GENERAL CONDITIONS APPLICABLE TO
LOAN AND GUARANTEE AGREEMENTS

October 28, 1979
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GENERAL CONDITIONS APPLICABLE TO LOAN AND GUARANTEE AGREEMENTS

Dated October 28, 1979

ARTICLE I
APPLICATION OF GENERAL CONDITIONS

Section 1.01 APPLICATION OF GENERAL CONDITIONS TO LOAN AND GUARANTEE AGREEMENTS: These General Conditions set forth conditions which shall be applicable to loans made by BADEA. They shall apply to all loan agreements and guarantee agreements made for loans referred to and subject to such modifications as shall be provided in such agreements; provided, however, that in the case where the loan is made to a state, these General Conditions shall not be applicable in so far as they refer to the "Guaranteeing State", "Guarantor" and "Guarantee Agreement".

Section 1.02 INCONSISTENCY WITH LOAN AND GUARANTEE AGREEMENTS: If any provision of a loan agreement or guarantee agreement is inconsistent with a provision of these General Conditions, the provision of the loan agreement or guarantee agreement, as the case may be, shall govern.

ARTICLE II
DEFINITIONS

Section 2.01 DEFINITIONS: Except as the context otherwise requires, the following terms have the following meanings wherever used in these General Conditions.

1. The term "BADEA" means The Arab Bank for Economic Development in Africa.

2. The term "Loan Agreement" means the Loan Agreement to which these General Conditions shall have been made applicable, as such agreement may be amended from time to time; and such term also means these General Conditions as thus made applicable, all agreements supplemental to the Loan Agreement and all annexes to the Loan Agreement.
3. The term "Loan" means the Loan provided for in the Loan Agreement.

4. The term "Borrowing State" or "Borrower" means the party to the Loan Agreement to which the Loan is made.

5. The term "Guarantee Agreement" means the agreement providing for the guarantee of the Loan made between BADEA and a State or institution as such agreement may be amended from time to time and to which these General Conditions are applicable and such term also means these General Conditions as thus made applicable, all agreements supplemental to the Guarantee Agreement and all annexes to the Guarantee Agreement.

6. The term "Guaranteeing State" or "Guarantor" means the State or institution which is a party to the Guarantee Agreement.

7. The term "Dollar" and the sign "$" means the currency of the United States of America.

8. The term "Project" means the project or programme for which the Loan is granted and the services and studies related to it, as described in the Loan Agreement and as the description thereof may be amended from time to time by agreement between BADEA and the Borrower.

9. The term "Goods" means equipment, supplies, works and other services which are required for the project. Wherever reference is made to the cost of any goods, such cost shall be deemed to include the cost of importing such goods into the territories of the Borrowing State or territories of the state in which the project is to be implemented.

10. The term "Effective Date" means the date on which the Loan Agreement and the Guarantee Agreement shall come into force and effect as provided in Section 12.03.

11. The term "Loan Account" means the account opened by BADEA on its books in the name of the Borrower to which the amount of the Loan is credited.

12. The term "Taxes" means taxes, levies, fees against services and duties of any nature whether in effect at the date of the Loan Agreement or Guarantee Agreement or thereafter imposed.
13. The term "Lien" means mortgages, pledges, charges, privileges and priorities of any kind.

14. The term "Closing Date" means the date specified in the Loan Agreement as of which BADEA may by notice to the Borrower terminate the right of the Borrower to withdraw from the Loan Account any amount theretofore unwithdrawn.

Section 2.02 REFERENCES: References in these General Conditions to Articles or Sections shall, without any other specification, be to Articles and Sections of these General Conditions.

Section 2.03 HEADINGS OF THE ARTICLES AND SECTIONS: The headings of the Articles and Sections and the Table of Contents are inserted for convenience of reference only and are not a part of these General Conditions.

ARTICLE III

LOAN ACCOUNT - INTEREST AND OTHER CHARGES - REPAYMENT - PLACE OF PAYMENT

Section 3.01 LOAN ACCOUNT: The amount of the Loan shall be credited to the Loan Account and may be withdrawn therefrom by the Borrower as provided in the Loan Agreement and in these General Conditions and in accordance with the procedure laid down by BADEA.

Section 3.02 INTEREST: The Borrower shall pay interest at the rate specified in the Loan Agreement on the amount of the Loan withdrawn from the Loan Account and still outstanding. Interest shall accrue from the respective dates on which amounts shall be so withdrawn.

Section 3.03 COMMITMENT CHARGE: .................................

Commitment charge has been cancelled by virtue of the Resolution of the Board of Directors No. 13 dated 19th July 1983.
Section 3.04 ADDITIONAL COMMITMENT CHARGE: The Borrower shall pay an additional commitment charge at the rate of one half of one per cent (½ of 1%) per annum on the principal amount of any special commitment entered into by BADEA at the request of the Borrower pursuant to Section 5.02 and still outstanding.

Section 3.05 COMPUTATION OF INTEREST AND CHARGES: Interest and charges shall be computed on the basis of a 360-day year of twelve 30-day months, for any period less than a year.

Section 3.06 REPAYMENT: (a) The Borrower shall repay the principal amount of the Loan withdrawn from the Loan Account in accordance with the Amortization Schedule to the Loan Agreement.

(b) The Borrower shall have the right, upon payment of all accrued interest and all other charges, to repay in advance of maturity: (i) all of the principal amount of the Loan withdrawn and still outstanding; or (ii) all of the principal amount of any one or more maturities, provided that on the date of such prepayment there shall not be outstanding any portion of the loan maturing after the portion to be prepaid.

Section 3.07 PLACE OF PAYMENT: The principal of and interest and other charges on, the Loan shall be paid at such places as BADEA shall reasonably request.

ARTICLE IV
CURRENCY PROVISIONS

Section 4.01 CURRENCIES IN WHICH FINANCIAL DEALINGS ARE TO BE MADE: (a) Account of all financial dealings in connection with the Loan Agreement shall be made in dollars. Withdrawals from the Loan Account, repayment of the principal of the Loan and interest and other charges shall be made in dollars.

(b) If expenditure to be financed out of the proceeds of a particular withdrawal in accordance with the Loan Agreement shall have been paid or shall be payable in a currency other than dollars, BADEA may, at the request of the Borrower and being its agent for that purpose, purchase with dollars the amount of such other currency required to meet such expenditure and the amount in dollars paid by BADEA in such purchase shall be deemed to have been withdrawn from the Loan.
(c) BADEA may at the request of the Borrower purchase the dollars required by the Borrower to repay the principal of the Loan or interest and other charges accruing in accordance with the Loan Agreement, provided that the Borrower pays to BADEA the money needed for this purchase in a currency or currencies acceptable to BADEA; and this repayment or payment shall not be considered as being made in accordance with the provisions of the Loan Agreement except on the date in which BADEA has actually received these dollars and to the extent of the amount received. In purchasing the currencies required BADEA shall be acting as agent of the Borrower.

Section 4.02 VALUATION OF CURRENCIES: Whenever it shall be necessary for the purposes of the Loan Agreement or the Guarantee Agreement to determine the value of one currency in terms of another, such value shall be determined by BADEA in accordance with the prevailing rate of exchange at the date of this valuation.

ARTICLE V
WITHDRAWAL AND USE OF PROCEEDS OF THE LOAN

Section 5.01 WITHDRAWAL FROM THE LOAN ACCOUNT: (a) The Borrower shall be entitled to withdraw from the Loan Account amounts expended for the project or - if BADEA shall so agree - necessary amounts to settle expenses to be expended for this purpose, in accordance with the provisions of the Loan Agreement, of these General Conditions and of rules and procedure to be laid down by BADEA.

(b) No withdrawal from the Loan shall be made to finance:

(i) except as BADEA may otherwise agree, expenditure prior to the date of the Loan Agreement;

(ii) except as BADEA may otherwise agree; goods to be bought with the currency of the Borrowing State or the state in which the project is implemented; or

(iii) direct or indirect taxes levied by the Borrowing State or the Guaranteeing State or to be paid in its territory or in the state of residence of the Borrower or the Guarantor or in the state in which the project is implemented, or goods or services, or on the exportation, manufacture, procurement or importation thereof.
Section 5.02 SPECIAL COMMITMENT BY BADEA: After the Borrower’s request and upon such terms and conditions as shall be agreed upon between the Borrower and BADEA, BADEA may enter into special commitments in writing to pay certain amounts to the Borrower or others in respect of the cost of goods to be financed under the Loan Agreement notwithstanding any subsequent suspension or cancellation by BADEA of the Borrower.

Section 5.03 APPLICATION FOR WITHDRAWAL, OR FOR SPECIAL COMMITMENT: When the Borrower shall desire to withdraw any amount from the Loan Account, or to request BADEA to enter into a special commitment pursuant to Section 5.02, the Borrower shall deliver to BADEA a written application in such form, and containing such statements and agreements, as BADEA shall reasonably request. Applications for withdrawal with the necessary documentation as hereinafter in this Article provided, shall, except as BADEA and the Borrower may otherwise agree, be made without delay and promptly in relation to expenditures for the project.

Section 5.04 SUPPORTING EVIDENCE: The Borrower shall furnish to BADEA such documents and other evidence in support of the application for withdrawal as BADEA shall reasonably request, whether before or after BADEA shall have permitted any withdrawal requested in the application.

Section 5.05 SUFFICIENCY OF APPLICATIONS AND SUPPORTING DOCUMENTS: Applications for withdrawal and the accompanying documents and other evidence must be sufficient in form and substance to satisfy BADEA that the Borrower is entitled to withdraw from the Loan Account the amount applied for and that this amount is to be used only for the purposes specified in the Loan Agreement.

Section 5.06 APPLICATION OF THE PROCEEDS OF THE LOAN AND PROCUREMENT OF GOODS: The Borrower shall apply the proceeds of the Loan exclusively to financing the reasonable cost of goods required to carry out the Project. Except as BADEA may otherwise agree, procurement of such goods shall be in accordance with rules and procedure determined by BADEA.

Section 5.07 USE OF GOODS: Except as BADEA shall otherwise agree, the Borrower shall cause all goods financed out of the proceeds of the Loan to be used exclusively in the carrying out of the Project.
Section 5.08 PAYMENT BY BADEA OF WITHDRAWN AMOUNTS: BADEA shall pay
the amounts which the Borrower is entitled to withdraw from the Loan Account
only to or on the order of the Borrower.

ARTICLE VI

DEGREE OF PRIORITY OF THE LOAN - TAXES AND
RESTRICTIONS - BADRA'S IMMUNITIES AND PRIVILEGES

Section 6.01 DEGREE OF PRIORITY OF THE LOAN: (a) BADEA and the Bor-
rowing State or the Guaranteeing State have agreed that no other external
debt shall enjoy any priority over the Loan by way of a lien hereafter
created on governmental assets. To that extent, the Borrowing State or the
Guaranteeing State undertakes that, except as BADEA shall otherwise agree,
if any lien shall be created on any of its assets as security for any
external debt, such lien will ipso facto and at no cost to BADEA equally and
ratably secure the payment of the principal of, and interest and other
charges on the Loan, and that in the creation of any such lien express
provision will be made to that effect; provided, however, that the foregoing
provisions of this Section shall not apply to:

(ii) any lien created on property, at the time of purchase thereof,
solely as security for the payment of the purchase price of such
property;

(ii) any lien on commercial goods to secure a debt maturing not more than
one year after the date on which it is originally incurred and to be
given out of the proceeds of the sale of such commercial goods; or

(iii) any lien arising in the ordinary course of banking transactions and
securing a debt maturing not more than one year after its date.

(b) As used in this Section, the term "Governmental Assets" means assets of
the Borrowing State or Guaranteeing State, of any political or admini-
strative subdivision thereof and of any entity owned or controlled by, or
operating for the account or benefit of the Borrowing State or Guaranteeing
State or any such subdivision including any institution performing the
functions of a central bank or exchange stabilization fund or similar
institutions for such State.
Section 6.02 TAXES: (a) The principal of, and interest and other charges on the Loan shall be free from any taxes and paid without any deduction for any taxes levied by, or in the territory of, the Borrowing State or the Guaranteeing State.

(b) The Borrowing State or the Guaranteeing State shall pay any taxes on or in connection with the execution, issue, delivery or registration of the Loan Agreement or Guarantee Agreement, under:

(i) the laws of the Borrowing State or the Guaranteeing State or the laws in effect in its territories; or

(ii) the laws of any country in whose currency the Loan is payable or the laws in effect in such country.

Section 6.03 RESTRICTIONS: The principal of, and interest and other charges on the Loan shall be paid free from all restrictions imposed under the laws of the Borrowing State or the Guaranteeing State or laws in effect in its territories.

Section 6.04 BADEA’S IMMUNITIES AND PRIVILEGES: (a) All BADEA documents, records, correspondence and similar material shall be considered by the Borrowing State or the Guaranteeing State as confidential matters and shall be accorded full immunity from censorship and inspection in its territories.

(b) All BADEA assets and income shall, in the territories of the Borrowing State or Guaranteeing State, be exonerated from nationalization, confiscation, seizure and sequestration.

ARTICLE VII
COOPERATION AND EXCHANGE OF INFORMATION

Section 7.01 COOPERATION AND EXCHANGE OF INFORMATION: (a) BADEA, the Borrower and the Guarantor shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, BADEA, the Borrower and the Guarantor shall at the request of any one of them:

(i) exchange views through their representatives with regard to the progress of the Project, the benefits derived therefrom and the performance of their respective obligations under the Loan Agreement and the Guarantee Agreement and any other matter relating to the purposes of the Loan; and
(ii) furnish to the other party all such information reasonably required with regard to the progress of the Project, the benefits derived therefrom and the general status of the Loan.

(b) The Borrower and the Guarantor shall promptly inform BADEA of any condition which interferes or threatens to interfere with the progress of the Project, the accomplishment of the purposes of the Loan (including substantial increase in the cost of the project) or the maintenance of the services thereof or the performance by any one of them of its obligations under the Loan Agreement and the Guarantee Agreement.

(c) The Borrowing State or the Guaranteeing State shall afford all reasonable opportunity for accredited representatives of BADEA to visit any part of its territory for purposes related to the Loan.

ARTICLE VIII
CANCELLATION AND SUSPENSION

Section 8.01 CANCELLATION BY THE BORROWER: The Borrower may by notice to BADEA cancel any amount of the Loan which the Borrower shall not have withdrawn prior to the giving of such notice, except that the Borrower may not so cancel any amount of the Loan in respect of which BADEA shall have entered into a special commitment pursuant to Section 5.02.

Section 8.02 SUSPENSION BY BADEA: (a) If any of the following events shall have occurred and be continuing, BADEA may by notice to the Borrower and the Guarantor suspend in whole or in part the right of the Borrower to make withdrawals from the Loan Account:

(a) A default shall have occurred on the part of the Borrower in the payment of principal or interest or any other payment required under the Loan Agreement or any other loan or guarantee agreement between BADEA and the Borrower.

(b) The guarantor shall have failed to make payment of principal or interest or any other payment required under the Guarantee Agreement or any other loan or guarantee agreement between BADEA and the Guarantor.
(c) The Borrower or the Guarantor shall have failed to perform any other obligation under the Loan or Guarantee Agreement or any other loan or guarantee agreement between BADEA and the Borrower or between BADEA and the Guarantor.

(d) The right of the Borrower to withdraw the proceeds of any other loan or credit or grant made to the Borrower for the financing of the Project shall have been suspended or cancelled in whole or in part and the Borrower shall have failed to arrange for adequate financing of the Project from other sources on terms and conditions satisfactory to BADEA.

(e) An extraordinary situation shall have arisen which shall make it improbable that the project be executed or that the Borrower or Guarantor will be able to perform its obligations under the Loan or Guarantee Agreement.

(f) Any event specified in paragraphs (e) and (f) of Section 9.01.

(g) Any other event specified in the Loan Agreement for the purposes of this Section.

(ii) The right of the Borrower to make withdrawals under the Loan Account shall continue to be suspended in whole or in part, as the case may be, until the event or events which gave rise to such suspension shall have ceased to exist or until BADEA shall have notified the Borrower that the right to make withdrawals has been restored; provided, however, that in the case of any such notice of restoration the right to make withdrawals shall be restored only to the extent and subject to the conditions specified in such notice.

Section 8.03 CANCELLATION BY BADEA: If (a) the right of the Borrower to make withdrawals from the Loan Account shall have been suspended with respect to any amount of the Loan for a continuous period of thirty days, or (b) after the Closing Date an amount of the Loan shall remain unwithdrawn from the Loan Account, BADEA may by notice to the Borrower and the Guarantor terminate the right of the Borrower to make withdrawals with respect to such amount. Upon the giving of such notice such amount of the Loan shall be cancelled.
Section 8.04 EFFECT OF CANCELLATION OR SUSPENSION BY BADEA ON AMOUNTS SUBJECT TO SPECIAL COMMITMENT: No cancellation or suspension by BADEA shall apply to amounts subject to any special commitment entered into by BADEA pursuant to Section 5.02 except as expressly provided in such commitment.

Section 8.05 EFFECT OF CANCELLATION ON MATURITIES OF THE LOAN: Except as otherwise agreed between BADEA and the Borrower, any cancellation shall be applied pro rata to the several maturities of the principal amount of the Loan maturing after the date of such cancellation, as such maturities are set forth in the Amortization Schedule to the Loan Agreement.

ARTICLE IX
ACCELERATION OF MATURITY

Section 9.01 EVENTS OF ACCELERATION: If any of the following events shall occur and shall continue for the period specified below, if any, BADEA, at its option, may, so long as such event is continuing, by notice to the Borrower and the Guarantor declare the principal of the Loan then outstanding to be due and payable immediately together with the interest and other charges thereon and upon any such declaration such principal, together with the interest and other charges thereon, shall become due and payable immediately:

(a) A default shall have occurred on the part of the Borrower in the payment of principal or interest or any other payment required under the Loan Agreement or any other loan or guarantee agreement between BADEA and the Borrower and such default shall continue for a period of thirty days after notice thereof shall have been given by BADEA to the Borrower.

(b) A default shall have occurred on the part of the Guarantor in the payment of principal or interest or any other payment required under the Guarantee Agreement or any other loan or guarantee agreement between BADEA and the Guarantor and such a default shall continue for a period of thirty days after notice thereof shall have been given by BADEA to the Guarantor.
(c) A default shall have occurred in the performance of any other obligation on the part of the Borrower or the Guarantor under the Loan Agreement or the Guarantee Agreement or any other loan or guarantee agreement between BADEA and the Borrower or between BADEA and the Guarantor, and such default shall continue for a period of sixty days after notice thereof shall have been given by BADEA to the Borrower or Guarantor as the case may be.

(d) An extraordinary situation shall have arisen which shall make it improbable that the Project be executed or that the Borrower will be able to perform its obligations under the Loan Agreement, and such situation shall continue for a period of sixty days after notice thereof shall have been given by BADEA to the Borrower.

(e) An action shall have been taken for the dissolution or disestablishment of the Borrower (other than a state) or for the suspension of its operations.

(f) The Borrower (other than a state) shall have become unable to pay its debts as they mature or any action or proceeding shall have been taken by the Borrower or by others whereby any of the assets of the Borrower shall or may be distributed among its creditors.

(g) Any other event specified in the Loan Agreement for the purposes of this Section shall have occurred and shall continue for the period, if any, specified in the Loan Agreement.

ARTICLE X
ENFORCEABILITY OF LOAN AGREEMENT AND GUARANTEE AGREEMENT; FAILURE TO EXERCISE RIGHTS; ABSTRACTION

Section 10.01 EFFECTIVENESS OF PROVISIONS OF LOAN AGREEMENT AND GUARANTEE AGREEMENT AFTER SUSPENSION OR CANCELLATION OR ACCELERATION OF MATURITY: Notwithstanding any cancellation or suspension or acceleration of maturity, all the provisions of the Loan Agreement and the Guarantee Agreement shall continue in full force and effect except as specifically provided in Articles (VII) and (LX).
Section 10.02 ENFORCABILITY: The rights and obligations of BADEA, the Borrower and the Guarantor under the Loan Agreement and the Guarantee Agreement shall be valid and enforceable in accordance with their terms notwithstanding any provision applied to the Borrower or Guarantor or in the Law of any State or subdivision thereof. Neither BADEA nor the Borrower nor the Guarantor shall be entitled under any circumstances to assert any claim that any provision of these General Conditions or of the Loan Agreement or the Guarantee Agreement is invalid or unenforceable for any reason whatsoever.

Section 10.03 FAILURE TO EXERCISE RIGHTS: No delay in exercising, or omission to exercise, any right, power or remedy accruing to either party under the Loan Agreement or Guarantee Agreement upon any default or the other party shall impair any such right, power or remedy or be construed to be a waiver thereof or an acquiescence in such default, nor shall any action of such party in respect of any default, or any acquiescence by it in any default, affect or impair any right, power or remedy of such party in respect of any other or subsequent default.

Section 10.04 ARBITRATION: Any controversy between the parties to the Loan Agreement or the parties to the Guarantee Agreement, and any claim by any such party against the other arising under the Loan Agreement or Guarantee Agreement shall be determined by agreement of the parties, and failing this the controversy or claim shall be submitted to arbitration by an Arbitral Tribunal as hereinafter provided:

(a) The parties to such arbitration shall be BADEA on the one side and the Borrower and the Guarantor on the other side.

(b) The Arbitral Tribunal shall consist of three arbitrators appointed as follows: one arbitrator shall be appointed by BADEA; a second arbitrator shall be appointed by the Borrower and the Guarantor or, if they shall not agree, by the Guarantor; and the third arbitrator (hereinafter sometimes called the Umpire) shall be appointed by agreement of the parties or, if they shall not agree, by the President of the International Court of Justice at the request of either party. If either side shall fail to appoint an arbitrator, such arbitrator shall be appointed by the President of the International Court of Justice or the request of the other party. In case any arbitrator appointed in accordance with this Section shall resign, die or become unable to act, a successor arbitrator shall be appointed in the same manner as herein prescribed for the appointment of the original arbitrator and such successor shall have all the powers and duties of such original arbitrator.
(c) An arbitration proceeding may be instituted under this Section upon notice by the party instituting such proceeding to the other party. Such notice shall contain a statement setting forth the nature of the controversy or claim to be submitted to arbitration and the nature of the relief sought and the name of the arbitrator appointed by the party instituting such proceeding. Within thirty days after the giving of such notice, the other party shall notify the party instituting the proceeding of the name of the arbitrator appointed by such other party.

(d) If within sixty days after the giving of such notice instituting the arbitration proceeding the parties shall not agree upon an Umpire, any party may request the appointment of an Umpire as provided in paragraph (b) of this Section.

(e) The Arbitral Tribunal shall convene at such time and place as shall be fixed by the Umpire. Thereafter, the Arbitral Tribunal shall determine where and when it shall sit.

(f) Subject to the provisions of this Section and except as the parties shall otherwise agree, the Arbitral Tribunal shall decide all questions relating to its competence and shall determine its procedure. All decisions of the Arbitral Tribunal shall be by majority vote.

(g) The Arbitral Tribunal shall afford to all parties a fair hearing and shall render its award in writing. Such award may be rendered even in default of appearance by either party. An award signed by a majority of the Arbitral Tribunal shall constitute the award of such Tribunal. A signed counterpart of the award shall be transmitted to each party. Any such award rendered in accordance with the provisions of this Section shall be final and binding upon the parties to the Loan Agreement and the Guarantee Agreement. Each party shall abide by and comply with any such award.

(h) The Arbitral Tribunal shall apply the General Principles of Law and Justice.

(i) The parties shall fix the amount of remuneration of the arbitrators and such other persons as shall be required for the conduct of the arbitration proceedings. If the parties shall not agree on such amount.
before the Arbitral Tribunal shall convene. The Arbitral Tribunal shall fix such amount as shall be reasonable under the circumstances. BADEA, the Borrower and the Guarantor shall each defray its own expenses in the arbitration proceedings. The costs of the Arbitral Tribunal shall be divided between and borne equally by BADEA on the one side and the Borrower and the Guarantor on the other any question concerning the division of the costs of the Arbitral Tribunal or the procedure for payment of such costs shall be determined by the Arbitral Tribunal.

§1 The provisions for arbitration set forth in this Section shall be in lieu of any other procedure for the settlement of controversies between the parties to the Loan Agreement and Guarantee Agreement or any claim by any such party against any other such party arising thereunder.

(k) Services of any notice or process in connection with any proceeding under this Section may be made in the manner provided in Section 11.01. The parties to the Loan Agreement and the Guarantee Agreement waive any and all other requirements for the service of any such notice or process.

ARTICLE XI

MISCELLANEOUS PROVISIONS

Section 11.01 NOTICES AND REQUESTS: Any notice or request required or permitted to be given or made under the Loan Agreement or Guarantee Agreement shall be in writing. Except as otherwise provided in Section 12.03, such notice or request shall be deemed to have been duly given or made when it shall be delivered by hand or by mail, telegram, cable or radiogram or telex to the party to which it is required or permitted to be given or made at such party's address specified in the Loan Agreement or Guarantee Agreement or at such other address as such party shall have designated by notice to the party giving such notice or making such request.

Section 11.02 EVIDENCE OF AUTHORITY TO ACT ON BEHALF OF THE BORROWER OR GUARANTOR: The Borrower and the Guarantor shall furnish to BADEA sufficient evidence of the authority of the person or persons who will, on behalf of the Borrower or the Guarantor, take any action or execute any other document required or permitted to be taken or executed by the Borrower under the Loan Agreement including applications provided for in Article V or by the Guarantor under the Guarantee Agreement. The Borrower and the Guarantor shall also furnish to BADEA the authenticated specimen signature of each such person.
Section 11.03 ACTION ON BEHALF OF THE BORROWER OR GUARANTOR: Any action required or permitted to be taken, and any documents required or permitted to be executed, pursuant to the Loan Agreement or the Guarantee Agreement, on behalf of the Borrower or the Guarantor, may be taken or executed by the representative of the Borrower or the Guarantor designated in the Loan Agreement or the Guarantee Agreement for the purposes of this Section or any person thereto authorized in writing by him. Any modification or amplification of the provisions of the Loan Agreement or the Guarantee Agreement may be agreed to on behalf of the Borrower or the Guarantor by written instrument executed on behalf of the Borrower or the Guarantor by the representative so designated or any person thereto authorized in writing by him; provided that, in the opinion of such representative, such modification or amplification is reasonable in the circumstances and will not substantially increase the obligations of the Borrower under the Loan Agreement or of the Guarantor under the Guarantee Agreement. BADEA may accept the execution by such representative or other person of any such instrument as conclusive evidence that in the opinion of such representative any modification or amplification of the provisions of the Loan Agreement or the Guarantee Agreement effected by such instrument is reasonable in the circumstances and will not substantially increase the obligations of the Borrower or of the Guarantor thereunder.

ARTICLE XII
EFFECTIVE DATE; TERMINATION

Section 12.01 CONDITIONS PRECEDENT TO EFFECTIVENESS OF LOAN AGREEMENT AND GUARANTER AGREEMENT: The Loan Agreement and the Guarantee Agreement shall not become effective until evidence satisfactory to BADEA shall have been furnished to BADEA that:

(a) The execution and delivery of the Loan Agreement and the Guarantee Agreement on behalf of the Borrower and the Guarantor have been duly authorized or ratified by all necessary action and legal rules applicable in this respect.
(b) That all other events specified in the Loan Agreement as conditions to effectiveness have occurred.

Section 12.02 LEGAL OPINION OR CERTIFICATES: As part of the evidence to be furnished pursuant to Section 12.01 the Borrower shall furnish to BADEA an opinion or opinions satisfactory to BADEA of counsel acceptable to BADEA or, if BADEA shall so request, a certificate satisfactory to BADEA of a competent official of the Borrower or Guarantor, showing that:

(a) the Loan Agreement has been duly authorised or ratified and executed and delivered on behalf of the Borrower and constitutes a valid and binding obligation on the Borrower in accordance with its terms;

(b) the Guarantee Agreement has been duly authorised or ratified and executed and delivered on behalf of the Guarantor and constitutes a valid and binding obligation on the Guarantor in accordance with its terms;

(c) Such other matter as shall be specified in the Loan Agreement or as shall be reasonably requested by BADEA in connection therewith.

Section 12.01 EFFECTIVE DATE: (a) Except as shall be otherwise agreed by BADEA and the Borrower, the Loan Agreement and the Guarantee Agreement shall come into force and effect on the date upon which BADEA dispatches by cable to the Borrower and the Guarantor notice of its acceptance of the evidence required by Section 12.01.

(b) If, before the Effective Date, any event shall have occurred which would have entitled BADEA to suspend the right of the Borrower to make withdrawals from the Loan Account if the Loan Agreement had been effective, BADEA may postpone the dispatch of the notice referred to in paragraph(a) of this Section until such event shall have ceased to exist.

Section 12.06 TERMINATION OF LOAN AGREEMENT AND GUARANTEE AGREEMENT FOR FAILURE TO BECOME EFFECTIVE: If all acts required to be performed pursuant to Section 12.01 shall not have been performed by the date specified in the Loan Agreement for the purposes of this Section or such later date as shall be determined by BADEA, BADEA may at any time thereafter at its option terminate the Loan Agreement by notice to the Borrower.
Upon the giving of such notice the Loan Agreement and the Guarantee Agreement and all obligations of the parties thereunder shall forthwith terminate.

Section 12.05 TERMINATION OF LOAN AGREEMENT AND GUARANTEE AGREEMENT ON FULL PAYMENT: If and when the entire principal amount of the Loan withdrawn from the Loan Account and all interest and other charges which shall have accrued on the Loan shall have been paid, the Loan Agreement and the Guarantee Agreement and all obligations of the parties thereunder shall forthwith terminate.