

A.I.D. Loan No. 263-H-020

LOAN AGREEMENT
(U.A.R.: Cairo West Power Project)

~~BETWEEN~~ THE

GOVERNMENT OF THE UNITED ARAB REPUBLIC

AND THE

AGENCY FOR INTERNATIONAL DEVELOPMENT

DATED: February 20, 1963

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LOAN AGREEMENT

AGREEMENT, dated the 20th day of February 1963,
between the GOVERNMENT OF THE UNITED ARAB REPUBLIC ("Borrower") and
the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D."), an agency of the
Government of the United States of America.

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 Thirty Million Six Hundred Thousand United States dollars (\$30,600,000)
for the foreign exchange 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 the establishment of the 261 megawatt Cairo West thermal
electric power generating plant, with associated facilities, to be
located near Cairo, Egypt.

2. Terms of Repayment and Credit Fees

SECTION 2.1. Credit Fee. Borrower shall pay semi-annually to A.I.D. in United States dollars a credit fee on the unrepaid Principal and on any credit fee due and unpaid of three-fourths (3/4) of one per cent per annum, computed on the basis of a 365-day year. The credit fee shall accrue from the dates of the respective disbursements hereunder, the first such payment to be due and payable no later than six (6) months after the first such disbursement on a date to be specified by A.I.D. Disbursements hereunder shall be deemed to occur on the date on which payment by A.I.D. is made either directly to Borrower or its designee or to a banking institution pursuant to a letter of commitment.

1st Disbursement: 7/1/63
1st Interest: 11/1/64

SECTION 2.2. Repayment. Borrower shall repay the Principal to A.I.D. in United States dollars in sixty-one (61) equal semi-annual installments, the first installment to be payable nine and one-half (9 1/2) years after the first credit fee payment is due.

SECTION 2.3. Application and Place of Payment. All payments shall be applied first to the payment of any accrued credit fee and then to the repayment of Principal. All payments shall be made to the Controller, Agency for International Development, Washington 25, D. C. and shall have been deemed to have been paid when received by A.I.D. at Washington.

1st Principal: 7/1/73

SECTION 2.4. Prepayment. Borrower shall have the right to prepay, without penalty, on any date on which the credit fee is due, all or any part of the Principal.* Any prepayment shall be applied first to the payment of any accrued credit fee and then pro rata to the remaining installments of Principal.

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3. Conditions Precedent

SECTION 3.1. Conditions Precedent to Initial Financing.

Prior to the first disbursement or to the issuance of the first letter of commitment, Borrower shall furnish A.I.D. in form and substance satisfactory to A.I.D.:

- (a) An opinion of the Minister of Justice of the United Arab Republic (the "Borrowing Country"), or of other counsel satisfactory to A.I.D., that this Agreement has been duly authorized [or] ratified by, and executed on behalf of, Borrower and constitutes a valid and legally binding obligation of Borrower in accordance with its terms;
- (b) Evidence of the authority of the person or persons who will act as the representative or representatives of Borrower pursuant to Section 6.2, together with a specimen signature of each such person certified as to its authenticity;
- (c) Contractual or other arrangements with a contractor or contractors satisfactory to A.I.D. for engineering and construction services for the Project;
- (d) Evidence that the Borrower will provide connecting facilities to transmit electric power from the Cairo West power plant to the Cairo distribution system by the operational date of the first electric power generating unit of the Cairo West plant.

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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 Section 3.1 have not been completed by May 15, 1963, A.I.D. may at any time thereafter terminate this Agreement by giving notice to Borrower, whereupon all obligations of Borrower and A.I.D. under this Agreement shall cease.

4. Disbursements

SECTION 4.1. Requests for Letters of Commitment. To obtain disbursements, Borrower may from time to time request A.I.D. to issue letters of commitment to one or more United States banks designated by Borrower and satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made, through letters of credit or otherwise, to Borrower or any designee of Borrower, pursuant to such documentation requirements as A.I.D. may prescribe. Banking charges incurred in connection with letters of commitment and disbursements shall be for the account of Borrower and may be financed hereunder.

SECTION 4.2. Other Forms of Disbursement. Disbursements may also be made through such other means as Borrower and A.I.D. may agree to in writing.

SECTION 4.3. Terminal Date for Requests for Letters of Commitment and for Disbursements. Except as A.I.D. may otherwise agree in writing, no letters of commitment shall be issued in response to requests received after ~~May 1, 1965~~, and no disbursement shall be made against documentation submitted after November 1, 1965.

5. Records; Reports; and Inspections

SECTION 5.1. Maintenance of Records. Borrower shall maintain or cause to be maintained records adequate to identify Eligible Items and to disclose the use thereof in the Project; Such records shall be maintained for such period and in such manner as A.I.D. may require.

SECTION 5.2. Reports. Borrower shall furnish A.I.D. with such information and reports relating to the Project, Eligible Items and this loan as A.I.D. may reasonably request.

SECTION 5.3. Inspections. A.I.D., or its designated representatives, shall have the right at all reasonable times to inspect the Project, the utilization of all Eligible Items, the books and records referred to in Section 5.1, and any other documents, correspondence, memoranda or records relating to this loan or the Project. Borrower shall cooperate with A.I.D. to facilitate such inspection and shall afford reasonable opportunity for authorized representatives of A.I.D. to visit any part of the Borrowing Country for any purpose related to this loan.

6. Miscellaneous

SECTION 6.1. Eligibility Date. As used in this Agreement "Eligibility Date" shall be December 13, 1962.

SECTION 6.2. Use of Representatives. (a) All actions required or permitted to be performed or taken under this Agreement by Borrower or A.I.D. may be performed by their respective duly authorized representatives.

(b) Borrower hereby designates as its representative with authority to designate in writing other representatives of Borrower in its dealings with A.I.D. Borrower's representatives named pursuant to the preceding sentence, unless A.I.D. is given notice otherwise, shall have authority to agree on behalf of Borrower to any modification or amplification of this Agreement which does not substantially increase Borrower's obligations hereunder. Until receipt by A.I.D. of written notice of revocation by 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 Borrower.

SECTION 6.3. Relending. Borrower shall relend the loan proceeds for purposes of carrying out the Project at an interest rate of no less than three and onehalf percent (3 1/2%) and a repayment period of no longer than twenty (20) years including a grace period of not to exceed three (3) years.

SECTION 6.4. Connecting Facilities. If at any time Borrower is not making reasonable progress in providing connecting facilities to transmit electric power from the Cairo West power plant to the Cairo distribution system by the operational date of the first electric power generating unit of the Cairo West plant, A.I.D. may at its option declare that an Event of Default has occurred and invoke any or all of the remedies available to it under Sections 103.1 and 103.2 of the Standard Provisions Annex.

SECTION 6.5. Communications. Any notice, request or communication given, made or sent by 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 or by mail, telegram, cable or radiogram to such other party at the following addresses:

To Borrower:

Mail Address:

The Cairo Electricity and Gas Administration
53, 26th July Street
Cairo, Egypt, U.A.R.

Cable Address:

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

Mail Address:

Agency for International Development
Department of State
Washington 25, D. C.

Cable Address:

A.I.D.
Washington, D. C.

Copy to:

US AID Mission
Cairo, Egypt, U.A.R.

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

SECTION 6.6. Standard Provisions Annex. There is attached hereto and made a part hereof a Standard Provisions Annex. All defined terms used therein shall have the same meaning as such terms are given herein.

GOVERNMENT OF THE UNITED ARAB REPUBLIC

By: /s/ A. Kaissouni

Title: Minister of Planning and Treasury

AGENCY FOR INTERNATIONAL DEVELOPMENT

By: /s/ John S. Badeau

Title: American Ambassador

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