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LOAN AGREEMENT
(Tunisia - Electrical Equipment)

AMONG

THE GOVERNMENT OF TUNISIA

SOCIETE TUNISIENNE DE L'ELECTRICITE ET DU GAZ

AND THE

UNITED STATES OF AMERICA

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Dated: September 2, 1964

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LOAN AGREEMENT

Dated the second day of September, 1964, among the GOVERNMENT OF TUNISIA ("Government"), the SOCIETE TUNISIENNE DE L'ELECTRICITE ET DU GAZ ("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, and the Agreement of March 26, 1957, as amended and supplemented now or hereafter, between the Government of the United States of America and the Government of Tunisia with respect to economic, technical and related assistance, an amount not to exceed seven million four hundred thousand United States dollars (\$7,400,000) to assist the Borrower in financing 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 acquisition (including transportation and insurance) of United States equipment and materials required for the expansion and improvement of the existing Tunisian (medium and low voltage) electrical distribution system. The expansion and improvement of the distribution facilities will be

accomplished over an approximate three-year period through approximately 150 separate undertakings. The Project may include the services of an engineering firm to assist the Borrower in adapting its procurement requirements to U.S. equipment specifications and such other services required in connection with the procurement of Eligible Items as may be agreed to by A.I.D. and Borrower. The Project may be modified by written agreement of Borrower and A.I.D.

2. Terms of Repayment and Interest Rate

SECTION 2.1. Interest Rate. During the ten (10) year period immediately following the date of the first disbursement under this Loan, Government shall pay to A.I.D. in United States dollars interest at the rate of three-quarters of one per cent ($3/4$ of 1%) per annum on the unrepaid Principal and on any interest that is due and unpaid. Thereafter, Government shall pay to A.I.D. in United States dollars interest at the rate of two per cent (2%) per annum on the unrepaid Principal and on any interest that is due and unpaid. Interest payments shall be due and payable semi-annually, commencing on a date to be specified by A.I.D. but in no event later than six (6) months after the date of the first disbursement hereunder. Interest shall accrue from the dates of the respective disbursements hereunder and shall be computed on the basis of a 365-day year.

SECTION 2.2. Repayment. Government shall repay the Principal to A.I.D. in United States dollars in sixty-one (61) semi-annual installments, the first installment to be due and payable nine and one-half ($9\ 1/2$) years after the first interest payment is due. If the total amount of the Loan is

completely disbursed by the date when the first repayment is due, repayment shall be made in accordance with Annex A hereto. If the Loan is not completely disbursed by such date, Annex A will be revised by A.I.D. so as to provide for sixty-one substantially equal sums of Principal and Interest.

SECTION 2.3. Payment by Borrower to Government.

Borrower shall pay, in semi-annual installments, an amount equivalent to the Principal to Government in Tunisian dinars or such other currency as is at the time of payment legal tender in Tunisia within twenty-five (25) years after the date of the first disbursement hereunder, including a grace period of not to exceed five (5) years. Borrower shall semi-annually pay interest to the Government at the rate of four and one-half per cent (4 1/2%) per annum on the unrepaid principal payable to the Government.

SECTION 2.4. Application and Place of Payment. All payments by Government shall be applied first to the payment of any accrued interest and then to the repayment of Principal. All payments by Government shall be made payable to the order of the Agency for International Development, and shall be deemed to have been paid when received by the A.I.D. at Washington, D.C., 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 an interest payment 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 Principal in the inverse order of their 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 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 Secretary of State for Justice 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 of Government and constitutes a valid and legally binding obligation of Government in accordance with its terms;
- (b) An opinion of 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

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in accordance with its terms;

- (c) A specimen signature of each person designated in Section 10.1 as a representative of Borrower and Government;
- (d) The agreement pursuant to which Borrower shall pay Government in accordance with Section 7.3;
- (e) Evidence that Borrower has secured or will provide all other financing required for carrying out the expansion and improvement of the Tunisian electrical distribution system described in Section 1.2;
- (f) Contractual arrangements, if any, for engineering services to be financed hereunder with contractors satisfactory to A.I.D.;
- (g) A chronological schedule of and proposed arrangements for acquisition (by category and quantity) of the Eligible Items; and
- (h) Such other information as A.I.D. may request with respect to the Project.

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 within ninety (90) 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, whereupon all obligations of Government, Borrower, and A.I.D. under this Agreement shall cease.

4. Procurement.

SECTION 4.1. Source of Procurement.

- (a) All Eligible Items shall have both their source and origin in the United States.
- (b) With respect to goods the term "source" means the country from which they are shipped to Tunisia if the goods are located in that former country at the time of purchase. Where, however, goods are shipped from a free port or bonded warehouse in the form in which received therein, "source" means the country from which the goods were shipped to the free port or bonded warehouse.
- (c) With respect to goods the term "origin" shall mean the country in which the goods are mined, grown, or produced. Goods are "produced" when through manufacturing, processing, or substantial assembling of components a commercially recognized new item of property results which

is substantially different in basic characteristics, purpose, or utility from its components.

- (d) No goods may be financed hereunder if they contain any component from a country not included in A.I.D. Geographic Code 899 as in effect at the time the contract for such goods is entered into. No goods produced in the United States shall be financed hereunder if they contain components imported into the United States from countries included in said Code 899 as in effect at said time and acquired by the producer in the form in which they were imported if the total cost of such components to the producer when delivered to the point of production amounts to more than ten percent (10%) of the lowest price (excluding the cost of ocean transportation and marine insurance) at which the supplier makes the goods available for export sale.
- (e) Transportation services procured from a United States flag carrier shall be deemed to have their source and origin in the United States. Marine insurance issued in the United States by a company authorized to do a marine insurance business in any state of the United States of America shall be deemed to have its source and origin in the United States. The source and

origin of any other services shall be determined in accordance with A.I.D. regulations.

- (f) All goods and services, other than Eligible Items, obtained for the Project shall have both their source and origin in Tunisia or countries included in Code 899 of the A.I.D. Geographic Code Book as in effect at the time such goods or services are procured, provided that all such goods and services shall be transported to Tunisia on its carriers or carriers of countries included in Code 899 of the A.I.D. Geographic Code Book as in effect at the time such transportation is procured.

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SECTION 4.2. Method of Procurement. No more than reasonable prices shall be paid for any Eligible Item, 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 Item procured, operating costs, quality, time and cost of delivery, terms of payment, and other factors considered.

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

SECTION 4.4. Bid Documents and Contracts for Procurement. Unless A.I.D. otherwise agrees in writing:

- (a) Borrower shall not issue any call for prequalification of bidders or contractors, list of or notice to prequalified bidders or contractors, bid invitation or document, or proposed contract nor award or sign any contract for the procurement of Eligible Items until Borrower has received written approval thereof from A.I.D.;

- (b) No contract for the procurement of Eligible Items may be financed hereunder unless it and the preliminary steps leading up to it have been approved in writing by A.I.D. pursuant to Section (a);
- (c) Borrower shall submit to A.I.D. copies of all calls for prequalification of bidders or contractors, lists of or notices to prequalified bidders or contractors, bid invitations and documents, proposed contracts, contract awards, and signed contracts for the procurement of Eligible Items.

SECTION 4.5. Publicizing Procurement. In order that American small business shall have the opportunity to participate in furnishing Eligible Items, Borrower shall, at such time prior to ordering or contracting for any Eligible Item estimated to cost more than the equivalent of five thousand United States dollars (\$5,000) as A.I.D. may specify, and promptly after the award of any contract therefor costing more than the equivalent of twenty-five thousand United States dollars (\$25,000), cause to be received by A.I.D. such information thereon as A.I.D. may require.

SECTION 4.6. 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 4.7. Ocean Shipment. At least fifty percent (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 (a) which A.I.D., in a notice to borrower, has designated as ineligible to carry A.I.D.-financed commodities or (b) 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 4.8. Insurance. Borrower shall cause goods financed under this Loan Agreement to be insured against risks incident to their transit to the point of their use in accordance with sound commercial practice. Except as A.I.D. may otherwise agree in writing, the insurance proceeds shall be payable in the currency in which such goods were paid for. The Borrower shall give A.I.D. prompt notice of the accrual 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:

- (a) Be used to pay for procurement of Eligible Items in accordance with the terms of this Agreement; or
- (b) Be promptly paid to A.I.D.; 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. To obtain disbursements, Borrower may from time to time request A.I.D.

to issue letters of commitment to one or more banks in the United States, 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 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 5.2. 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 5.3. Date of Disbursements. 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 under a letter of commitment issued pursuant to Section 5.1.

SECTION 5.4. Terminal Date for requests 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 from Borrower more than two and one-half (2 1/2) years after the date of this Agreement, and no disbursement shall be made against documentation received more than three (3) years after the date of this Agreement.

6. Additional Covenants and Warranties

SECTION 6.1. Execution and Completion of Project. Government and Borrower will:

- (a) Carry out and complete the Project, with due diligence and efficiency, providing all resources and paying all costs which may be required in addition to those financed hereunder.
- (b) Carry out the Project in conformity with sound engineering and financial practices and with any contracts, engineering, procurement, and other arrangements or schedules, plans, and specifications approved by A.I.D.;
- (c) Obtain A.I.D.'s written concurrence prior to any material modification or cancellation of any such arrangements, plans, or specifications and prior to any amendment, assignment, or cancellation of any such contracts;
- (d) Adequately maintain, repair, and utilize all Eligible Items in accordance with sound engineering and financial practices.

SECTION 6.2. Utilization of Goods and Services. The Borrower and Government shall cause all goods and services financed by the Loan to be used exclusively for the Project. In case any goods are not fully expended through such use, the foregoing provision shall apply until such time as such goods can no longer be so used, and thereafter such goods may be

utilized for any purpose at the discretion of the Borrower, subject, however, to such terms and conditions concerning utilization as A.I.D. may impose, and provided that no goods financed by the Loan shall be exported from Tunisia without the prior approval of A.I.D. Borrower shall use its best efforts to prevent Eligible Items from being used to promote or assist any project or activity associated with or financed by any country, other than Tunisia, not included in Code 899 of the A.I.D. Geographic Code 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, utilization of Eligible Items, or the discharge of Government's or Borrower's obligations under this Agreement and further warrants 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. Continuance of Representations and Matters Furnished to Satisfy Conditions Precedent. Unless A.I.D. otherwise agrees in writing, Government and Borrower shall continue in force and effect for the life of this Agreement, exactly as originally made or furnished, any representation made or opinion or agreement furnished to satisfy a condition precedent under Section 3.1.

SECTION 6.5. Taxes. Government and Borrower warrant that this

Agreement and the amount agreed to be lent hereunder shall be free from, and the Principal and interest and promissory notes, if any, shall be paid without deduction for and free from, any taxation or fees imposed under any laws in effect within Tunisia. No taxes, tariffs, duties, or other levies of any nature whatsoever imposed under any laws in effect in Tunisia may be financed hereunder. The Government shall exempt all parties to contracts financed hereunder to which the Borrower or Government is a party, and any property or transactions related to such contracts, from all such taxes, tariffs, duties, and other levies other than taxes or levies in the nature of income taxes.

SECTION 6.6. Commissions, Fees, and Other Payments.

Government and Borrower each warrants that in connection with obtaining this loan or any action under or with respect to this Agreement it has not paid or agreed to pay, 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 (indicating whether such payment has been or is to be made on a contingent fee basis). If the amount of any such payment is deemed excessive by A.I.D. and Government or Borrower, as the case may be, fails to cause a reduction therein satisfactory to A.I.D., A.I.D. may either require Government or Borrower, as the case may be, to immediately make a prepayment of Principal in the amount by which such payment is deemed excessive or, if a sufficient portion of the loan remains undischarged, reduce the amount of the loan by such amount. If either step is taken by A.I.D., the last scheduled repayment shall be reduced by the amount prepaid or withheld.

SECTION 6.7. Management. Until payment in full of all sums due under this Loan Agreement, Borrower shall provide competent and experienced personnel in numbers adequate for sound management of all its operations, whether or not financed hereunder.

SECTION 6.8. 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 should be

accelerated on the basis of one or more of the following criteria:

- (a) Significant improvement in the internal economic and financial situation of the Government;
- (b) Favorable trends in the balance of payments and foreign exchange holdings of the Government;
- (c) 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.

7. Records; Reports; Inspections;
Publicity.

SECTION 7.1. Maintenance of Records. Borrower shall maintain or cause to be maintained books, records, and other documents pertaining to this Agreement, the Project, and operations of Borrower related thereto; such Project records shall be adequate to identify Eligible Items and to disclose the use thereof. Such books, records, and documents shall be maintained and audited for such period and in such manner as A.I.D. may require.

SECTION 7.2. Reports. Government and Borrower shall furnish A.I.D. with such information and reports relating to the Project, operations of Borrower, Eligible Items, and this

Loan as A.I.D. may reasonably request.

SECTION 7.3. Inspections. Authorized representatives of A.I.D. shall have the right at all reasonable times to inspect the Project, operations of Borrower related thereto, the utilization of all Eligible Items, the books, records, and documents referred to in Section 7.1, 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 Tunisia for any purpose related to this Loan.

SECTION 7.4. Information and Marking. Government and Borrower warrant that they will cooperate with A.I.D. in making information concerning this Loan public and will make appropriate arrangements to carry out A.I.D.'s instructions with respect thereto.

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:

- (a) Government shall fail to pay in full any interest or installment of Principal when due;
- (b) Government or Borrower shall fail to comply with any other provision contained herein;

(c) 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; or

(d) A default or breach shall have occurred under any other agreement between Borrower or Government or any of its agencies and A.I.D.;

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 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:

- (a) An Event of Default has occurred;
- (b) 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;
- (c) Any disbursement would be in violation of any legislation from time to time governing A.I.D.; or

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(d) A default or breach shall have occurred under any other agreement between Borrower or Government or any of its agencies and the United States or any of its agencies;

When A.I.D., at its option, may (i) decline to issue further letters of commitments; (ii) suspend or cancel outstanding letters of commitments 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 promptly thereafter; (iii) decline to make disbursements other than under letters of commitments; 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 in a deliverable state and have not been offloaded in ports of entry of Tunisia. 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 6.3. 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 under this Agreement or the exercise of the remedy provided for in Section

8.2, require Government to pay to 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 those 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 or Borrower as appropriate and reimbursed as A.I.D. shall specify.

9. Promissory Notes

SECTION 9.1. Promissory Notes. Government agrees to deliver, within thirty (30) days after the date of any request of A.I.D. therefor, promissory notes payable to or on the order of A.I.D. in such denominations and aggregate principal amount specified in such request, not exceeding, however, the

aggregate amount of the unrepaid Principal and accrued interest 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 modifications 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. Prior to the sale or listing by A.I.D. of any such promissory note, A.I.D. will consult with Government and give consideration to its views regarding such sale or listing.

10. Miscellaneous

SECTION 10.1. Use of Representatives.

- (a) All actions required or permitted to be performed or taken under this Agreement by Government, Borrower, or A.I.D. may be performed by its respective duly authorized representatives.
- (b) Government hereby designates its Secretary of State for Plan and Finance, presently Mr. Ahmed Ben Salah, as its representative and Borrower hereby designates its President Director General, presently Mr. Abdesslem Koani, 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: Secretariat d'Etat au Plan
et aux Finances
Republique de Tunisie
Place du Gouvernement
Tunis, Tunisia

Cable Address: (Same as Mail Address)

To Borrower:

Mail Address: Societe Tunisienne de l'Electricite
et du Gaz
38, rue de Besancon
Tunis, Tunisia

Cable Address: GAZELEC
Tunis, Tunisia

To A.I.D. (two copies)

Mail Address: Office of Capital Development
and Finance
Bureau for Africa
Agency for International Development
Department of State
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, Tunis, Tunisia, with a copy of all communications or documents sent to A.I.D. 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. 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 and each of the Notes shall be construed solely in accordance with and any dispute arising under or in connection with this Agreement and each of the Notes shall be governed by the internal laws of the District of Columbia, United States of America.

GOVERNMENT OF TUNISIA

By: /s/
Ahmed Ben Salah

Title: Secretary of State for Plan and Finance

SOCIETE TUNISIENNE DE L'ELECTRICITE ET DU GAZ

By: /s/
Abdesselem Knani

Title: President Director General

UNITED STATES OF AMERICA

By: /s/
Francis H. Russell

Title: Ambassador

REPAYMENT SCHEDULE

<u>Payment Number</u>	<u>Principal Repayment</u>
1	\$ 88,637.22
2	89,523.59
3	90,418.83
4	91,323.02
5	92,236.25
6	93,158.61
7	94,090.20
8	95,031.10
9	95,981.41
10	96,941.22
11	97,910.63
12	98,889.74
13	99,878.64
14	100,877.42
15	101,886.20
16	102,905.06
17	103,934.11
18	104,973.45
19	106,023.19
20	107,083.42
21	108,154.25
22	109,235.80
23	110,328.15
24	111,431.44
25	112,545.75
26	113,671.21
27	114,807.92
28	115,956.00
29	117,115.56
30	118,286.71
31	119,469.58
32	120,664.28
33	121,870.92
34	123,089.63

Payment Number

Principal Repayment

35	\$124,320.53
36	125,563.73
37	126,819.37
38	128,087.56
39	129,368.44
40	130,662.12
41	131,968.74
42	133,288.43
43	134,621.31
44	135,967.53
45	137,327.20
46	138,700.47
47	140,087.48
48	141,488.35
49	142,903.24
50	145,775.59
51	147,233.35
52	148,705.68
53	150,192.74
54	151,694.67
55	153,211.61
56	154,743.73
57	156,291.17
58	157,854.08
59	159,432.62
60	161,027.48
Total	\$ 7,400,000.00

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AID-H-021

9/2/64

Payment Number

Principal Repayment

35	\$124,320.53
36	125,563.73
37	126,819.37
38	128,087.56
39	129,368.44
40	130,662.12
41	131,968.74
42	133,288.43
43	134,621.31
44	135,967.53
45	137,327.20
46	138,700.47
47	140,087.48
48	141,488.35
49	142,903.24
50	145,775.59
51	147,233.35
52	148,705.68
53	150,192.74
54	151,694.67
55	153,211.61
56	154,743.73
57	156,291.17
58	157,854.08
59	159,432.62
60	161,027.48
Total	\$ 7,400,000.00

1-2

AID-H-021
9/2/64