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A.I.D. Loan No. 618-H-002

L O A N A G R E E M E N T

(East Africa Regional: University of East Africa,
University College, Nairobi)

AMONG

THE UNIVERSITY OF EAST AFRICA,

THE GOVERNMENT OF KENYA

AND

THE UNITED STATES OF AMERICA

Dated: 11 August 1966

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LOAN AGREEMENT

AGREEMENT dated the 11th day of August, 1966

among the UNIVERSITY OF EAST AFRICA ("Borrower"), the GOVERNMENT OF KENYA ("Guarantor") and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT ("A.I.D.").

1. The Project

SECTION 1.1. The Loan. Pursuant to the Foreign Assistance Act of 1961, as amended, A.I.D. hereby agrees to lend Borrower an amount not to exceed Eight Hundred and Fifty Thousand Dollars (\$850,000) to assist the borrower in financing the foreign exchange and local currency 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". A.I.D. agrees to finance all eligible U.S. costs and up to 50% of the eligible local costs of the project within the total amount of the loan. 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 expansion of facilities at the University College, Nairobi. The Project is described in more detail in Annex A hereto, the specific details of which may be modified by written agreement of Borrower and A.I.D.

SECTION 1.3. Borrower's Financing. Pursuant to, but not in limitation of, Borrower's obligation to provide any additional resources or pay all additional costs, in addition to the costs financed hereunder, required to complete the Project, Borrower agrees to finance not less than fifty percent (50%) of the local costs of goods and services required for the Project, and all non-U.S. foreign exchange costs.

2. Terms of Repayment

SECTION 2.1. Interest Rate. During the ten (10) year period immediately following the date of the first disbursement under this loan Borrower shall pay to A.I.D. in United States dollars interest at the rate of one percent (1%) per annum on the unrepaid Principal and on any interest that is due and unpaid. Thereafter, Borrower shall pay to A.I.D. in United States dollars interest at the rate of two and one-half (2 1/2%) 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 and shall be computed on the basis of a 365-day year.

SECTION 2.2. Repayment. Borrower shall repay the Principal to A.I.D. in United States dollars in sixty-one (61) substantially equal semi-annual installments of Principal and interest, the first installment to be due and payable nine and one-half (9 1/2) years after the first interest payment is due in accordance with Section 2.1. Repayment shall be made in accordance with an amortization schedule to be provided the Borrower by A.I.D. after all disbursements have been made.

SECTION 2.3. Application and Place of Payment. All payments 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 Agency for International Development and shall be deemed to

have been paid when received by the USMID Mission at Nairobi, Kenya or as otherwise specified by A.I.D.

SECTION 2.4. Prepayment. Borrower 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 applied first to the payment of any accrued interest and then to the remaining installments of Principal in the inverse order of the maturity.

3. Guaranty

SECTION 3.1. Guaranty of Loan. Without limiting or restricting any other covenants contained in this Agreement, Guarantor absolutely and unconditionally, as primary obligor with Borrower, undertakes to make the due and punctual payment of Principal and interest or any other payment required under the terms of this Agreement or under any notes issued pursuant to Section 11.1.

SECTION 3.2. Additional Terms of Guaranty. With respect to the guaranty set forth in Section 3.1 or the guaranty of any note issued pursuant to Section 11.1, Guarantor hereby waives prior notice to, presentment, demand upon, protest or notice of dishonor, or action against Borrower. Guarantor agrees to remain bound notwithstanding any extension of time for performance, the waiver of any right or any other modification of any obligation of Borrower and notwithstanding any acceptance, alternation or release of any security whether provided by Borrower or on Borrower's behalf.

SECTION 3.3. Cooperation of Guarantor. Guarantor shall cooperate fully with A.I.D. to assure that the purposes of this Agreement will be accomplished and to provide such information and take such steps as A.I.D. may reasonably request in this connection.

4. Conditions Precedent

SECTION 4.1. Conditions Precedent. Unless A.I.D. otherwise agrees in writing, prior to the first disbursement or to the issuance of the first letter of commitment hereunder, Borrower shall furnish A.I.D. in form and substance satisfactory to A.I.D.:

- (a) An opinion of the chief legal counsel of the Borrower, or of other legal 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) An opinion of the Attorney General of the Guarantor, or of other counsel satisfactory to A.I.D., that this Agreement and the guaranty contained herein have been duly authorized or ratified by, and executed on behalf of the Guarantor and constitute valid and legally binding obligations of said Guarantor in accordance with their terms;

- (c) A specimen signature of each representative of Borrower and the representative of the Guarantor designated in accordance with Section 12.1;
- (d) Evidence of adequate arrangements for supervisory engineering and inspection services required for the Project;
- (e) A contract executed with a firm or firms approved by A.I.D. for construction of the Project; and
- (f) Such other information as A.I.D. may request with respect to the Project.

SECTION 4.2. Terminal Date for Fulfillment of Conditions Precedent. Except as A.I.D. may otherwise agree in writing, if the conditions required by Section 4.1 (a), (b), (c) and (d) have not been fulfilled within one hundred and twenty (120) days of the date of this Agreement, or Section 4.1 (e) within nine (9) months of this Agreement, A.I.D. may at any time thereafter give notice to Borrower of termination of this Agreement.

5. Covenants Concerning Procurement

SECTION 5.1. Source of Procurement for Goods. (a) Except as A.I.D. may otherwise agree in writing, all goods, materials and equipment (hereinafter called "Goods") financed hereunder shall have their

source in East Africa (throughout this agreement "East Africa" shall mean Uganda, Kenya, and the United Republic of Tanzania) or in the United States. Goods shall be deemed to have their source in East Africa if they (i) are mined, grown, or produced in East Africa, (ii) are procured in East Africa, and (iii) do not contain any components imported from a country not included in A.I.D. Geographic Code 899 as in effect at the time of procurement. Goods shall be deemed to have their source in the United States if they (i) are mined, grown or produced in the United States, (ii) are procured in the United States, and (iii) are shipped either directly from the United States to East Africa or from the United States to a free port or bonded warehouse and thereafter shipped to East Africa in the same form in which received at such free port or bonded warehouse; provided, however no good which is produced in the United States shall be deemed to have its source in the United States if it contains (i) any component from a country not included in A.I.D. Geographic Code 899 as in effect at the time of procurement or (ii) components imported into the United States from countries included in Code 899 and acquired by the producer in the form in which they were imported and the total costs of such components delivered at 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.

(b) Except as A.I.D. may otherwise agree in writing, all goods connected with the Project which are not financed hereunder shall have their source in East Africa or countries included in A.I.D. Geographic Code 899 as in effect at the time of procurement. Such goods shall be deemed to have their source in East Africa or in countries included in Code 899 if they are mined, grown or produced in and also procured from East Africa or Code 899 countries.

(c) For purposes of this Agreement, goods are deemed to be "produced" when through manufacturing, processing, or substantial and major assembly of components a commercially recognized new product results which is substantially different in basic characteristics or in purpose or utility from its components.

SECTION 5.2. Source of Procurement for Services. (a) Except as A.I.D. may otherwise agree in writing, services to be financed hereunder shall be procured as follows:

- (1) Marine transportation services to be financed hereunder shall be provided by a United States flag carrier.
- (2) Marine insurance may be financed hereunder, provided the insurance is placed in the United States with a company or companies authorized to do a marine insurance business in any state of the United States.

(3) Services to be financed hereunder which are to be performed under the prime contract for construction of the Project or under contracts for engineering, architectural, or other professional services related to the Project shall have their source in the United States or East Africa.

(b) Except as A.I.D. may otherwise agree in writing, all services connected with the Project which are not financed hereunder shall be procured from East African firms or firms of countries included in A.I.D. Geographic Code 899 as in effect at the time of procurement.

SECTION 5.3. Method of Procurement. No more than reasonable prices shall be paid for any Eligible Item and all such items (except architectural, engineering, 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 5.4. Date of Procurement. 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 Agreement.

SECTION 5.5. Final Plans, Bid Documents and Procurement Contract. Borrower shall submit final plans, specifications and cost estimates of the Project for A.I.D. approval. Unless A.I.D. otherwise agrees in

writing, Borrower shall submit to A.I.D. bid invitations, bid documents, proposed contracts, contract awards and executed contracts with respect to prime contracts for the procurement of Eligible Items. Borrower covenants and agrees that no bid invitations, bid documents or proposed prime contracts shall be issued, and no such contract shall be awarded, until Borrower has received written approval of such from A.I.D. Unless A.I.D. otherwise agrees in writing, no prime contract shall be financed hereunder unless it has been approved in writing by A.I.D. Borrower shall obtain the written approval of A.I.D. prior to any amendment, assignment or cancellation of such contract.

SECTION 5.6. 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 issuing invitations to bid or requesting solicitations for prime contracts estimated to cost more than equivalent of Five Thousand United States Dollars (\$5,000) as A.I.D. may specify, and promptly after the award of any prime contract therefor costing more than the equivalent of \$25,000, cause to be received by A.I.D. such information thereon as A.I.D. may require.

SECTION 5.7. 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 of Kenya, by statute, decree, rule, or regulation, favors any insurance company or 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 5.8. 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 (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 forty-five (45) 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 5.9. Insurance. Borrower shall cause all Eligible Items to be insured against risks incident to their transit to the point of their use in the Project. Such insurance shall be consistent with sound commercial practice and the insurance proceeds shall be payable in the currency in

which such Eligible Items were paid for. The Borrower shall give 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:

- (a) Be used to pay for procurement of Eligible Items for the Project 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.

6. Disbursements.

SECTION 6.1. Forms of Disbursement. Disbursements under this loan shall be made as follows:

- (a) For costs payable in United States dollars, Borrower may from time to time request A.I.D. to issue letters of commitment for payment of such costs 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;

- (b) For costs payable in East African currency, Borrower shall from time to time (i) make available such currency for payment of these costs in a manner satisfactory to A.I.D. and (ii) request A.I.D. to make available to Borrower through the opening or amendment of special letters of credit by A.I.D. in favor of Borrower or its designee an amount of United States dollars equivalent to the amount of East African currency made available hereunder, which dollars shall be utilized for procurement from the United States in accordance with requirements prescribed by A.I.D. The United States dollar equivalent of the East African currency made available hereunder shall be calculated at a rate of exchange in Kenya which would lawfully yield the largest amount of East African currency per United States dollar on the date of opening or amendment of the applicable special letter of credit;
- (c) Through such other means as Borrower and A.I.D. may agree to in writing;
- (d) 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 under the loan.

SECTION 6.2. 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(a) or on the date on which a special letter of credit is opened or amended pursuant to Section 5.1(b), as the case may be.

SECTION 6.3. 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 request received from Borrower more than two (2) years after the date of this Agreement, and no disbursement shall be made against documentation received more than two and one-half (2 1/2) years after the date of this Agreement.

7. Special warranties

SECTION 7.1. Execution and Completion of Project. Borrower warrants that it shall cause the Project to be carried out with due diligence and efficiency, providing any additional resources and paying all additional costs, in addition to the costs financed hereunder, which may be required to complete the Project. Borrower further warrants that the Project shall be carried out in conformity with sound engineering and financial practices, and in accordance with any contracts, arrangements or plans and specifications approved by A.I.D. Borrower agrees to obtain the written approval of A.I.D. prior to any material modification of such arrangements, plans or specifications.

SECTION 7.2. Maintenance of Eligible Items. Borrower warrants that it shall adequately maintain, repair and operate, in accordance with sound engineering, financial and educational practices, all Eligible Items and any construction or facility resulting from their use.

SECTION 7.3. Utilization of Eligible Items. Borrower warrants that 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 provisions 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 East Africa 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 East Africa, 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 7.4. Information and Marking. Borrower and Guarantor warrant that they will cooperate with A.I.D. in making information concerning this loan public and shall make appropriate arrangements to carry out A.I.D.'s usual requirements with respect thereto.

SECTION 7.5. Notice of Material Developments. Borrower and Guarantor warrant that they have disclosed to A.I.D. all circumstances which may materially affect utilization of the Eligible Items or their

ability to discharge their obligations under this Agreement and further warrant that they will inform A.I.D. of any conditions which interfere, or which it is reasonable to believe will interfere, with any of the foregoing.

8. General Warranties

SECTION 8.1. Taxes. Borrower and Guarantor warrant that this Agreement and the amount lent hereunder shall be free from, and the Principal and interest shall be paid without deduction for and free from, any taxation or fees imposed under any laws in effect within Kenya. No taxes, tariffs, duties or other levies of any nature whatsoever imposed under laws in effect in Kenya may be financed hereunder. Guarantor shall exempt all parties to contracts financed hereunder, to which the Borrower is a party, and any property or transactions related to such contracts, from such taxes, tariffs, duties and other levies, except taxes or levies in the nature of income taxes, or, if such exemption is not granted, any such taxes other than taxes in the nature of income taxes, arising out of contracts financed hereunder to which Borrower is a party, and subcontracts thereof, shall be financed by the Borrower.

SECTION 8.2. Commissions, Fees, and Other Payments. Borrower and Guarantor warrant that in connection with obtaining this Loan or taking any action under or with respect to this Agreement they have not paid or agreed to pay and will not pay or agree to pay nor, to the best of their 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 Borrower's or Guarantor's full-time officers and employees or as compensation for bona fide professional, technical or other comparable services. Borrower and Guarantor shall promptly report to A.I.D. any payment or agreement to pay for such bona fide professional, technical or comparable services to which they are a party or of which they have knowledge (indicating whether such payment has or is to be made on a contingent fee basis). If the amount of any such payment is deemed excessive and Borrower and/or Guarantor fail to cause a reduction satisfactory to A.I.D., A.I.D. may either require the Borrower to immediately make prepayment of the amount by which such payment is deemed excessive or, if a sufficient portion of the loan remains undisbursed, 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.

9. Records; Reports; Inspections

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. 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. Borrower and Guarantor 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 part of Kenya for any purpose related to this Loan.

10. Remedies of A.I.D.

SECTION 10.1. Event of Default; Acceleration. If any one or more of the following events ("Events of Default") shall occur:

- (a) Borrower shall fail to pay in full any interest or installment of Principal when due;
- (b) Borrower or Guarantor shall fail to comply with any other provisions contained herein;
- (c) Any representation or warranty made by or on behalf of Borrower or Guarantor with respect to obtaining this Loan or made or required to be made hereunder is incorrect in any material respect;

- (d) A material default or breach shall have occurred under any other agreement between Borrower and A.I.D.;

then A.I.D., at its option may give 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 10.2. Termination of Disbursement; 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 Borrower will be able to perform its obligations hereunder;
- (c) A breach shall have occurred under any other agreement between Borrower and the United States or any of its agencies; or
- (d) Any disbursement would be in violation of any legislation governing A.I.D.;

then A.I.D., at its option, may (i) decline to issue further letters of commitment; (ii) suspend or cancel outstanding letters of commitment to the extent that they have not been utilized through the issuance of irrevocable letters of credit, giving notice to Borrower promptly thereafter; (iii) decline to make disbursements other than under letter of

commitment; 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 in East Africa. To the extent that any cost connected with the purchase and transportation of these goods have been financed hereunder, these amounts shall be deducted from Principal.

SECTION 10.3. Refunds. If A.I.D. determines that 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 10.2, require Borrower to pay to A.I.D., within thirty (30) days after the 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 repayment of Principal.

SECTION 10.4. Waiver 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 10.5. 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 Borrower and reimbursed as A.I.D. shall specify.

11. Promissory Notes

SECTION 11.1. Promissory Notes. Borrower 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 modification in form and substance as A.I.D. may reasonably request.

SECTION 11.2. Endorsement by Guarantor. with respect to any promissory notes delivered pursuant to Section 11.1, Guarantor agrees to endorse thereon their unconditional guaranty of payment. Such guaranty shall conform to the terms of this Agreement with such modifications in form and substance as A.I.D. may reasonably request. Borrower and Guarantor shall furnish A.I.D. with such legal opinions with respect to these promissory notes and guaranties as A.I.D. may reasonably request.

12. Representatives and Communications

SECTION 12.1. Use of Representatives. (a) All actions required or permitted to be performed or taken under this Agreement by Borrower, Guarantor or A.I.D. may be performed by their respective duly authorized representatives.

(b) Borrower and Guarantor designate the following as their representatives in their dealings with A.I.D. with authority to designate by notice to A.I.D. other representatives of the respective parties which they represent.

Borrower: Principal, University College, Nairobi, and
Registrar, University College, Nairobi

Guarantor: Permanent Secretary to the Treasury

The representatives designated pursuant to the preceding sentence, unless A.I.D. is given notice otherwise, shall have authority to agree to any modification of this Agreement on behalf of the respective parties which they represent. Each notice of designation of a representative shall contain a specimen signature of the representative so designated. Until receipt by A.I.D. of written notice of revocation of the authority of any such representative, A.I.D. may accept signature of such representative on any instrument as conclusive evidence that any action effected by such instrument is authorized by the respective party which he represents.

SECTION 12.2. Communications. Any communications or document given, made or sent by Borrower, Guarantor 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 address:

To Borrower:

Mail Address: Office of the Principal
University College, Nairobi
P.O. Box 30197
Nairobi, Kenya

Cable Address: UNICOLNAI, NAIROBI

To Guarantor:

Mail Address: Permanent Secretary to the Treasury
P.O. Box 30007
Nairobi, Kenya

Cable Address: FINANCE, NAIROBI

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

Mail Address: Agency for International Development
Bureau for Africa (GDF)
c/o Mission Director
USAID Mission to Kenya
American Embassy
Nairobi, Kenya

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.

13. Applicable Law

SECTION 13.1. Applicable Law. This Loan Agreement shall be deemed to be a contract made under, and shall be governed solely by and construed in accordance with, the internal laws of the District of Columbia, United States of America.

14. Implementation Letters

SECTION 14.1. Implementation Letters. A.I.D. will transmit Implementation Letters setting forth the procedures for utilizing the proceeds of the Loan and providing information to assist in carrying out the terms of the Loan Agreement. Nothing in these letters and the attachments thereto is intended to alter the scope of the terms of this Agreement.

IN WITNESS WHEREOF, Borrower, Guarantor and the United States of America have executed this Loan Agreement on the date first written above.

THE UNIVERSITY OF EAST AFRICA

By: Y. K. Lule
Y. K. Lule
Title: Acting Vice Chancellor

THE GOVERNMENT OF KENYA

By: O. S. Knowles
O. S. Knowles
Title: Acting Permanent Secretary
Ministry of Finance

THE UNITED STATES OF AMERICA

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

DETAILED DESCRIPTION OF PROJECT

The Project consists in the design, construction, and equipping of the following buildings to be provided as part of a program to expand the facilities of the University College, Nairobi:

1. Extensions to the Faculty of Engineering which shall include laboratories, drawing offices, staff rooms, and lecture facilities;
2. Three new halls of residence to provide accommodations for 404 students and 3 tutors.

The Project shall include architectural and engineering, quantity surveyor, and related services, which shall be financed by the Borrower as part of its obligation under Section 1.3 of the loan agreement.