

CONFORMED COPY

A.I.D. Loan No. 615-H-002

L O A N   A G R E E M E N T

(Kenya - Nairobi Water Supply)

AMONG

THE GOVERNMENT OF KENYA

THE CITY COUNCIL OF NAIROBI

AND

THE UNITED STATES OF AMERICA

Dated: December 28, 1964

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## LOAN AGREEMENT

AGREEMENT, dated the 28<sup>th</sup> day of December, 1964 among the GOVERNMENT OF KENYA ("Government"), the CITY COUNCIL OF NAIROBI ("Borrower"), and the UNITED STATES OF AMERICA, acting through the Agency for International Development ("A.I.D.").

### 1. The Loan

SECTION 1.1. The Loan. A.I.D. hereby agrees to lend Borrower, pursuant to the Foreign Assistance Act of 1961, as amended, up to Two Million Two Hundred Thousand United States Dollars (\$2,200,000) for the United States and local costs of goods and services required for the Project as defined in Section 1.2. Goods and services financed hereunder are hereinafter referred to as "Eligible Items" and the aggregate amount disbursed hereunder is hereinafter referred to as "Principal".

SECTION 1.2. The Project. As used in this Agreement "Project" shall mean (a) the raising of the Sasumua Dam by 26.5 feet to provide additional storage capacity at the Sasumua Reservoir; (b) the construction of approximately 58,120 linear feet of water distribution mains in Nairobi. The Project, including elements not financed by A.I.D. but necessary for the expansion of the Nairobi Water Supply System, is described in more detail in Appendix A hereto, which may be modified by written agreement of Borrower and A.I.D.

### 2. Terms of Repayment and Interest

SECTION 2.1. Interest. Government shall pay semi-annually to A.I.D. in United States Dollars interest on the unrepaid Principal

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and on any interest due and unpaid of three-fourths (3/4) of one per cent per annum, computed on the basis of a 365-day year. Interest shall accrue from the dates of the respective disbursements hereunder and the due dates for payment thereof shall be the 30th day of June and the 31st day of December in each year. The first such payment shall be due and payable no later than six (6) months after the first such disbursement on either the 30th day of June or the 31st day of December following. Disbursements pursuant to Section 5 shall be deemed to occur on the date on which payment by A.I.D. is made either directly:

- (i) to Borrower or its designee or to a banking institution pursuant to a letter of commitment, or
- (ii) by a Special Letter of Credit referred to in Section 5.1.

SECTION 2.2. Repayment. Government shall repay the Principal to A.I.D. in United States dollars in sixty-one semi-annual installments, the first installment to be due and payable nine and one-half years after the first interest payment is due. If the Loan is completely disbursed by the date when the first repayment installment is due, payment shall be made in accordance with Appendix B hereto. If the Loan is not completely disbursed by such date, Appendix B will be revised by A.I.D. in agreement with Government, and repayment shall be made in accordance with a revised Appendix B.

SECTION 2.3. Repayment by Borrower to Government. Borrower shall repay the Loan to the Government within twenty-five (25) years including a grace period of not to exceed three (3) years after the First Disbursement Date. Payment shall be in equal semi-annual installments in East African

Shillings or such other currency as at the time payment is made is legal tender in Kenya and Borrower shall pay interest to the Government of three and one-half per cent (3 1/2%) per annum payable semi-annually. The sum of principal and interest on each semi-annual installment shall be equal. These terms shall not be subject to acceleration unless mutually agreed between Government and Borrower.

SECTION 2.4. Application and Place of Payment. All payments by the Government to A.I.D. shall be applied first to the payment of any accrued interest and then to the repayment of Principal. All payments shall be made payable to the order of the Agency for International Development and shall be deemed to have been paid when received and accepted by U.S.A.I.D. Mission in Nairobi, Kenya, or as otherwise specified by A.I.D.

SECTION 2.5. Prepayment. Government shall have the right to prepay, without penalty, on any date on which the interest is due, all or any part of the Principal. Any prepayment shall be first applied to the payment of any accrued interest and then to the remaining installments of Loan Principal in inverse order of maturity or as A.I.D. may otherwise agree.

### 3. Conditions Precedent

SECTION 3.1. Conditions Precedent to Initial Financing. Unless A.I.D. otherwise agrees in writing, prior to the first disbursement, Government and/or Borrower, as specified below, shall furnish A.I.D. the following, in form and substance satisfactory to A.I.D.

3.1.1. The Government will furnish an opinion of the Attorney General of the Government, or of other counsel satisfactory to A.I.D., that this Agreement has been duly authorized and ratified by and executed on behalf

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of Government and constitutes a valid and legally binding obligation of Government in accordance with its terms;

- 3.1.2. The Borrower will furnish an opinion of the Town Clerk, if the chief legal counsel of Borrower, or of other counsel satisfactory to A.I.D., that this Agreement has been duly authorized and ratified by and executed on behalf of Borrower and constitutes a valid and legally binding obligation of Borrower in accordance with its terms;
- 3.1.3. The Government and Borrower will furnish a specimen signature of each person designated in Section 10.1.2. as a representative of Borrower and of Government;
- 3.1.4. The Borrower will furnish evidence that Borrower has secured the proposed financing from the Commonwealth Development Corporation for those components needed to expand the Nairobi City Water Supply;
- 3.1.5. The Borrower will furnish the contractual arrangements of the Borrower for the consulting engineering services to be financed by A.I.D. for the Project;

3.1.6. The Borrower will furnish final plans and specifications for the Project;

3.1.7. The Borrower will furnish with respect to Eligible Items for which any such disbursement or commitment document is sought;

- (i) Prior to issuance of a call, if any, for prequalification of bidders or contractors, the proposed criteria for determining prequalification, and prior to any notice of prequalification, a list of the proposed prequalified bidders or contractors;
- (ii) Prior to issuance, any proposal invitation for bids; and prior to any award of a contract, the proposed contract.

SECTION 3.2. Terminal Date for Fulfillment of Conditions Precedent.

Except as A.I.D. may otherwise agree in writing, if the conditions required by Sections 3.1.1 through 3.1.4 have not been completed within ninety (90) days of the date of this Agreement and those of Section 3.1.5. through 3.1.7. have not been completed within one hundred and eighty (180) days of the date of this Agreement, A.I.D. may at any time thereafter give notice to Government and Borrower of termination of this Agreement.



#### 4. Procurement

SECTION 4.1. Source of Procurement. All Eligible Items, including transportation services and marine insurance, shall have their source in the United States, Kenya, Tanzania or Uganda. Transportation services procured from a flag carrier of the above countries shall be deemed to have its source in the country distinguished by such flag. Marine insurance issued in the United States, Kenya, Tanzania or Uganda by a company authorized to do a marine insurance business in any state of the United States of America or in Kenya, Tanzania or Uganda shall be deemed to have its source in such country of issue. All other goods and services, except transportation services, obtained for the Project shall have their source in Kenya, Tanzania, or Uganda or countries included in Code 899 of the A.I.D. Geographic Book as in effect at the time such goods or services are procured, provided that all such goods and services shall be transported to the country of the Government on its carriers or carriers of Tanzania, Uganda or countries included in Code 899 of the A.I.D. Geographic Code Book as in effect at the time such transportation is procured.

SECTION 4.2. Method of Procurement. No more than reasonable prices shall be paid for Eligible Items and all such Items (except architectural,

engineering, management, and such other professional services as A.I.D. may specify) shall be procured on a fair competitive basis. Reasonable prices (except for the foregoing professional services) should normally approximate the lowest competitive price for the Eligible Items procured, operating costs, quality, time and cost of delivery, terms of payment, and other factors considered.

SECTION 4.3. Eligibility Date. No goods and services may be financed hereunder which arise out of orders or contracts firmly placed or entered into prior to the date of this Loan Agreement.

SECTION 4.4. Notification. In order that American small business shall have the opportunity to participate in furnishing Eligible Items, Borrower shall, at such time prior as A.I.D. may specify to ordering or contracting for any Eligible Item estimated to cost more than the equivalent of Five Thousand United States dollars (\$5,000), cause to be received by A.I.D. such information thereon as A.I.D. may require. Promptly after the award of any construction contract costing more than the equivalent of Twenty-Five Thousand United States dollars (\$25,000) cause similar information to be received by A.I.D.

SECTION 4.5. Marine Insurance. If in connection with the placement of marine insurance on shipments financed under United States legislation authorizing assistance to other nations, the Government, by statute, decree, rule, or regulation, favors any insurance company of any country over any marine insurance company authorized to do business in any state of the

United States of America, goods financed hereunder shall during the continuance of such discrimination be so insured in the United States with a company or companies authorized to do a marine insurance business in any state of the United States of America.

SECTION 4.6. Ocean Shipment. No costs of ocean shipment of goods shall be financed hereunder unless transported on privately owned United States-flag commercial vessels and at least fifty per cent (50%) of the gross tonnage of all goods (computed separately for dry bulk carriers, dry cargo liners, and tankers) financed hereunder which shall be transported on ocean vessels shall be transported on privately owned United States-flag commercial vessels. No goods may be financed hereunder which are transported on any ocean vessel (i) which A.I.D., in a notice to Borrower, has designated as ineligible to carry A.I.D.-financed commodities, or (ii) which has been chartered for the carriage of A.I.D.-financed commodities unless such charter has been approved in advance by A.I.D. Within thirty (30) days following the end of each calendar quarter, Borrower shall furnish A.I.D. with a statement, in form and substance satisfactory to A.I.D., reporting on compliance with the requirements of this Section.

SECTION 4.7. Insurance. Borrower shall cause to be insured equipment and materials financed under this Loan Agreement against risks incident to their transit to the point of their use in the Project. Such insurance shall be consistent with sound commercial practice in the Government's Country and the insurance proceeds shall be payable in the currency in which such equipment or materials were paid for. The Borrower shall give

notice to A.I.D. of the payment of any such proceeds. Borrower shall give A.I.D. prompt notice of the accrual to Borrower of proceeds from insurance on any Eligible Item, whether or not such insurance was financed hereunder. Such proceeds, less the cost to Borrower of such insurance not financed hereunder, shall, unless A.I.D. otherwise agrees in writing.

- 4.7.1. Be used to pay for procurement of Eligible Items for the project in accordance with the terms of this Agreement; or
- 4.7.2. Be used for the project in accordance with the terms of this Agreement in a manner mutually agreed upon among Government, Borrower and A.I.D.
- 4.7.3. Be promptly paid to A.I.D.; if such proceeds are not paid to Borrower in United States dollars, the amount of such dollars to be paid to A.I.D. shall be calculated in the manner specified in Section 5.4. using the date of payment to Borrower instead of the date of disbursement; any such payment shall be first applied to any accrued interest and then to installments of Principal in the inverse order of their maturity.

## 5. Disbursements

### SECTION 5.1. Letters of Commitment and Special Letters of Credit.

The costs of Eligible Items shall be financed by:

- 5.1.1. Letters of commitment for the costs of Eligible Items of United States source in such amounts as Borrower and A.I.D. shall agree to, to one or more banking institutions in the United States designated by the Borrower, committing A.I.D. to make reimbursement to such bank or

banks for payments made, through letters of credit or otherwise, to the Borrower or any designee of the Borrower pursuant to A.I.D. documentation, as the same may be prescribed in such letters of commitment from time to time by A.I.D.; and/or

5.1.2. Special Letters of Credit for the costs of Eligible Items of Kenyan, Tanzanian or Ugandan source and origin.

Banking charges incurred in connection with letters of commitment or Special Letters of Credit shall be for the account of the Borrower and may be financed by the Loan.

SECTION 5.2. Other Forms of Disbursement. Disbursements of the Loan may also be made through such other means as are satisfactory to A.I.D.

SECTION 5.3. Final Request Date. Except as A.I.D. may otherwise agree in writing, no letters of commitment or Special Letters of Credit shall be issued in response to requests received after September 1, 1967 and no disbursement, whether under a letter of commitment, Special Letter(s) of Credit or otherwise shall be made against documentation submitted after March 1, 1968.

SECTION 5.4. Rate of Exchange. If the costs of Eligible Items are payable in currency other than United States dollars, A.I.D., at its option, may make disbursements therefor in such other currency or in an amount of United States dollars equal to the cost of such items at that lawful rate of exchange in the United States and the country or countries in which such currency is legal tender, which yields the largest amount of

such currency per United States dollar ("Best Rate of Exchange"), on the date such dollars are made subject to such Special Letter of Credit with the Borrower making available the Government's currency to pay such costs of Eligible Items, in a manner satisfactory to A.I.D.

6. Covenants and Warranties

SECTION 6.1. Execution, Completion and Operation of Project.

The Borrower, or in default the Government, will:

6.1.1. Carry out and complete the Project, with due diligence and efficiency, providing any resources and paying all costs which may be required in addition to those financed hereunder. The Project shall be carried out in conformity with sound engineering, construction, and financial practices. Borrower shall obtain A.I.D. concurrence prior to any material modification or cancellation of any contracts, arrangements, plans, or specifications.

6.1.2. Adequately maintain, repair, and operate, in accordance with sound practices, all Eligible Items and the construction of any facility resulting from their use.

SECTION 6.2. Utilization of Eligible Items. All Eligible Items shall be used exclusively for the Project. In the case of any goods financed hereunder which are not fully expended through their use for the Project, the foregoing provision shall apply until such time as they can no longer be usefully employed for the Project, provided that no goods financed hereunder shall be exported from the Government's Country without the prior approval of

A.I.D., and no Eligible Item shall at any time be used to promote or assist any project or activity associated with or financed by any country, other than the Government's Country, not included in Code 899 of the A.I.D. Geographic Book as in effect at the time of such projected use without the prior written consent of A.I.D.

SECTION 6.3. Notice of Material Developments. Government and Borrower each represents and warrants that it has disclosed to A.I.D. all circumstances which may materially affect the project or the discharge of Government's or Borrower's obligations under this Agreement and covenants that it will inform A.I.D. of any conditions which interfere, or which it is reasonable to believe will interfere, with any of the foregoing.

SECTION 6.4. Promissory Notes. Government agrees to deliver within thirty (30) days after the date of any requests of A.I.D. therefor, promissory notes to or on the order of A.I.D. in such denominations and aggregate principal amount of the outstanding balance of the Loan at the time of such request and for which promissory notes shall not theretofore have been so delivered or requested. The terms of the notes shall conform to the terms of this Loan Agreement with such modification in form and substance as A.I.D. may reasonably request. Government shall also furnish A.I.D. with such legal opinion or opinions with respect to these promissory notes as A.I.D. may reasonably request.

SECTION 6.5. Taxes. This Agreement and the amount agreed to be lent hereunder shall be free from, and the principal and interest, and promissory notes referred to in Section 6.4. above, if any, shall be paid

without deduction for and free from any taxation or fees imposed under any laws in effect within the Government's country. No taxes other than taxes in the nature of income taxes, tariffs, duties or other levies of any nature whatsoever imposed under any laws in effect in the Government's Country may be financed hereunder. Any such taxes, other than taxes in the nature of income tax, arising under any contracts financed hereunder to which the Borrower is a party and sub-contracts thereof shall be financed by the Borrower.

SECTION 6.6. Commissions, Fees, and Other Payments. Government and Borrower each warrants and covenants that in connection with obtaining this Loan or taking any action under or with respect to this Agreement it has not paid and will not pay or agree to pay nor to the best of its knowledge has there been paid or will there be paid or agreed to be paid by any other person or entity, commissions, fees, or other payments of any kind, except as regular compensation to Government's or Borrower's full-time officers and employees or as compensation for bona fide professional, technical, or other comparable services. Government and Borrower shall each promptly report to A.I.D. any payment or agreement to pay for such bona fide professional, technical, or comparable services to which it is a party or of which it has knowledge, and, if the amount of any such payment is deemed unreasonable by A.I.D., Government or Borrower, as the case may be, shall cause a reduction satisfactory to A.I.D. to be made therein.

7. Renegotiation of Loan Agreement

SECTION 7.1. Renegotiation of Terms. Government agrees that, at any time or times when it is requested to do so by A.I.D., but not sooner



than six (6) months prior to the date when the first repayment of Principal is due, it will negotiate with A.I.D. acceleration of the repayment of the Principal. It is agreed that Government and A.I.D. will mutually determine to what extent repayment, if at all, should be accelerated on the basis of one or more of the following criteria:

- 7.1.1. Significant improvement in the internal economic and financial situation of the Government;
- 7.1.2. Favorable trends in the balance of payments and foreign exchange holdings of the Government;
- 7.1.3. Ability of the Government to make future repayments of A.I.D. loans without interfering with the service of debts owing to any United States Government agency or any international organization of which the United States is a member.

#### 8. Remedies of A.I.D.

SECTION 8.1. Events of Default; Acceleration. If any one or more of the following events ("Events of Default") shall occur:

- 8.1.1. Government shall fail to pay in full any interest or installment of Principal when due;
- 8.1.2. Government or Borrower shall fail to comply with any other provision contained herein; or
- 8.1.3. Any representation or warranty made by or on behalf

of Government or Borrower with respect to obtaining this Loan or made or required to be made hereunder is incorrect in any material respect;

then A.I.D., at its option, may give Government and Borrower notice that all or any part of the unrepaid Principal shall be due and payable by Government sixty (60) days thereafter, and, unless the default is cured within sixty (60) days such Principal and all interest accrued thereon shall then be due and payable.

SECTION 8.2. Termination of Disbursements; Transfer of Goods to

A.I.D. In the event that at any time:

- 8.2.1. An Event of Default has occurred;
- 8.2.2. An Event occurs which A.I.D. determines to be an extraordinary situation which makes it improbable that the purposes of this Loan will be attained or that Government or Borrower will be able to perform its obligations hereunder;
- 8.2.3. Any disbursement would be in violation of the legislation governing A.I.D.; or
- 8.2.4. A default shall have occurred under any other agreement between Government or any of its agencies and the United States or any of its agencies, or Borrower or any of its agencies and the United States or any of its agencies;

then A.I.D., at its option, may (i) decline to issue further commitment documents; (ii) suspend or cancel outstanding commitment documents to the extent that they have not been utilized through the issuance of irrevocable letters of credit or through bank payments made other than under irrevocable letters of credit, giving notice to Government and Borrower promptly thereafter; (iii) decline to make disbursement other than under commitment documents; and (iv) at A.I.D.'s expense, direct that title to goods financed hereunder shall be transferred to A.I.D., if the goods are from a source outside the Government's Country, in a deliverable state, and have not been offloaded in ports of entry of the Government's Country. To the extent that any costs connected with the purchase and transportation of these goods have been financed hereunder, these amounts shall be deducted from Principal.

SECTION 8.3. Refunds. If A.I.D. determines that any disbursement is not supported by valid documentation in accordance with the terms of this Agreement, or is not made or used in accordance with the terms of this Agreement, or was at the time of disbursement in violation of the legislation governing A.I.D., A.I.D., at its option, may, notwithstanding the availability of any other remedy provided for in Section 8.2., require Government to pay A.I.D., within thirty (30) days after receipt of a request therefor, an amount not to exceed the amount of such disbursement, provided that such request by A.I.D. shall be made not later than five (5) years after the date of the final disbursement hereunder. Any such refund received by A.I.D.

shall be applied first to any accrued interest and then to installments of Principal in inverse order of their maturity.

SECTION 8.4. Waivers of Default. No delay in exercising or omission to exercise any right, power, or remedy accruing to A.I.D. under this Agreement shall be construed as a waiver of any of these rights, powers, or remedies.

SECTION 8.5. Expenses of Collection. All reasonable costs incurred by A.I.D. (other than salaries of its staff) after an Event of Default has occurred in connection with the collection of amounts due under this Agreement may be charged to Government and Borrower and reimbursed as A.I.D. shall specify.

9. Records; Reports; Inspections; Publicity

SECTION 9.1. Maintenance of Records. Borrower shall maintain or cause to be maintained books, records, and other documents ("Records") pertaining to this Agreement, the Project, and all operations of Borrower pertaining to this Agreement and the Project; such Records shall be adequate to identify Eligible Items and to disclose the use thereof in the Project and shall be maintained in such manner as A.I.D. may reasonably require.

SECTION 9.2. Reports. Government and Borrower shall furnish A.I.D. with such information and reports relating to the Project, operations of Borrower thereunder, Eligible Items, and this Loan as A.I.D. may reasonably request.

SECTION 9.3. Inspections and Audit. Authorized representatives of A.I.D. shall have the right at all reasonable times to inspect the Project and audit all operations of Borrower pertaining to this Agreement, the utilization of all Eligible Items, the Records referred to in Section 9.1, and any other documents, correspondence, memoranda, or records relating to this Loan or the Project. Government and Borrower shall cooperate with A.I.D. to facilitate such inspection and shall afford a reasonable opportunity for authorized representatives of A.I.D. to visit any operation of Borrower and any part of Kenya for any purpose related to this Loan.

SECTION 9.4. Information and Marking. Government and Borrower shall cooperate with A.I.D. in making information concerning this Loan public and shall make appropriate arrangements to carry out A.I.D.'s reasonable requirements with respect thereto.

10. Miscellaneous

SECTION 10.1. Use of Representatives

10.1.1. All actions required or permitted to be performed or taken under this Agreement by Government, Borrower, or A.I.D. may be performed by their respective duly authorized representatives.

10.1.2. Government hereby designates the Permanent Secretary of Treasury as its representative and Borrower hereby

designates the Town Clerk of the City Council of Nairobi as its representative. Each such representative has authority to designate by notice to A.I.D. other representatives of Government or Borrower, as the case may be, in its dealings with A.I.D. Each such representative so designated, unless A.I.D. is given notice otherwise, shall have authority to agree on behalf of Government or Borrower, as the case may be, to any modification of this Agreement. Each notice of designation of a representative of Government and of Borrower shall contain a specimen signature of each representative so designated. Until receipt by A.I.D. of written notice of revocation by Government or Borrower of the authority of any of its representatives, A.I.D. may accept the signature of such representatives on any instrument as conclusive evidence that any action effected by such instrument is authorized by Government or Borrower as the case may be.

SECTION 10.2. Communications. Any communication or document given, made, or sent by Government, Borrower, or A.I.D. pursuant to this Agreement

shall be in writing and shall be deemed to have been duly given, made, or sent to the party to which it is addressed when it shall be delivered by hand, mail, telegram, cable, or radiogram to such party at the following addresses:

To Government:

Mail Address: The Ministry of Finance  
P. O. Box 30007  
Nairobi, Kenya

Cable Address: Finance, Nairobi

To Borrower:

Mail Address: The Town Clerk  
P. O. Box 30075  
Nairobi, Kenya

Cable Address: Municipality, Nairobi

To A.I.D. (two copies):

Mail Address:

Office of Capital Development and Finance  
Bureau for Africa  
Agency for International Development  
Washington, D. C. 20523

Cable Address: A.I.D., Washington, D.C.

Government and Borrower shall also provide the U.S. A.I.D. Mission, Nairobi, Kenya, with a copy of all communications or documents sent to A.I.D. Other addresses may be substituted for the above upon giving notice as provided herein.

All communications and documents submitted to A.I.D. hereunder shall be in English and all technical and engineering specifications therein shall be in terms of United States standards, except as A.I.D. may otherwise agree in writing. If the original of such communication or document is in other than English, a copy in the language of the original shall also be submitted, except as A.I.D. may otherwise agree in writing. Government and Borrower shall also submit such reasonable additional number of copies of such communications and documents to such addresses as A.I.D. may request.

SECTION 10.3. Assignment. This Loan Agreement shall be binding upon and inure to the benefit of any successor or assignee of A.I.D. This Loan Agreement may not be assigned nor any obligations hereunder delegated by Borrower or Government without the written consent of A.I.D.

SECTION 10.4. Applicable Law. This Loan Agreement shall be construed solely in accordance with and any dispute arising under or in connection with this Agreement shall be governed by the internal laws of the District of Columbia, United States of America.

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IN WITNESS WHEREOF, Government, Borrower and A.I.D. have executed this Loan Agreement on the date first written above.

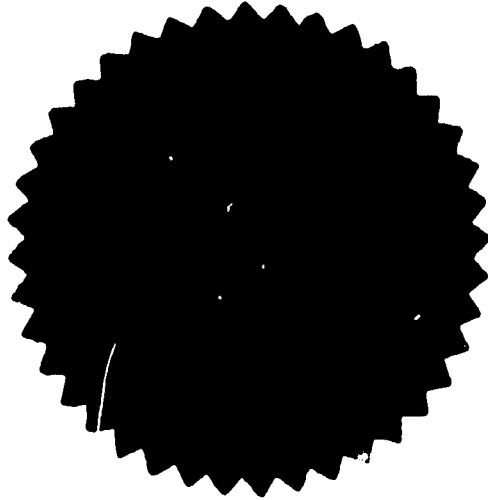
THE GOVERNMENT OF KENYA

By J. H. Butter  
J. H. Butter  
Title Permanent Secretary to the Treasury  
Permanent Secretary to the Treasury

THE COMMON SEAL OF  
THE CITY COUNCIL OF NAIROBI  
was hereunto affixed in the presence of

C. W. Rubia  
MAYOR  
C. W. Rubia

L. K. Waiyaki  
TOWN CLERK  
L. K. Waiyaki



UNITED STATES OF AMERICA

By William C. Wild, Jr.  
William C. Wild, Jr.  
Title Director, USAID/Kenya  
Director, USAID/Kenya

APPENDIX 'A'

DETAILED DESCRIPTION OF PROJECT

A. General Description

The total undertaking will increase the water supply system for the City of Nairobi by 6 m.g.d. to provide a total of 18.6 m.g.d. of potable water.

B. Description of Existing Operating System

1. The existing operating system has a safe available yield of 12.6 m.g.d. It is currently producing an average of 10.30 m.g.d. which is obtained from the following three impounded raw water resources:

(a) Kikuyu Reservoir, the capacity of which is three million gallons and has a safe available yield of one m.g.d. The water is sterilized at the source and then transmitted to the Kabete treatment works through 7" and 9" steel mains, approximately 6.5 miles long.

(b) Ruiru Reservoir, the capacity of which is 656 million gallons and has a safe available yield of 3.6 m.g.d. The water is transmitted to the Kabete treatment works 18 miles away through 9", 12" and 16" steel mains.

(c) Sasumua Reservoir, the capacity of which is two billion gallons and has a safe available yield of 8 m.g.d. Twin 18" steel mains take the raw water from the reservoir to the adjacent Sasumua treatment works. The clear water is carried by pipelines to Nairobi, approximately 38 miles away. These pipelines consist of a 16" to 12" steel main, 22 miles long; a 24" to 21" steel main, 22 miles long; and a 24" steel main, 38 miles long.

2. There are two main treatment works serving the City Water Supply with partial treatment at Ruiru Reservoir and Kikuyu Springs.

(a) Kabete treatment works consisting of horizontal flow sedimentation tanks together with nine rapid gravity sand filters, capable of treating an average of 4.75 m.g.d.

(b) Sasumua treatment works was constructed in two stages:

(1) Stage (1) consists of horizontal flow sedimentation tanks, chemical dosing block, eight rapid gravity filters, and is capable of treating an average of four m.g.d.

(ii) Stage (2) consists of eight vertical flow sedimentation tanks and ten rapid gravity filters and is capable of treating six m.g.d. making a total of 10 m.g.d. capacity at Sasumua.

3. The City has a storage capacity of 11 million gallons located as follows:

- (a) Four million gallons service reservoir located at Nairobi Hill.
- (b) Reinforced concrete reservoir at Kabete treatment works with a capacity of one million gallons.
- (c) Reinforced concrete reservoir at Kabete treatment works with a capacity of 6 million gallons.

4. The main transmission lines and distribution system extend to all sections of the city.

#### C. Description of Recent Improvements

1. Pipeline from Sasumua to the Ruiru junction box which is designed to raise the total carrying capacity between these points to 14.35 m.g.d.

2. Eighteen inch transmission main from the Kabete treatment works to the Nairobi Hill Service Reservoir.

#### D. Description of Current Improvements

1. The present extension which is now under construction through financing provided by the City, Commonwealth Development Corporation ("C.D.C.") and a German loan is as follows:

(a) Kiburu Diversion consisting of two major (35' and 30' high) and two minor (4' high) intake dams and weirs, constructed on the Kiburu River and its tributaries. The raw water will be conveyed to discharge into the Sasumua Reservoir through a steel pipe aqueduct varying in size from 12 to 36 inches.

#### E. Description of Project

The proposed extensions, to be financed by the City, the C.D.C. and A.I.D., are as follows:

1. To be financed by A.I.D.:

(a) Raising the existing Sasumua dam embankment 26.5 feet by placing

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additional clay and rock fill, mainly, in the downstream slopes of the existing embankment. The clay and rock will be similar to that used in the existing dam. Such raising will require the removal of the existing road and construction of a new road, extending of existing pipes, construction of a retaining wall and installation of settlement markers. The raising of the dam will enable a total of 3,500 million gallons to be impounded, and will provide a safe yield of 14 m.g.d. at the Sasumua Reservoir.

Raising the spillway crest will require underpinning with vertical and inclined bored piles which are carried some 40 feet through the residual soil to rock level. Such raising will require the removal of some reinforced concrete and placement of 6,600 cubic yards of reinforced concrete, and the dismantling and reconstructing of the access bridge and tower and other appurtenant works.

(b) Distribution mains to be installed are for the purpose of equalizing the pressures on the existing system and consist of the following:

15,540 linear feet - 18" steel pipe and fittings  
17,310 linear feet - 16" steel pipe and fittings

8,610 linear feet - 12" steel pipe and fittings  
\* 16,920 linear feet - 9" steel pipe and fittings  
600 linear feet - 6" steel pipe and fittings

\* Note: As 9" steel pipe is not standard in the United States, this size will be replaced by 10" as re-designed.

2. To be financed by C.D.C.:

(a) Extension of the Sasumua treatment works providing for an additional 4 m.g.d. of treated water. This extension will be comprised of six vertical flow settling tanks and eight rapid gravity filters with associated pipework and filter control house to provide a total of 14 m.g.d. at Sasumua.

(b) Additional service reservoir capacity will be constructed adjacent to the existing reservoirs at Kabete. Such storage will be of reinforced concrete and covered. C.D.C. will pay a portion of final design costs.

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3. Miscellaneous:

(a) A.I.D. will finance engineering services to:

(i) Review detailed designs,

(ii) Prepare or convert specifications for materials to be procured in the U.S. to U.S. standards,

(iii) Modify bid and contract documents to U.S. standards,

(iv) Advise on bidding procedures and award of contract.

(b) The city of Nairobi is responsible for financing preliminary designs, final designs, (except for those financed by C.D.C.) right of way costs, and warehousing.

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APPENDIX B

PRINCIPAL REPAYMENT SCHEDULE

<u>Repayment Number</u>	<u>Principal Repayment</u>
1	\$ 32,164.99
2	32,285.61
3	32,406.68
4	32,528.20
5	32,650.19
6	32,772.62
7	32,895.52
8	33,018.88
9	33,142.70
10	33,266.99
11	33,391.74
12	33,516.96
13	33,642.64
14	33,768.80
15	33,895.44
16	34,022.54
17	34,150.13
18	34,278.19
19	34,406.74
20	34,535.76
21	34,665.27
22	34,795.26
23	34,925.75
24	35,056.72
25	35,188.18
26	35,320.14
27	35,452.59
28	35,585.53
29	35,718.98
30	35,852.93
31	35,987.38
32	36,122.33
33	36,257.79
34	36,393.75
35	36,530.23
36	36,667.22
37	36,804.72
38	36,942.74
39	37,081.27

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Repayment Number

Principal Repayment

40	\$ 37,220.33
41	37,359.90
42	37,500.00
43	37,640.63
44	37,781.78
45	37,923.46
46	38,065.68
47	38,208.42
48	38,351.70
49	38,495.52
50	38,639.88
51	38,784.78
52	38,930.22
53	39,076.21
54	39,222.75
55	39,369.83
56	39,517.47
57	39,665.66
58	39,814.41
59	39,963.71
60	40,113.57
61	40,263.99

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\$2,200,000.00  
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