
LOAN NUMBER 248 JA

Loan Agreement

(Amagasaki-Ritto Expressway Project)

BETWEEN

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

AND

NIHON DORO KODAN

DATED MARCH 17, 1960

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AGREEMENT, dated March 17, 1960, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and NIHON DORO KODAN (hereinafter called the Borrower).

ARTICLE I

Loan Regulations

SECTION 1.01. The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated June 15, 1956, subject, however, to the modifications thereof set forth in Schedule 3 to this Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

ARTICLE II

The Loan

SECTION 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in this Agreement set forth or referred to, an amount in various currencies equivalent to forty million dollars (\$40,000,000).

SECTION 2.02. The Bank shall open a Loan Account on its books in the name of the Borrower and shall credit to such Account the amount of the Loan. The amount of the Loan may be withdrawn from the Loan Account as provided in, and subject to the rights of cancellation and suspension set forth in, the Loan Regulations.

SECTION 2.03. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent ($\frac{3}{4}$ of 1%) per annum on the principal amount of

the Loan not so withdrawn from time to time. Such commitment charge shall accrue from a date sixty days after the date of this Agreement to the respective dates on which amounts shall be withdrawn by the Borrower from the Loan Account as provided in Article IV of the Loan Regulations or shall be cancelled pursuant to Article V of the Loan Regulations.

SECTION 2.04. The Borrower shall pay interest at the rate of six and one-quarter per cent ($6\frac{1}{4}\%$) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

SECTION 2.05. Interest and other charges shall be payable semi-annually on April 15 and October 15 in each year.

SECTION 2.06. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1 to this Agreement.

ARTICLE III

Use of Proceeds of the Loan

SECTION 3.01. The Borrower shall apply the proceeds of the Loan exclusively to financing the cost of goods required to carry out the design and construction of the Project described in Schedule 2 to this Agreement. The specific goods to be financed out of the proceeds of the Loan and the methods and procedures for procurement of such goods shall be determined by agreement between the Bank and the Borrower, subject to modification by further agreement between them.

SECTION 3.02. The Borrower shall cause all goods financed out of the proceeds of the Loan to be used exclusively in the design and construction of the Project.

ARTICLE IV

Bonds

SECTION 4.01. The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

SECTION 4.02. The President of the Borrower and such person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 6.12 (a) of the Loan Regulations.

ARTICLE V

Particular Covenants

SECTION 5.01. (a) The Borrower shall carry out the design and construction of the Project with due diligence and efficiency and in conformity with sound engineering and financial practices.

(b) Except as the Bank shall otherwise agree, the Project shall be constructed by contractors satisfactory to the Bank and the Borrower, employed under contracts satisfactory to the Bank and the Borrower.

(c) In connection with the design and construction of the Project, the Borrower shall employ engineering consultants acceptable to, and to an extent and upon terms and conditions satisfactory to, the Bank and the Borrower.

(d) The general design standards to be used for the Project shall be satisfactory to the Bank and the Borrower.

(e) The Borrower shall furnish to the Bank, promptly upon their preparation, the plans and specifications for the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time request.

(f) The Borrower shall maintain records adequate to identify the goods financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to record the progress of the design and construction of the Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of the Borrower; shall enable the Bank's representatives to inspect the Project, the goods and any relevant records and documents; and shall furnish to the Bank all such information as the Bank shall reasonably request concerning the expenditure of the proceeds of the Loan, the Project, the goods and the operations and financial condition of the Borrower.

SECTION 5.02. The Borrower shall at all times operate, maintain and repair the Project in accordance with sound engineering and highway practices.

SECTION 5.03. (a) The Bank and the Borrower shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan.

(b) The Bank and the Borrower shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Borrower shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

SECTION 5.04. The Borrower undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the Borrower as security for any debt, such lien will *ipso facto* equally and ratably secure the payment of the principal of, and interest and other charges on, the Loan and the Bonds, 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: (i) any lien created on property, at the time of purchase thereof, solely as security for the payment of the purchase price of such property; or (ii) any lien arising in the ordinary course of banking transactions and securing a debt maturing not more than one year after the date on which it is originally incurred.

SECTION 5.05. The Borrower shall pay or cause to be paid all taxes or fees, if any, imposed under the laws of the Guarantor or laws in effect in the territories of the Guarantor on or in connection with the execution, issue, delivery or registration of this Agreement, the Guarantee Agreement or the Bonds, or the payment of principal, interest or other charges thereunder; provided, however, that the provisions of this Section shall not apply to taxation of, or fees upon, payments under any Bond to a holder thereof other than the Bank when such Bond is beneficially owned by an individual or corporate resident of the Guarantor.

SECTION 5.06. The Borrower shall pay or cause to be paid all taxes and fees, if any, imposed under the laws of the country or countries in whose currency the Loan and the Bonds are payable or laws in effect in the territories of such country or countries on or in connection with the execution, issue, delivery or registration of this Agreement, the Guarantee Agreement or the Bonds.

SECTION 5.07. (a) The Borrower shall at all times maintain its existence and right to carry on operations and shall, except as the Bank shall otherwise agree, take all steps necessary to maintain and renew all rights, powers, privileges and franchises which are necessary or useful for the successful construction and operation of the Project.

(b) The Borrower shall operate and maintain its equipment and property, and from time to time make all necessary renewals and repairs thereof, all in accordance with sound business and engineering practices; and shall at all times carry on its operations in a sound, efficient and businesslike manner.

SECTION 5.08. The Borrower shall give priority to the Project in its construction program, and, to that end, shall, if necessary to accomplish the prompt and diligent construction of the Project, make such revisions in the construction schedules for other parts of that program as may be required.

ARTICLE VI

Remedies of the Bank

SECTION 6.01. (i) If any event specified in paragraph (a), paragraph (b), paragraph (e) or paragraph (f) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified in paragraph (e) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then at any subsequent time during the continuance thereof, the Bank, at its option, may declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Agreement or in the Bonds to the contrary notwithstanding.

ARTICLE VII

Miscellaneous

SECTION 7.01. The Closing Date shall be March 31, 1963.

SECTION 7.02. A date 60 days after the date of this Agreement is hereby specified for the purposes of Section 9.04 of the Loan Regulations.

SECTION 7.03. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations:

For the Borrower:

Nihon Doro Kodan
No. 1, 1-Chome, Shiba Tamura-Cho
Minato-Ku, Tokyo
Japan

Alternative address for cablegrams and radiograms:

Dorokodan
Tokyo

For the Bank:

International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington 25, D. C.
United States of America

Alternative address for cablegrams and radiograms:

Intbafrad
Washington, D. C.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Loan Agreement to be signed in their respective

names and delivered in the District of Columbia, United States of America, as of the day and year first above written.

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ J. BURKE KNAPP
Vice President

NIHON DORO KODAN

By /s/ MICHIZO KISHI
Authorized Representative

SCHEDULE 1
Amortization Schedule

Date Payment Due	Payment of Principal (expressed in dollars)*
April 15, 1963	\$ 850,000
October 15, 1963	850,000
April 15, 1964	850,000
October 15, 1964	850,000
April 15, 1965	850,000
October 15, 1965	850,000
April 15, 1966	563,000
October 15, 1966	581,000
April 15, 1967	599,000
October 15, 1967	618,000
April 15, 1968	637,000
October 15, 1968	657,000
April 15, 1969	678,000
October 15, 1969	699,000
April 15, 1970	721,000
October 15, 1970	743,000
April 15, 1971	766,000
October 15, 1971	790,000
April 15, 1972	815,000
October 15, 1972	840,000
April 15, 1973	867,000
October 15, 1973	894,000
April 15, 1974	922,000
October 15, 1974	951,000
April 15, 1975	980,000
October 15, 1975	1,011,000
April 15, 1976	1,043,000
October 15, 1976	1,075,000
April 15, 1977	1,109,000
October 15, 1977	1,143,000
April 15, 1978	1,179,000
October 15, 1978	1,216,000
April 15, 1979	1,254,000
October 15, 1979	1,293,000
April 15, 1980	1,334,000
October 15, 1980	1,375,000
April 15, 1981	1,418,000
October 15, 1981	1,462,000
April 15, 1982	1,508,000
October 15, 1982	1,555,000
April 15, 1983	1,604,000

* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.02), the figures in this column represent dollar equivalents determined as for purposes of withdrawal.

Premiums on Prepayment and Redemption

The following percentages are specified as the premiums payable on repayment in advance of maturity of any part of the principal amount of the Loan pursuant to Section 2.05 (b) of the Loan Regulations or on the redemption of any Bond prior to its maturity pursuant to Section 6.16 of the Loan Regulations:

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than 3 years before maturity	1/2%
More than 3 years but not more than 6 years before maturity	1 1/2%
More than 6 years but not more than 11 years before maturity	2 1/2%
More than 11 years but not more than 16 years before maturity	3 3/4%
More than 16 years but not more than 20 years before maturity	5 %
More than 20 years before maturity	6 1/4%

SCHEDULE 2**Description of Project**

The Project is a four-lane, divided, limited access expressway, including service areas, bus stops and interchanges, between a point called Amagasaki-interchange, northwest of Amagasaki, and a point called Ritto-interchange, east of Otsu. The expressway will be about 72 kilometers long. The Project also includes the equipment, buildings and other permanent facilities necessary for the maintenance and operation of this expressway after its completion.

SCHEDULE 3**Modifications of Loan Regulations No. 4**

For the purposes of this Agreement the provisions of Loan Regulations No. 4 of the Bank, dated June 15, 1956, shall be deemed to be modified as follows:

- (a) By the deletion of Section 2.02.
- (b) By the deletion of the first two sentences of Section 3.01.
- (c) By the addition to Section 3.05, at the end thereof, of the following sentence:

“If a withdrawal is applied for on account of expenditures in the currency of the Guarantor, the value of the currency of the Guarantor in terms of the currency or currencies to be withdrawn shall be as reasonably determined by the Bank.”

- (d) By the deletion of Section 4.01 and the substitution therefor of the following Section:

“Section 4.01. *Withdrawal from the Loan Account.* The Borrower shall be entitled, subject to the provisions of these Regulations to withdraw from the Loan Account, in such currencies (other than the currency of the Guarantor) as may be agreed upon by the Bank and the Borrower, amounts equivalent to a percentage to be agreed upon between the Bank and the Borrower of such amounts as shall have been expended on and after April 1, 1959 for the reasonable cost of goods to be financed under the Loan Agreement; provided that the Bank and the Borrower may make arrangements for advances on account of such withdrawals. Except as shall be otherwise agreed between the Bank and the Borrower, no withdrawal shall be made on account of expenditures in the territories of any country, other than Switzerland,

which is not a member of the Bank, or for goods produced in (including services supplied from) such territories.”

- (e) By the deletion of Section 4.02.
- (f) By the deletion of the first sentence of Section 4.03 and the substitution therefor of the following sentence:

“When the Borrower shall desire to withdraw any amount from the Loan Account, the Borrower shall deliver to the Bank a written application in such form, and containing such statements and agreements, as the Bank shall reasonably request.”

- (g) By the deletion of the last paragraph of Section 5.02 and the substitution therefor of the following paragraph:

“The right of the Borrower to make withdrawals from 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 the Bank shall have notified the Borrower that the right to make withdrawals has been restored, whichever is the earlier; 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, and no such notice shall affect or impair any right, power or remedy of the Bank in respect of any other or subsequent event described in this Section.”

- (h) By the deletion of Section 5.04.
- (i) By the deletion of Section 9.03 and the substitution therefor of the following Section:

“Section 9.03. *Effective Date.* Notwithstanding the provisions of Section 8.01, except as shall be

otherwise agreed by the Bank and the Borrower, the Loan Agreement and Guarantee Agreement shall come into force and effect on the date upon which the Bank dispatches to the Borrower and the Guarantor notice of its acceptance of the evidence required by Section 9.01.”

- (j) By the deletion in Section 10.01 of paragraph 12 and the substitution therefor of the following paragraph:

“12. The term ‘Project’ means the project for which the Loan is granted, as described in Schedule 2 to the Loan Agreement and as the description thereof shall be amended from time to time by agreement between the Bank and the Borrower with the concurrence of the Guarantor.”

- (k) By the deletion in Section 10.01 of paragraph 14 and the substitution therefor of the following paragraph:

“14. The term ‘external debt’ means any debt payable in any medium other than currency of the Guarantor, whether such debt is or may become payable absolutely or at the option of the creditor in such other medium.”