, en cualquier momento durante la vida de la Carta de Crédito Stand-by

(a) el monto total de las Cartas de Crédito Stand-by de conformidad con la Línea de Garantía a favor del Banco Prestatario no deberá exceder la cobertura de garantía del Banco Prestatario, de conformidad con la Línea de Garantía; y

(b) el monto total de las Cartas de Crédito Stand-by vigentes de acuerdo con la Línea de Garantía no deberá exceder del monto de cobertura de garantía disponible de acuerdo con la Línea de Garantía.

CAMARA EMPRESARIAL DE GUATEMALA

Por: _____
Titulo: _____
Fecha: _____

ANEXO G

PERFIL DE SUBPRESTAMO ELEGIBLE

Subpréstamo No._____

1. Nombre del Prestatario:
2 Persona(s) Responsable(s):
3 Dirección Comercial:

4. Teléfono:
5. Ubicación Comercial/Alcance Geográfico de la Empresa:

6. Naturaleza de la empresa o actividades comerciales:

7. Monto del Préstamo (Quetzales):
8. Fecha de Otorgamiento:
9. Términos:

10. Calendario de Amortizaciones:

11. Destino del Préstamo

12. Descripción y valor de colateral y/o otra garantía proporcionada.

13. Tamaño de la Empresa (en la fecha del préstamo):
    - Forma de asociación o corporación:
    - Naturaleza del patrimionio:
    - Empleados_____masculinos_____ femeninos.
    - Ventas/Ingresos anuales:_____
    - Ingreso neto:
    - Total del Activo:
    - Total del Pasivo:

14. Nuevo Cliente_____
    Cliente Anterior_____
    Fecha del último préstamo_____
    Cual es el nuevo aspecto de la relación crediticia?_____.

ANEXO H

Carta de Crédito No._____

CALENDARIO DE SUBPRESTAMOS NO._____

1. El_____("Banco Prestatario") por este medio declara que, a la fecha de ejecución de este Calendario de Subpréstamos, los siguientes préstamos están cubiertos por la Carta de Crédito del Southeast Bank No._____de conformidad con los términos del Convenio de Proyecto ("Convenio de Proyecto") fechado el_____de febrero de 1988, por y entre el Banco Prestatario, la Cámara Empresarial de Guatemala ("Administrador") y los Estados Unidos de América, actuando por medio de la Agencia para el Desarrollo Internacional ("A.I.D."):

A. SUBPRESTAMOS ANTERIORMENTE REPORTADOS

Sub-Prés-No.	Subpres-tatario	Fecha Primer Desem-bolso	Monto Ini-cial del Subpréstamo M/N $	Monto Actual Subpréstamo M/N $	Monto Actual Cobertura AID ($)
1	_____	_____	_____	_____	_____
2	_____	_____	_____	_____	_____
SUBTOTALES:				_____	_____

B. SUBPRESTAMOS NUEVOS

Sub-Prés-No.	Subpres-tatario	Fecha Primer Desem-bolso	Monto Ini-cial del Subpréstamo M/N $	Monto Actual Subpréstamo M/N $	Monto Actual Cobertura AID ($)
3	_____	_____	_____	_____	_____
4	_____	_____	_____	_____	_____
SUBTOTALES				_____	_____
TOTALES				_____	_____

2. El Banco Prestatario por este medio certifica que todos los préstamos identificados arriba son Subpréstamos Elegibles bajo la Sección 6.1 del Convenio de Proyecto.

3. En caso que la A.I.D. certifique al Banco Emisor que el monto total de la Cobertura de Subpréstamos vigente en cualquier momento bajo esta Línea de Garantía no ha llegado al monto total de la Línea de Garantía dentro de los doce (12) meses siguientes a la fecha en que fue abierta la Línea de Garantía, este Calendario de Subpréstamos constituirá las instrucciones del Banco Prestatario al Banco Emisor para reducir el monto de la Carta de Crédito Stand-by arriba indicada para que el monto total de Cartas de Crédito Stand-by vigentes iguale al monto máximo de Cobertura de Subpréstamos vigentes bajo la Línea de Garantía en cualquier momento durante el período inicial de doce (12) meses, según certificación de la A.I.D.

4. En caso de incumplimiento de parte del Banco Prestatario de acuerdo con este Convenio de Proyecto, o de un evento que permita a la A.I.D. dar por terminada la utilización de parte del Banco Prestatario de la Línea de Garantía, certificado como tal al Banco Emisor por la A.I.D., este Calendario de Subpréstamos constituirá la instrucción del Banco Prestatario al Banco Emisor para:

(1) Reducir el monto de la Carta de Crédito arriba indicada al monto total de Cobertura de Subpréstamos indicado en la Sección 2 del Calendario de Subpréstamos actual en la fecha de incumplimiento o cancelación, y

(2) Reducir adicionalmente el monto de la Carta de Crédito Stand-by siempre que los Subpréstamos enumerados en ese Calendario de Subpréstamos hayan sido pagados.

BANCO PRESTATARIO
Por:_____
Título:_____
Fecha:_____

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ANNEX J-1
ATTACHMENT 1

MECANISMO OPERATIVO DEL FONDO DE GARANTIA PARA EL OTORGAMIENTO DE PRESTAMOS DESTINADOS A LA PEQUEÑA Y MEDIANA EMPRESA (SME)

CAPITULO I

OBJETO

Artículo 1o. El objeto de este instructivo es el de fijar el mecanismo operativo, términos y condiciones que regulan el "Fondo de Garantía para el Otorgamiento de Prestamos destinados a las Pequeñas y Medianas Empresa (SME)", de acuerdo con el contrato de fideicomiso suscrito entre el Gobierno de la República de Guatemala, la Agencia para el Desarrollo Internacional (AID) y el Banco de Guatemala.

CAPITULO II

TERMINOS Y CONDICIONES DEL FONDO DE GARANTIA

Artículo 2o. El Fondo de Garantía se encuentra constituído por la suma de US$.5.500,000.00 que forman parte de la donación que por 56.0 millones de dólares otorgó el Gobierno de los Estados Unidos de América al Gobierno de Guatemala para el fortalecimiento de la balanza de pagos de Guatemala. Los dólares recibidos para este propósito fueron convertidos a quetzales al tipo de cambio de Q.2.58287 por US$.1.00, haciendo un total de Q.14,205,785.00 suma que es con la que inicia sus operaciones este Fondo de Garantía. Posteriormente este Fondo de Garantía se incrementará con los intereses que generen los fondos invertidos, así como las comisiones de garantía que paguen los usuarios de los créditos garantizados.

Artículo 3o. El Fondo de Garantía cubrirá hasta el 50% de los préstamos que otorguen las instituciones bancarias y financieras calificadas por la Misión AID y que suscriban el contrato de participación con el Banco de Guatemala, fiduciario del Fideicomiso que comprende el Fondo de Garantía.

CAPITULO III

ADMINISTRACION

Artículo 4o. El Fondo de Garantía estará administrado por un comité integrado por -- cuatro personas que representarán, respectivamente, al Banco de Guatemala; al sector privado por intermedio de la Cámara Empresarial (CAEM), al sector bancario y financiero por intermedio de la Asociación de Banqueros de Guatemala; y finalmente a la Misión AID. La designación de estas personas se efectuará de la siguiente manera:

a) El Banco de Guatemala nombrará directamente al representante de esa institución;

b) El Banco de Guatemala solicitará a la Asociación de Banqueros de Guatemala, la - designación del representante de esa institución;

c) A solicitud de la Misión AID, la Cámara Empresarial de Guatemala nombrará su representante; y

d) El representante de la Misión AID será el Oficial de Proyectos de la oficina de Programas del Sector Privado, cuya participación dentro del Comité será únicamente en calidad de observador, con voz pero sin voto.

Artículo 5o. El Comité de Administración del Fondo de Garantía tendrá su sede en las oficinas de la Cámara Empresarial (CAEM), quien ofrecerá el apoyo secretarial que se requiera. Se reunirá las veces que sea necesario y por lo menos una vez por semana. La primera sesión que celebre el Comité servirá para dejar constancia en acta de su - integración y de las personas designadas como representantes de las instituciones que lo forman.

Artículo 6o. el comité de Administración del Fondo de Garantía regirá sus actividades de acuerdo con este instructivo que forma parte integrante del contrato de fideicomiso a que se hizo referencia al principio de este instrumento; las resoluciones - del Comité se adoptarán por mayoría de votos.

CAPITULO IV

PROCEDIMIENTO PARA EL REGISTRO Y EMISION DE LOS CERTIFICADOS DE GARANTIA

Artículo 7o. Las solicitudes de garantía deberán presentarse por el Banco interesado a la Secretaría del Comité de Administración del Fondo de Garantía, en formularios especiales que se proporcionarán, debiendo contener como mínimo la información siguiente:

a) Nombre de la Institución Bancaria solicitante;

b) Nombre completo y generales del usuario;

c) Domicilio;

d) Información amplia sobre el destino del préstamo solicitado;

e) Garantías ofrecidas;

f) Plazo del préstamo solicitado;

g) Monto del préstamo solicitado;

h) Monto de la garantía que se solicita.

Artículo 8o. La Secretaría del Comité de Administración del Fondo de Garantía dará el trámite a las solicitudes recibidas, dentro de la semana en que se reciban y siempre que éstas hayan sido presentadas en debida forma y con toda la documentación necesaria. La Secretaría convocará a sesión a los miembros del Comité para que conozcan las solicitudes recibidas en el curso de cada semana. Cuando una solicitud requiera mayor información o comprobaciones adicionales, la Secretaría del Comité solicitará al Banco interesado los datos e información complementaria, en cuyo caso el Comité emitirá su resolución en la semana en que reciba dicha información.

Artículo 9o. En virtud de que la concesión de estos créditos representa un riesgo compartido entre el Fondo de Garantía y la institución bancaria participante, esta última deberá aplicar a las solicitudes sus procedimientos normales de análisis y valuación de garantías, conforme los lineamientos que internamente tenga establecidos.

Artículo 10. En el caso de que el Comité de Administración deniegue el otorgamiento de una garantía; que puede ser porque se salga de los límites del programa o porque corresponda al refinanciamiento de un crédito anterior en mora, el Banco interesado podrá pedir la reconsideración al propio Comité, dentro de los cinco (5) días hábiles siguientes a la fecha de notificación, presentando las pruebas o informaciones complementarias que estime convenientes. Si el Comité de Administración reitera su denegatoria, esta segunda decisión será inapelable.

Artículo 11. Los préstamos que las instituciones bancarias y financieras participantes otorguen de conformidad con este programa, además de los intereses normales, también deberán cubrir la comisión del 0.50% sobre los saldos deudores, que deberá ser

cubierta por el usuario en la misma forma y época en que paga los intereses. Las comisiones recaudadas deberán ser trasladadas de-inmediato al Banco de Guatemala para que éste último las acredite en la cuenta que contiene el Fondo de Garantía.

Artículo 12. Los préstamos que la institución financiera participante otorgue con la garantía de este fondo, deberán registrarlos separadamente de su cartera normal, para lo cual deberá asignarle un código específico de identificación para estos propósitos.

Artículo 13. Con base en las certificaciones de las resoluciones aprobatorias que emita el Comité de Administración del Fondo de Garantía, la Secretaría del mismo expedirá los correspondientes Certificados de Garantía a favor del Banco interesado, los que tendrán vigencia hasta un año después de vencida la obligación.

CAPITULO V

PROCEDIMIENTO PARA EL PAGO DE GARANTIAS

Artículo 14. Si después de transcurridos noventa (90) días de la fecha final de vencimiento del crédito otorgado, hubiera falta de pago de algún usuario, la institución financiera afectada podrá dentro del plazo de vigencia del Certificado de Garantía, requerir el pago hasta por el porcentaje garantizado por el fondo, sobre el saldo adeudado llenando previamente los siguientes requisitos:

a) Comprobar fehacientemente que ha cubierto todos los procedimientos de cobro extrajudicial para lograr la recuperación total del préstamo. Esta comprobación debe constar en certificación suscrita por el representante legal de la Institución, en la que también se debe indicar el monto del préstamo, monto del capital en mora y fecha en la que venció la obligación;

b) Comprobar fehacientemente que ha iniciado la demanda judicial para lograr la recuperación total del préstamo;

c) Obligarse expresamente a proseguir con la debida diligencia los trámites del juicio, por medio de un Abogado independiente que no forme parte de su propia Asesoría Jurídica.

d) Obligarse a reintegrar al Fondo de Garantía la mitad de la suma total que recupere en el proceso de cobro que lleve a cabo, por virtud de estar compartiendo el riesgo en 50% para cada parte.

Artículo 15. Cumplidos los requisitos señalados en el párrafo anterior, el Comité -- procederá a conocer la solicitud, debiendo emitir su resolución en el término de diez (10) días contados a la fecha de su recepción. El Comité en forma inmediata deberá - notificar su resolución a la Institución Financiera interesada y al Banco de Guatemala para que proceda a pagar la garantía.

Artículo 16. Las Instituciones Financieras participantes no aplicarán el pago de la garantía al préstamo del usuario, sino hasta la liquidación que se realice al finalizar el proceso judicial de cobro. Mientras tanto, el pago recibido lo tendrá registrado en una cuenta especial como ingreso por aplicar.

CAPITULO VI

INFORMES

Artículo 17. Las Instituciones Financieras participantes en este proyecto que hayan obtenido la garantía de los créditos otorgados, mensualmente deberán proporcionar al Comité de Administración del Fondo de Garantía, un informe que contenga la relación detallada de tales préstamos con la indicación de la forma en que han sido atendidos los pagos de los mismos. También deberán informar sobre los pagos recibidos de garantías por parte del Fondo y los progresos que se hayan obtenido en los procesos judiciales.

Artículo 18. El Comité de Administración del Fondo de Garantía presentará un informe mensual sobre la situación financiera del Fondo, suministrando además todas aquellas informaciones que consideren necesarias, en relación a sus actividades. Dicho informe deberá ser remitido a las cuatro Instituciones representadas.

CAPITULO VII

DISPOSICIONES FINALES

Artículo 19. El Comité de Administración del Fondo de Garantía, tendrá el derecho de ordenar las inspecciones que estime necesarias para comprobar la correcta inversión de los recursos de los préstamos que gocen de la garantía del Fondo. Las instituciones financieras participantes deberán proporcionar todas las facilidades del caso para la realización de tales inspecciones.

Artículo 20. El Fondo de garantía se incrementará mensualmente con las comisiones que cobren las instituciones bancarias y financieras en un 0.50% sobre los saldos adeudados por los usuarios de los préstamos, así como también con los intereses que se generen por las inversiones que realice el Banco de Guatemala de las disponibilidades del Fondo de Garantía conforme instrucciones del Comité de Administración. Estos recursos adicionales del Fondo de Garantía servirán para cubrir los gastos de asistencia técnica que el programa tiene contemplado proporcionar a los usuarios de los préstamos y a las instituciones bancarias y financieras participantes.

Artículo 21. Los gastos de asistencia técnica serán pagados por el Banco de Guatemala con recursos del Fondo de Garantía, conforme instrucciones que reciba del Comité de Administración del Fondo.

Artículo 22. Los límites máximos a garantizar por el Fondo de Garantía son: Q.75,000.00 para las pequeñas empresas y Q.150,000.00 para las medianas empresas; esto quiere decir que, por el riesgo compartido en igual porcentaje con la institución bancaria participante, los montos máximos de los préstamos serán de Q.150,000.00 para la pequeña empresa y Q.300,000.00 para las medianas empresas. En los casos de proyectos que sobrepasen los límites indicados, el Comité de Administración del Fondo de Garantía tiene la facultad de considerarlos y resolver lo conveniente; para el efecto solicitará toda la documentación que considere apropiada para justificar la excepción de los límites arriba indicados.

Artículo 23. Cuando alguna de las instituciones bancarias y financieras llegue a tener como mora un 20% del monto adeudado en los préstamos garantizados por el Fondo de

Garantía, el Comité de Administración suspenderá el otorgamiento de nuevos certificados de garantía para aquella institución, sin perjuicio del compromiso ya adquirido sobre los certificados anteriormente emitidos. La institución bancaria y financiera que se encuentre en esta situación deberá poner el mayor empeño en sus funciones de cobro para que la regularice dentro de un plazo de seis (6) meses y de esa manera poder seguir participando en el programa.

Artículo 24. La interpretación de este instructivo, así como los casos no previstos en el mismo serán resueltos por el Comité de Administración del Fondo de Garantía y en caso de discrepancia se someterán a la consideración de la Agencia para el Desarrollo Internacional (AID). Las modificaciones que en un futuro sea necesario introducir a este instructivo, como consencuencia de cambios de condiciones que puedan ocurrir en el programa, se efectuarán por la Misión AID con opinión del Comité de Administración debiendo notificar el nuevo texto a todas las Instituciones participantes.

161

APPENDIX G

PERSONS CONTACTED

Alonso, Julio	Director of Credit Analysis, Banco del Cafe, S. A.
Alvarez, Oscar	General Manager, Banco de la Construccion, S. A.
Alvergue, Egemberto	Assistant General Manager, Banco Granai & Townson, S. A.
Ayala, Rodolfo	Manager, International Division, Banco del Cafe, S.A.
Becker, Otto	General Manager, Camara Empresarial de Guatemala
Castellanos, Jorge	Manager, Banco Granai & Townson, S. A.
Figueroa, Byron	Business Promoter, Banco Promotor, S. A.
Figueroa, Sergio	Manager, Banco Granai & Townson, S. A.
Granai, Rodolfo	Assistant Manager, Banco Granai & Townson, S. A.
Linares, Federico	General Manager, FIASA
Loc, Joaquin	Manager, Portfolio, Banco del Cafe, S. A.
Miron, Alfredo	Principal, Agroferns, a fern exporter
Mollinedo, Sergio	Principal, COFISA, an apparel manufacturer
Monroy, Margarita	Business Executive, Banco del Cafe, S. A.
Monterroso, Raul	General Manager, Banco Promotor, S. A.
Mooney, Thomas	President, LAAD de Centro-america, S. A.

Orive, Jose	Second Vice President, Camara Empresarial de Guatemala. Director Banco de Occidente
Ortega, Roberto	General Manager, FIGSA
Praun, Adam	Director, Camara Empresarial de Guatemala
Quezada, Hector	President, Banco de la Construccion, S. A.
Sagastume, Antonio	Assistant General Manager, Banco del Cafe, S. A.
Soto, Manuel, Sr.	Director, Banco Agricola Mercantil
Soto, Manuel, Jr.	Attorney
Townson, Gerardo	General Manager, Banco Granai & Townson, S. A.