

Privacy Act Statement. Every registration statement, short form registration statement, supplemental statement, exhibit, amendment, dissemination report, copy of political propaganda or other document or information filed with the Attorney General under this act is a public record open to public examination, inspection and copying during the posted business hours of the Registration Unit in Washington, D.C. One copy is automatically provided to the Secretary of State pursuant to Section 6(b) of the Act, and copies of such documents are routinely made available to other agencies, departments and Congress pursuant to Section 6(c) of the Act. Finally, the Attorney General transmits an annual report to the Congress on the Administration of the Act which lists the names of all agents and the nature, sources and content of the political propaganda disseminated or distributed by them. This report is available to the public.

Public Reporting Burden. Public reporting burden for this collection of information is estimated to average .49 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Chief, Registration Unit, Criminal Division, U.S. Department of Justice, Washington, D.C. 20530; and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

*Furnish this exhibit for EACH foreign principal listed in an initial statement
and for EACH additional foreign principal acquired subsequently.*

1. Name and address of registrant Kelley Swofford Roy, Inc.	2. Registration No. 5104 None
3. Name of foreign principal The Government of the Republic of Colombia, Administrative Department of the Presidency	4. Principal address of foreign principal Casa de Narifo, Calle 8a No. 7-26 Santafé de Bogota, D.C., Colombia
5. Indicate whether your foreign principal is one of the following type: <input checked="" type="checkbox"/> Foreign government <input type="checkbox"/> Foreign political party <input type="checkbox"/> Foreign or <input type="checkbox"/> domestic organization: If either, check one of the following: <input type="checkbox"/> Partnership <input type="checkbox"/> Committee <input type="checkbox"/> Corporation <input type="checkbox"/> Voluntary group <input type="checkbox"/> Association <input type="checkbox"/> Other (specify) _____ <input type="checkbox"/> Individual—State his nationality _____	
6. If the foreign principal is a foreign government, state: a) Branch or agency represented by the registrant. Administrative Department of the Presidency b) Name and title of official with whom registrant deals. President Ernesto Samper (through the First Lady, Jacquin Strauss de Samper)	
7. If the foreign principal is a foreign political party, state: a) Principal address Not Applicable b) Name and title of official with whom registrant deals. c) Principal aim	

Not Applicable
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8. If the foreign principal is not a foreign government or a foreign political party,

a) State the nature of the business or activity of this foreign principal

Not Applicable

b) Is this foreign principal

Not Applicable

Owned by a foreign government, foreign political party, or other foreign principal Yes No

Directed by a foreign government, foreign political party, or other foreign principal..... Yes No

Controlled by a foreign government, foreign political party, or other foreign principal Yes No

Financed by a foreign government, foreign political party, or other foreign principal..... Yes No

Subsidized in whole by a foreign government, foreign political party, or other foreign principal..... Yes No


Subsidized in part by a foreign government, foreign political party, or other foreign principal..... Yes No

9. Explain fully all items answered "Yes" in Item 8(b). (If additional space is needed, a full insert page may be used.)

Not Applicable

10. If the foreign principal is an organization and is not owned or controlled by a foreign government, foreign political party or other foreign principal, state who owns and controls it.

Not Applicable

Date of Exhibit A	Name and Title	Signature
April 2, 1996	Susan P. Kelley, President	

INSTRUCTIONS: A registrant must furnish as an Exhibit B copies of each written agreement and the terms and conditions of each oral agreement with his foreign principal, including all modifications of such agreements; or, where no contract exists, a full statement of all the circumstances by reason of which the registrant is acting as an agent of a foreign principal. This form shall be filed in triplicate for each foreign principal named in the registration statement and must be signed by or on behalf of the registrant.

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Name of Registrant	Name of Foreign Principal
Kelley Swofford Roy, Inc.	5104 The Government of the Republic of Colombia Administrative Department of the Presidency

Check Appropriate Boxes:

1. The agreement between the registrant and the above-named foreign principal is a formal written contract. If this box is checked, attach three copies of the contract to this exhibit.
2. There is no formal written contract between the registrant and foreign principal. The agreement with the above-named foreign principal has resulted from an exchange of correspondence. If this box is checked, attach three copies of all pertinent correspondence, including a copy of any initial proposal which has been adopted by reference in such correspondence.
3. The agreement or understanding between the registrant and the foreign principal is the result of neither a formal written contract nor an exchange of correspondence between the parties. If this box is checked, give a complete description below of the terms and conditions of the oral agreement or understanding, its duration, the fees and the expenses, if any, to be received.

Attached to this Exhibit B are three copies of Contrato No. 097 de 1996 between the registrant and The Government of the Republic of Colombia, Administrative Department of the President (the "Contract"), and three copies of a certified English translation of the Contract.

4. Describe fully the nature and method of performance of the above indicated agreement or understanding.

The registrant's engagement under the Contract is to provide professional marketing and public relations services for the purpose of promoting the image of Colombia in the United States. The methods to be utilized to accomplish the objective will include advertising and promotion in the print and electronic media; preparation and dissemination of briefings, press releases, fact statements, and press releases; identifying and enlisting supporters from the executive and legislative branches of the federal government, and from the private sector, and lobbying (through one or more subcontractors). Other methods, as yet unspecified, may also be utilized if circumstances so dictate.

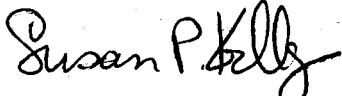
5. Describe fully the activities the registrant engages in or proposes to engage in on behalf of the above foreign principal.

The activities the registrant will engage in on behalf of the foreign principal are those described in item 4 above. In addition, the registrant will conduct research and fact finding activities.

6. Will the activities on behalf of the above foreign principal include political activities as defined in Section 1(o) of the Act?¹
Yes No

If yes, describe all such political activities indicating, among other things, the relations, interests or policies to be influenced together with the means to be employed to achieve this purpose.


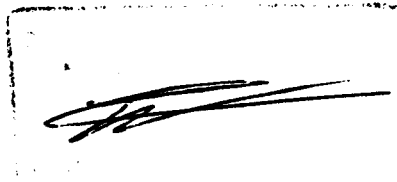
Utilizing the methods specified in item 4 above, the registrant will seek, on behalf of the foreign principal, to influence U.S. policies and perceptions regarding Colombia's efforts in the "war on drugs," with the ultimate objective of achieving reversal of the "decertification" of Colombia under the Narcotics Control Trade Act and improving relations between the two countries.

Date of Exhibit B	Name and Title	Signature
April 2, 1996	Susan P. Kelley, President	

¹Political activity as defined in Section 1(o) of the Act means the dissemination of political propaganda and any other activity which the person engaging therein believes will, or which he intends to, prevail upon, indoctrinate, convert, induce, persuade, or in any other way influence any agency or official of the Government of the United States or any section of the public within the United States with reference to formulating, adopting, or changing the domestic or foreign policies of the United States or with reference to the political or public interests, policies, or relations of a government of a foreign country or a foreign political party.

CONTRATO No. 097 DE 1996

Los suscritos, RAFAEL LAMO GOMEZ, mayor de edad, identificado con la cédula de ciudadanía No. 79.144.443 expedida en Usaquéen, quien de conformidad con lo dispuesto por la Resolución No. 3178 del 12 de Agosto de 1994, fundamentada en los Artículos 11 numeral 3 y 12 de la Ley 80 de 1993, en su calidad de Subdirector, actúa en nombre y representación del DEPARTAMENTO ADMINISTRATIVO DE LA PRESIDENCIA DE LA REPUBLICA, que en adelante se denominará LA ENTIDAD, de una parte y de la otra, WILLIAM R. ROY, mayor de edad, Pasaporte de los Estados Unidos de Norteamérica número 150288409, quien en su condición de Representante Legal de la sociedad Kelley Swofford Roy, Inc. (KSR), sociedad comercial registrada y constituida conforme a las leyes del Estado de Florida, Estados Unidos de América, con el certificado expedido por el Consulado General de Colombia en Miami, el cual junto con el poder otorgado en debida forma, forman parte integrante de este contrato, quien para los efectos del mismo se llamará EL CONTRATISTA, hemos acordado suscribir el presente contrato de prestación de servicios, previas las siguientes consideraciones: PRIMERA: Que LA ENTIDAD necesita contratar los servicios profesionales especializados de una firma especializada para la ejecución de la promoción de la imagen de la República de Colombia en los Estados Unidos de Norteamérica. SEGUNDA: Que EL CONTRATISTA posee la capacidad técnica, los recursos profesionales y el conocimiento del país y de las relaciones de éste con el país mencionado anteriormente, necesarios para cumplir con el objeto del contrato. Por lo anterior acuerdan: CLAUSULA PRIMERA.-OBJETO: EL CONTRATISTA se obliga con LA ENTIDAD, por sus propios medios, con plena autonomía técnica y administrativa, a prestar los servicios profesionales para la ejecución de la promoción de la imagen de la República de Colombia en los Estados Unidos de Norteamérica, con base en las instrucciones que sobre el particular le imparta LA ENTIDAD. CLAUSULA SEGUNDA.- OBLIGACIONES DEL CONTRATISTA: Este se obliga a:

1) Colaborar con LA ENTIDAD en lo que sea necesario para que el objeto de este contrato se cumpla con los mejores resultados posibles. 2) Suministrar los materiales, la mano de obra y el personal necesario para el cumplimiento del objeto contractual. 3) Obrar con lealtad y buena fe en las distintas etapas contractuales, evitando en lo posible dilaciones y entramamientos que puedan presentarse. 4) No acceder a peticiones o amenazas de quienes actúen por fuera de la Ley con el fin de obligarlo a hacer u omitir algún acto o hecho, informando inmediatamente a LA ENTIDAD y demás autoridades competentes cuando se presenten tales peticiones o amenazas. 5) Mantener la reserva profesional sobre la información confidencial que le sea suministrada para la ejecución del objeto de este contrato. 6) Realizar una estrategia de comunicación y de loby con los poderes públicos del país mencionado en la cláusula primera de este contrato, de conformidad con la oferta presentada por el contratista que como anexo forma parte integrante del presente contrato. 7) Las demás que se deriven de la naturaleza misma del contrato. CLAUSULA TERCERA.-OBLIGACIONES DE LA ENTIDAD: Esta se compromete a: 1) Cancelar al CONTRATISTA las sumas estipuladas en la fecha y forma establecidas en este contrato. 2) Entregar a tiempo al CONTRATISTA los documentos, datos e informes necesarios para su eficiente y eficaz cumplimiento de los servicios contratados. y, 3) Ejecutar en general las obligaciones que surgen de la naturaleza de este contrato. CLAUSULA CUARTA.-DURACION: El plazo de ejecución de este contrato es hasta el 15 de abril de 1996, contado a partir del cumplimiento del requisito de ejecución. CLAUSULA QUINTA.-REMUNERACION Y FORMA DE PAGO: El valor de este contrato es de CUATROCIENTOS CUARENTA Y CINCO MILLONES DOSCIENTOS MIL PESOS M/CTE (\$445.200.000) suma que LA ENTIDAD cancelará al CONTRATISTA, a través de la Pagaduría del Departamento Administrativo de la Presidencia de la República, así: a) La suma de TRESCIENTOS SETENTA Y UN MILLONES M/CTE



(\$371.000.000), como anticipo una vez se haya cumplido el requisito de ejecución, previa presentación del recibo de pago de los derechos de publicación en el Diario Unico de Contratación; b) La suma de SETENTA Y CUATRO MILLONES DOSCIENTOS MIL PESOS MONEDA CORRIENTE (\$74.200.000.) el día 15 de abril de 1996. PARAGRAFO.- La suma de \$74.200.000 será destinada a la cancelación de los gastos que en razón del cumplimiento del objeto del contrato, tenga que realizar el CONTRATISTA. Por lo tanto la liquidación de esta suma se efectuará contra los soportes correspondientes. CLAUSULA SEXTA.- IMPUTACION PRESUPUESTAL Y SUJECION A LAS APROPIACIONES PRESUPUESTALES: La entrega de los pagos a que se obliga LA ENTIDAD se subordina a las apropiaciones que con tal fin se ordenen con cargo al presupuesto de funcionamiento para la vigencia fiscal de 1996, sección principal Presidencia de la República, Unidad Ejecutora 01 Dirección Superior, Numeral 3 Artículo 022, Ordinal 011, Recurso 01, según consta en el certificado de disponibilidad No. 087 expedido el 14 de marzo de 1996, por el Jefe de Presupuesto de la Presidencia de la República. CLAUSULA SEPTIMA.-DESIGNACION DEL INTERVENTOR: La coordinación, supervisión y vigilancia de este contrato estará a cargo del Director del Departamento Administrativo de la Presidencia de la República o quien él delegue. CLAUSULA OCTAVA.- RESPONSABILIDAD DEL CONTRATISTA: Este responderá civil y penalmente tanto por el cumplimiento de las obligaciones derivadas de este contrato, como por los hechos u omisiones que le fueren imputables y que causen daño o perjuicio a LA ENTIDAD, derivadas de la celebración y ejecución de este contrato. CLAUSULA NOVENA.- GARANTIA: Para avalar el cumplimiento de las obligaciones surgidas de este contrato, EL CONTRATISTA deberá prestar una garantía única, consistente en una póliza expedida por una compañía de seguros legalmente autorizada para funcionar en Colombia o una garantía bancaria, a favor de LA NACION Y/O



DEPARTAMENTO ADMINISTRATIVO DE LA PRESIDENCIA DE LA REPUBLICA. La garantía única deberá amparar: a) CUMPLIMIENTO: Cuyo objeto es respaldar el cumplimiento idóneo y oportuno del contrato. El monto del amparo será el equivalente al diez por ciento (10%) del valor total de este contrato; y la vigencia será la del contrato más tres (3) meses contados a partir de la fecha de expedición de la garantía. b) CALIDAD DEL SERVICIO: Para garantizar la calidad del servicio prestado; el equivalente al diez por ciento (10%) del valor total del contrato, vigencia igual al contrato y tres (3) meses contados a partir de la fecha de expedición de la garantía. c) PAGO DE SALARIOS Y PRESTACIONES SOCIALES: Cuyo objeto es garantizar el pago de salarios, prestaciones sociales e indemnizaciones del personal empleado por el contratista; por el equivalente al diez por ciento (10%) del valor total del contrato y con una vigencia del contrato y tres (3) meses contados a partir de la fecha de expedición de la garantía. d) BUEN MANEJO Y CORRECTA INVERSION DEL ANTICIPO: Para garantizar el buen manejo y la correcta inversión del anticipo; por el equivalente al cien por ciento (100%) del valor total del anticipo y con una vigencia de un año contado a partir de la fecha de expedición de la garantía. El CONTRATISTA entregará la respectiva garantía única en la Unidad de Contratos de la Entidad, dentro de los cinco (5) días hábiles siguientes a la suscripción de este documento. CLAUSULA DECIMA.- MULTAS: En caso de mora o incumplimiento parcial de las obligaciones adquiridas por EL CONTRATISTA en virtud de este contrato, LA ENTIDAD cobrará multas diarias y sucesivas equivalentes al uno por mil del valor total de este contrato, por cada día hábil de retardo o incumplimiento, si a juicio de LA ENTIDAD de ello se derivan perjuicios para la administración, sin que el monto total de la multa exceda el diez por ciento (10%) del valor total del presente contrato, cantidad que se imputará a la de los perjuicios que reciba LA ENTIDAD por el incumplimiento. CLAUSULA UNDECIMA.- PENA



PECUNIARIA: En caso de incumplimiento de las obligaciones adquiridas o declaratoria de caducidad de este contrato, EL CONTRATISTA pagará a LA ENTIDAD a título de pena, una suma equivalente al diez por ciento (10%) del valor total de este contrato, cantidad que se tendrá como pago parcial de los perjuicios que reciba LA ENTIDAD por el incumplimiento. **CLAUSULA DUODECIMA.- CAPTACION DE LAS MULTAS Y DE LA PENA:** El valor de las multas y de la pena se tomará del saldo a favor del CONTRATISTA si lo hubiere, y si no, de la garantía constituida, y si esto último no fuere posible, se cobrará por jurisdicción coactiva. **CLAUSULA DECIMA TERCERA.- CAUSALES DE TERMINACION:** Este contrato se podrá dar por terminado por mutuo acuerdo de las partes, o unilateralmente por parte de LA ENTIDAD o por declaratoria de caducidad en los términos de la Ley. **CLAUSULA DECIMA CUARTA.- ACUERDO ESPECIAL:** Por estipulación expresa se incluyen las causales de terminación, modificación e interpretación unilateral, previstas en la Ley 80 de 1993. **CLAUSULA DECIMA QUINTA.- CADUCIDAD:** LA ENTIDAD podrá declarar la caducidad de este contrato por hechos constitutivos de incumplimiento de las obligaciones a cargo del CONTRATISTA, que afecten de manera grave y directa la ejecución del contrato y evidencien que pueden conducir a su paralización. Además, cuando se presente cualquiera otra de las causales previstas en la Ley. **CLAUSULA DECIMA SEXTA.- INCOMPATIBILIDADES E INHABILIDADES:** EL CONTRATISTA manifiesta bajo la gravedad de juramento que no se encuentra incurso en causales de inhabilidad e incompatibilidad legal para suscribir el presente contrato. **CLAUSULA DECIMA SEPTIMA.- REGIMEN LEGAL Y JURISDICCION:** El objeto de este contrato se ejecutará totalmente en el exterior, y en consecuencia se registrá por lo dispuesto en el artículo 13 de la Ley 80 de 1993. **CLAUSULA DECIMA OCTAVA.- MODIFICACIONES Y PRORROGAS:** Cualquier modificación o prórroga de este contrato

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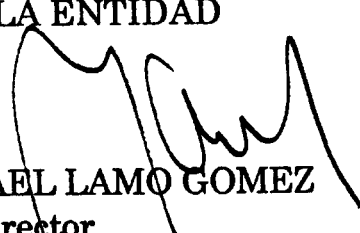
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incompatibilidad legal para suscribir el presente contrato. **CLAUSULA DECIMA SEPTIMA.- REGIMEN LEGAL Y JURISDICCION:** Este contrato se rige por la Ley 80 de 1993 y en las materias no reguladas por ella, por las disposiciones de la legislación civil colombiana, y estará sometido a la Jurisdicción de lo Contencioso Administrativo. **CLAUSULA DECIMA OCTAVA.- MODIFICACIONES Y PRORROGAS:** Cualquier modificación o prórroga de este contrato

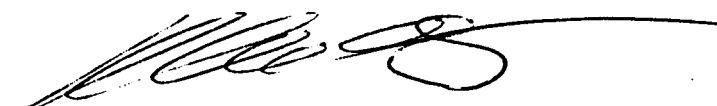
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deberá hacerse por escrito. CLAUSULA DECIMA NOVENA.- ADICIONES: El valor de este contrato dado el caso, solo podrá adicionarse hasta en un cincuenta por ciento (50%) de su valor inicial. CLAUSULA VIGESIMA.- CESION: EL CONTRATISTA no podrá ceder total ni parcialmente este contrato ni el cumplimiento de sus obligaciones sin autorización previa y escrita de LA ENTIDAD. CLAUSULA VIGESIMA PRIMERA.-DOMICILIO: Para todos los efectos legales, el domicilio contractual ser Santa Fe de Bogotá D.C. CLAUSULA VIGESIMA SEGUNDA.-PERFECCIONAMIENTO: Este contrato que contiene el acuerdo sobre el objeto y la contraprestación queda perfeccionado con la firma de las partes y el registro presupuestal por parte de la ENTIDAD. CLAUSULA VIGESIMA TERCERA.-EJECUCION: EL CONTRATISTA solo podrá iniciar la ejecución de este contrato, cuando se haya aprobado la garantía por parte de LA ENTIDAD. CLAUSULA VIGESIMA CUARTA.- PUBLICACION: EL CONTRATISTA hará publicar a su costa este contrato en el Diario Unico de Contratación, dentro de los ocho días siguientes a su perfeccionamiento. Este requisito se entiende cumplido con el pago de los derechos correspondientes. No habrá lugar a desembolsos por parte de LA ENTIDAD mientras no se cumpla esta obligación. Para constancia se firma en la ciudad de Santa Fe de Bogotá D.C., el

POR LA ENTIDAD


RAFAEL LAMO GOMEZ
Subdirector
Departamento Administrativo de la
Presidencia de la República

POR EL CONTRATISTA


WILLIAM R. ROY
Representante Legal
Kelley Swofford Inc (KSR)


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1996 - CONTRACT No. 097

The undersigned, RAFAEL LAMO GOMEZ, of age, bearer of identification card No. 79.144.443, issued at Usaquén, who, pursuant to the provisions of Resolution No. 3178 of August 12, 1994, based on Articles 11, section 3, and 12 of Law 80 of 1993, in his capacity as Assistant Director, acting on behalf and in representation of the Administrative Department of the Presidency of the Republic, hereinafter referred to as THE INSTITUTION, on the one hand, and on the other, WILLIAM R. ROY, of age, United States of America passport number 150288409, who, in his capacity as Legal Representative of Kelley Swofford Roy, Inc. (KSR), a corporation registered and constituted pursuant to the laws of the State of Florida, United States of America, with certificate issued by the Colombian Consulate General in Miami, which, together with the duly issued power of attorney, constitute an integral part of this contract, and who for its purposes shall be hereinafter referred to as THE CONTRACTOR, have agreed to enter into this contract for services after the following considerations:

FIRST: That THE INSTITUTION finds it necessary to hire the professional specialized services of a specialized company to undertake the promotion of the image of the Republic of Colombia in the United States of America.

SECOND: That THE CONTRACTOR has the technical ability, professional resources and knowledge of the country and of its relationship with the above-mentioned country, which are necessary to accomplish the subject matter of the contract.

For the above reasons, they agree as follows:

FIRST CLAUSE SUBJECT MATTER

THE CONTRACTOR hereby becomes obligated with THE INSTITUTION, by his own means, with full technical and administrative autonomy, to render his professional services in the undertaking of a promotion of the image of the Republic of Colombia in the United States of America, in accordance with the instructions to be furnished by THE INSTITUTION to that effect.

SECOND CLAUSE THE CONTRACTOR'S OBLIGATIONS

THE CONTRACTOR is hereby bound to:

1. Cooperate with THE INSTITUTION, as may be needed, in order to accomplish the subject matter of this contract with the best possible results.
2. Supply the necessary materials, labor and staff for the performance of the contractual purpose.

3. Operate with loyalty and good faith during the various contractual stages, avoiding to the extent possible any delays and obstructions that may come up.
4. Refuse petitions or threats by anyone acting outside the Law for the purpose of making him do or omit from doing any act or deed, and he shall forthwith inform THE INSTITUTION and other appropriate authorities when such petitions or threats occur.
5. Maintain the confidentiality of non-public information provided to him for the execution of the subject matter of this contract.
6. Carry out a strategy of communication and lobbying with the public powers of the country mentioned in the first clause of this contract, pursuant to the offer submitted by the contractor, which as an annex is an integral part of this contract.
7. Any others derived from the intrinsic nature of the contract.

THIRD CLAUSE
THE INSTITUTION'S OBLIGATIONS

THE INSTITUTION is hereby committed to:

1. Pay THE CONTRACTOR the amounts stipulated on the date and form set forth in this contract.
2. Deliver to THE CONTRACTOR on a timely basis any necessary documents, information and data required for his efficient and effective performance of the services under contract. And
3. Generally, perform any obligations arising from the nature of this contract.

FOURTH CLAUSE
DURATION

The term for the performance of this contract expires April 15, 1996, beginning upon fulfillment of the execution requirement.

FIFTH CLAUSE
COMPENSATION AND METHOD OF PAYMENT

This contract is worth Four Hundred Forty Five Million Two Hundred Thousand Pesos legal currency (\$445,200,000), which THE INSTITUTION shall pay THE

CONTRACTOR, through the Payment Office of the Administrative Department of the Presidency of the Republic, as follows:

- (a) The sum of Three Hundred Seventy One Million Pesos legal currency (\$371,000,000), as advance payment as soon as the execution requirement is fulfilled, prior showing of a receipt for the payment of fees for publication in the Contract Journal (Diario Unico de Contratación);
- (b) The sum of Seventy Four Million Two Hundred Thousand Pesos legal currency (\$74,200,000) on April 15, 1996.

PARAGRAPH: The sum of \$74,200,000 shall be earmarked for payment of expenditures which may be incurred by THE CONTRACTOR in the performance of this contract. Therefore, payment of this sum shall be made against the corresponding supporting documents.

SIXTH CLAUSE
BUDGET APPLICATION AND
SUBMISSION TO BUDGET APPROPRIATIONS

The delivery of payments to which THE INSTITUTION is obligated, is subject to the appropriations ordered for that purpose against the operating budget for the fiscal term of 1996, main section of the Presidency of the Republic, Executive Unit 01, Higher Management, Section 3, Article 022, Ordinal Number 011, Recourse 01, as shown on certificate of availability No. 087 issued on March 14, 1996 by the Budget Director of the Presidency of the Republic.

SEVENTH CLAUSE
DESIGNATION OF INTERVENOR

The Director of the Administrative Department of the Presidency of the Republic or anyone he designates shall be in charge of this contract's coordination, supervision and vigilance.

EIGHTH CLAUSE
THE CONTRACTOR'S LIABILITY

THE CONTRACTOR shall be civilly and criminally liable for the performance of obligations derived from this contract, and for acts or omissions imputable to him resulting in damages to THE INSTITUTION derived from the execution of this contract.

NINTH CLAUSE
GUARANTEE

As surety for the performance of the obligations arising out of this contract, THE CONTRACTOR shall submit a single guarantee consisting of a policy issued by an insurance company legally authorized to do business in Colombia or a bank guarantee in favor of THE NATION AND/OR THE ADMINISTRATIVE DEPARTMENT OF THE OFFICE OF THE PRESIDENT OF THE REPUBLIC. The single guarantee shall cover:

- (a) **PERFORMANCE:** The object of which is to support the proper and opportune performance of the contract. The amount of coverage shall be 10% of the total value of this contract, and the term shall be the term of the contract plus three (3) months beginning on the date of issuance of the guarantee.
- (b) **QUALITY OF SERVICE:** In order to guarantee the quality of the services rendered, the equivalent of ten percent (10%) of the total value of the contract; term, the same as the contract and three (3) months beginning on the date of issuance of the guarantee.
- (c) **PAYMENT OF SALARIES AND SOCIAL BENEFITS:** The object of which is to guarantee the payment of salaries, social benefits and indemnification of staff employed by the contractor, in an equivalent of ten percent (10%) of the total value of the contract; a term like the one for the contract and three (3) months beginning on the date of issuance of the guarantee.
- (d) **PROPER HANDLING AND CORRECT INVESTMENT OF THE ADVANCE PAYMENT:** In order to guarantee the proper handling and correct investment of the advance payment; for the equivalent of one hundred percent (100%) of the total amount of the advance payment and a term of one year beginning on the date of issuance of the guarantee. THE CONTRACTOR shall deliver the corresponding single guarantee at the Institution's Contract Unit, within five (5) working days after the execution of this document.

TENTH CLAUSE
PENALTIES

In the event of a delay or partial breach of the obligations acquired by THE CONTRACTOR by virtue of this contract, THE INSTITUTION shall impose daily and successive penalties equivalent to one per thousandth of the total value of this contract for each working day of delay and breach, if, in the opinion of THE INSTITUTION, it results in damages to the administration. The total amount of the penalty shall not

exceed ten percent (10%) of the total value of this contract, which amount shall be applied to the amount of damages received by THE INSTITUTION because of the breach.

ELEVENTH CLAUSE
FINES

In the event of a breach of the obligations acquired by or the declaration of nullity of this contract, THE CONTRACTOR shall pay THE INSTITUTION, by way of penalty, an amount equivalent to ten percent (10%) of the total value of this contract, which amount shall be kept as partial payment of the damages received by THE INSTITUTION due to the breach.

TWELFTH CLAUSE
COLLECTION OF PENALTIES AND FINES

The amount of penalties and fines shall be taken from the balance due THE CONTRACTOR, if any; otherwise, from the constituted guarantee. In the event the latter is not possible, it shall be collected by summary jurisdiction.

THIRTEENTH CLAUSE
 GROUNDS FOR TERMINATION

This contract may be terminated by mutual agreement of the parties, or unilaterally by THE INSTITUTION, or by a declaration of nullity in accordance with the law.

FOURTEENTH CLAUSE
SPECIAL AGREEMENT

By express stipulation, grounds for termination, modification and unilateral interpretation, provided by the 1993 Law 80, are included herein.

FIFTEENTH CLAUSE
NULLITY

THE INSTITUTION may declare the nullity of this contract by reason of actions constituting a breach of THE CONTRACTOR's obligations which seriously and directly affect the performance of the contract and show that they could lead to its paralyzation. Additionally, when any of the other grounds provided by law are present.

SIXTEENTH CLAUSE
INCOMPATIBILITY AND INCAPACITY

THE CONTRACTOR declares under penalty of law that he is not liable on grounds of legal incapacity and incompatibility to execute this contract.

SEVENTEENTH CLAUSE
LEGAL SYSTEM AND JURISDICTION

All of the subject matter of this contract shall be performed outside of the country; therefore, it shall be governed by the provisions of Article 13, Law 80, 1993.

EIGHTEENTH CLAUSE
MODIFICATIONS AND EXTENSIONS

Any modification or extension of this contract shall be made in writing.

NINETEENTH CLAUSE
INCREASES

Given the case, the value of this contract may only be increased up to fifty percent (50%) of its initial value.

TWENTIETH CLAUSE
TRANSFER

THE CONTRACTOR may not transfer this contract or the performance of his obligations, either totally or partially, without prior written authorization from THE INSTITUTION.

TWENTY FIRST CLAUSE
DOMICILE

For any legal purposes, the contractual domicile shall be Santa Fe de Bogotá, D.C.

TWENTY SECOND CLAUSE
PERFECTION

This contract containing the agreement over the subject matter and the consideration shall be perfected by the signature of the parties and budgetary registration by THE INSTITUTION.

TWENTY THIRD CLAUSE
PERFORMANCE

THE CONTRACTOR may initiate performance of this contract only upon THE INSTITUTION's approval of the guarantee.

TWENTY FOURTH CLAUSE
PUBLICATION

THE CONTRACTOR shall have this contract published at his expense in the Contract Journal (Diario Unico de Contratación), within eight days following its execution. This requirement shall be deemed performed with payment of the corresponding fees. THE INSTITUTION shall not make any disbursements until this requirement is fulfilled.

In witness whereof, this instrument is signed in the city of Santa Fe de Bogotá, D.C., on

FOR THE INSTITUTION

[signature]
RAFAEL LAMO GOMEZ
Assistant Director
Administrative Department of the
Presidency of the Republic

FOR THE CONTRACTOR

[signature]
WILLIAM R. ROY
Legal Representative
Kelley Swofford Inc. (KSR)

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