
LOAN NUMBER 602 IRN

Loan Agreement

(Fifth Development Finance Corporation Project)

BETWEEN

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

AND

INDUSTRIAL AND MINING DEVELOPMENT BANK
OF IRAN

DATED MAY 28, 1969

Loan Agreement

AGREEMENT, dated May 28, 1969 between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and INDUSTRIAL AND MINING DEVELOPMENT BANK OF IRAN (hereinafter called the Borrower), a corporation duly incorporated under the laws of Iran):

WHEREAS the Borrower has been incorporated to assist in the creation, expansion and modernization of private enterprises in Iran; to encourage, sponsor and facilitate the participation of private capital both internal and external in such enterprises; to provide capital for such enterprises in the form of loans or share participations; and to promote technical, financial, managerial, and administrative knowledge in Iran;

WHEREAS by loan agreements dated November 23, 1959, July 12, 1965, July 26, 1966 and June 5, 1968 between the Bank and the Borrower the Bank has made loans to the Borrower in various currencies equivalent in the aggregate to \$65,200,000 for the purpose of assisting the Borrower in providing financing for such enterprises;

WHEREAS each such loan is guaranteed as to payments of principal, interest and other charges by Iran (hereinafter called the Guarantor);

WHEREAS the Bank is willing at this time to make a fifth loan to the Borrower upon the terms and conditions hereinafter set forth, but only on condition that the Guarantor guarantee such loan upon the terms and conditions of the Guarantee Agreement of even date herewith between the Guarantor and the Bank;

Now Therefore, the parties hereto hereby agree as follows:

ARTICLE I**General Conditions; Definitions**

SECTION 1.01. The parties to this Agreement accept all the provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank dated January 31, 1969, with the same force and effect as if they were fully set forth herein, subject, however, to the modifications thereof set forth in Schedule 2 to this Agreement (said General Conditions Applicable to Loan and Guarantee Agreements, as so modified, being hereinafter called the General Conditions).

SECTION 1.02. Wherever used in the Loan Agreement, unless the context otherwise requires, the several terms defined in the General Conditions have the respective meanings therein set forth, and the following additional terms have the following meanings:

- (a) "sub-loan" means a loan or credit made or proposed to be made by the Borrower out of the proceeds of the Loan to an Investment Enterprise for an Investment Project.
- (b) "investment" means an investment other than a sub-loan, made or proposed to be made by the Borrower out of the proceeds of the Loan in an Investment Enterprise for an Investment Project.
- (c) "Investment Enterprise" means an enterprise to which the Borrower proposes to make or has made a sub-loan or in which it proposes to make or has made an investment, in accordance with and as provided in Section 3.01 of this Agreement.
- (d) "Investment Project" means a specific project to be carried out by an Investment Enterprise, as approved, or in respect of which withdrawals from the Loan Account shall have been authorized, by the Bank pursuant to Section 2.03(b) of this Agreement.

- (e) "Government Advance Agreement" means the agreement dated November 8, 1959, between the Guarantor and the Borrower, under which the Guarantor advanced to the Borrower Rls. 600,000,000, as such agreement may be amended from time to time by the parties thereto.
- (f) "prior loan agreement" means any of the loan agreements between the Bank and the Borrower referred to in the preamble to this Agreement.
- (g) "Rials" and the letters "Rls." mean currency of the Guarantor.
- (h) "foreign currency" means any currency other than the currency of the Guarantor.
- (i) "subsidiary" means any company of which a majority of the outstanding voting stock or other proprietary interest is owned by the Borrower or by any one or more subsidiaries of the Borrower or by the Borrower and one or more of its subsidiaries.
- (j) "Statement of Policy" means the statement of lending and investments policy as approved by the Directors of the Borrower on June 20, 1968, as the same may be amended from time to time with the prior approval of the Bank.

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 Agreement.

SECTION 2.03. (a) Subject to the provisions of paragraphs (b) and (c) of this Section, the Borrower shall be entitled to withdraw from the Loan Account:

- (i) amounts expended for the reasonable cost of goods and services required for carrying out the Investment Project in respect of which the withdrawal is requested; and
- (ii) if the Bank shall so agree, such amounts as shall be required to meet payments to be made for the reasonable cost of such goods and services.

(b) No amount shall be withdrawn from the Loan Account in respect of an Investment Project unless it shall have been approved in writing by the Bank, provided, however, that such withdrawals may be made in respect of sub-loans for Investment Projects described to and authorized by the Bank for financing hereunder in accordance with the provisions of Section 3.02(b) of this Agreement, but only up to an amount in respect of each such Investment Project which, together with any amount or amounts previously approved, requested or credited to a loan account for such Investment Project under this Agreement, or for the same project under any prior loan agreement and not repaid, shall not exceed the equivalent of \$1,000,000 or of such other limit as shall from time to time be determined by the Bank.

under Section 3.02(a) of this Agreement or, in the case of any other Investment Project, more than ninety days prior to the date on which the Bank shall have received the description thereof pursuant to Section 3.02(b).

SECTION 2.04. 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 withdrawn from time to time.

SECTION 2.05. The Borrower shall pay interest at the rate of six and one-half per cent ($6\frac{1}{2}\%$) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

SECTION 2.06. Interest and other charges shall be payable semi-annually on June 15 and December 15 in each year.

SECTION 2.07. (a) The Borrower shall repay the principal amount of the Loan in accordance with the amortization schedule set forth in Schedule 1 to this Agreement as such Schedule shall be amended from time to time as determined by the Bank and as reasonably required to: (i) conform in relevant part substantially to the aggregate of the amortization schedules applicable to the sub-loans and investments in respect of which withdrawals from the Loan Account shall have been approved or authorized pursuant to Section 3.02 of this Agreement and (ii) take into account any cancellation pursuant to Article VI of the General Conditions and any repayments made by the Borrower under Section 2.08 of this Agreement, except that repayments due hereunder shall be made on June 15 and December 15 in each year. Such amendments of said Schedule 1 shall include amendments to the table of premiums on prepayments and redemption, if required.

(b) The amortization schedule applicable to each Investment Project shall provide for an appropriate period of

grace, and, unless the Bank and the Borrower shall otherwise agree (i) shall not extend beyond fifteen years from the date of approval by the Bank of such Investment Project or of authorization by the Bank to make withdrawals from the Loan Account in respect of such Investment Project and (ii) shall provide for approximately equal semi-annual, or more frequent, aggregate payments of principal and interest or approximately equal, semi annual, or more frequent, payments of principal.

SECTION 2.08. Unless the Bank and the Borrower shall otherwise agree:

(a)(i) If a sub-loan or any portion thereof shall be repaid to the Borrower in advance of maturity, or (ii) if the Borrower shall sell, transfer, assign or otherwise dispose of a sub-loan or investment or any portion thereof, the Borrower shall promptly notify the Bank and shall repay to the Bank on the next following interest payment date an amount of the Loan equal to the amount so repaid to, or disposed of by, the Borrower, but not exceeding the amount withdrawn from the Loan Account in respect of such sub-loan or investment, together with the premium specified in Schedule 1 to this Agreement or in any amendment thereof under Section 2.07(a). The policy stated in Section 3.05(c) of the General Conditions with respect to premiums shall apply to any such repayment.

(b) Any amount so repaid by the Borrower shall be applied by the Bank to the maturity or maturities of the principal amount of the Loan corresponding to the maturity or maturities of the sub-loan or investment or portion thereof so paid or disposed of.

(c) The first sentence of Section 3.05(b) of the General Conditions shall not apply to any repayment made under paragraph (a) of this Section.

ARTICLE III**Description of Project; Use of Proceeds of the Loan**

SECTION 3.01. The Project for which the Loan is made is the financing by the Borrower of economic development in Iran through loans for productive purposes to private enterprises in Iran for specific development projects and through other productive investments in such enterprises, all in accordance with the Memorandum and Articles of Association of the Borrower, as amended from time to time, in furtherance of the corporate purposes of the Borrower as therein set forth and according to the principles set forth in its Statement of Policy.

SECTION 3.02. (a) When submitting an Investment Project to the Bank for approval, the Borrower shall furnish to the Bank an application, in form satisfactory to the Bank, together with a description of such Investment Project and the terms and conditions of the sub-loan to or investment in the Investment Enterprise, including the schedule of amortization proposed therefor and such other information as the Bank shall reasonably request.

(b) Each request by the Borrower for authorization to make withdrawals from the Loan Account in respect of sub-loans for Investment Projects not requiring approval by the Bank shall contain a summary description of the Investment Enterprise and the Investment Project for which such authorization is requested and the terms and conditions of the sub-loan for such Investment Project, including the schedule of amortization therefor.

(c) Except as the Bank and the Borrower shall otherwise agree, applications for approval of Investment Projects pursuant to the provisions of Section 3.02(a) of this Agreement and requests for authorizations to withdraw from the Loan Account pursuant to the provisions of Section 3.02(b)

of this Agreement shall be submitted on or before June 30, 1971.

ARTICLE IV

Bonds

SECTION 4.01. If and as the Bank shall from time to time request, the Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in Article VIII of the General Conditions.

SECTION 4.02. The Borrower shall from time to time, as required, notify the Bank in writing of the person or persons designated by it as its authorized representatives for the purposes of Section 8.10 of the General Conditions.

ARTICLE V

Particular Covenants

SECTION 5.01. The Borrower shall carry out the Project and conduct its operations and affairs in accordance with sound financial and investment standards and practices, with qualified and experienced management and personnel and in accordance with its Memorandum and Articles of Association as amended from time to time and with its Statement of Policy.

SECTION 5.02. (a) The Borrower shall exercise its rights in relation to each Investment Project financed in whole or in part with the proceeds of the Loan in such manner as to protect the interests of the Bank and of the Borrower.

(b) The Borrower undertakes that unless the Bank shall otherwise agree, any sub loan or investment will be made on terms whereby the Borrower shall obtain, by written agreement or other appropriate legal means, rights adequate to protect the interests of the Bank and the Borrower, including, in the case of any such sub-loan and, to

the extent that it shall be appropriate in the case of any such investment: (i) the right to require the Investment Enterprise to carry out and operate the Investment Project with due diligence and efficiency and in accordance with sound technical, financial and managerial standards and to maintain adequate records; (ii) the right to require that the goods and services to be financed out of the proceeds of the Loan shall be used exclusively in the carrying out of the Investment Project; (iii) the right of the Bank and the Borrower to inspect such goods and the sites, works, plants and construction included in the Investment Project, the operation thereof, and any relevant records and documents; (iv) the right to require that the Investment Enterprise shall take out and maintain such insurance, against such risks and in such amounts, as shall be consistent with sound business practice and that, without any limitation upon the foregoing, such insurance shall cover marine, transit and other hazards incident to the acquisition, transportation and delivery of goods financed out of the proceeds of the Loan to the place of use or installation, and that any indemnity thereunder shall be payable in a currency freely usable by the Investment Enterprise to replace or repair such goods; (v) the right to obtain all such information as the Bank or the Borrower shall reasonably request relating to the foregoing and to the administration, operations and financial condition of the Investment Enterprise; and (vi) the right of the Borrower to suspend or terminate access by the Investment Enterprise to the use of the proceeds of the Loan upon failure by such Investment Enterprise to perform its obligations under its agreement with the Borrower.

(c) The Borrower shall at all times make adequate provision to protect itself against any loss resulting from changes in the rate of exchange between Rials and the currency or currencies in which the Borrower's outstanding money obligations shall have to be met.

SECTION 5.03. (a) The Borrower 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 Investment Enterprises, the Investment Projects, the sub-loans and investments, the subsidiaries, and the administration, operations and financial condition of the Borrower.

(b) The Borrower shall maintain records adequate to record the progress of the Project and of each Investment Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of the Borrower, and shall enable the Bank's representatives to examine such records.

(c) The Borrower shall have its financial statements (balance sheet, statement of earnings and expenses and other related statements) certified annually by an independent accounting firm acceptable to the Bank, in accordance with generally accepted accounting principles consistently applied, and shall, promptly after their preparation and not later than three months after the close of the fiscal year of the Borrower to which they apply, transmit to the Bank certified copies of such statements and a signed copy of the accounting firm's report.

SECTION 5.04. (a) The Bank and the Borrower shall cooperate fully to ensure that the purposes of the Loan will be accomplished. To that end, the Bank and the Borrower shall from time to time, at the request of either party, exchange views through their representatives with regard to the progress of the Project, the performance by the Borrower of its obligations under the Loan Agreement, the administration, operations and financial condition of the Borrower and any other matters relating to the purposes of the Loan.

(b) 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, the maintenance of the service thereof or the performance by the Borrower of its obligations under the Loan Agreement.

SECTION 5.05. The Borrower undertakes that, except as the Bank shall otherwise agree: (a) if the Borrower or any subsidiary shall create any lien on any of its assets as security for any debt, such lien will 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; and (b) if any lien shall be created on any assets of the Borrower or of any subsidiary other than under (a) above, as security for any debt, the Borrower shall grant to the Bank an equivalent lien satisfactory to the Bank; 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 its date.

SECTION 5.06. Subject to such exemptions as shall be conferred by the provisions of Sections 3.03 and 3.04 of the Guarantee Agreement, the Borrower shall pay or cause to be paid all taxes, 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 the Loan 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 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 5.07. The Borrower shall pay or cause to be paid all taxes, 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 the Loan Agreement, the Guarantee Agreement or the Bonds.

SECTION 5.08. (a) Except as the Bank shall otherwise agree, the Borrower shall not amend its Statement of Policy without the prior approval of the Bank, nor propose to its shareholders any amendment to its Memorandum or Articles of Association.

(b) The Borrower shall duly perform all its obligations under the Government Advance Agreement and other agreements under which funds have been lent or otherwise put at the disposal of the Borrower by the Guarantor or its agencies for relending, investment or management. Except as the Bank and the Borrower shall otherwise agree, the Borrower shall not take or concur in any action which would have the effect of assigning, or of amending, abrogating or waiving any material provision of, any such agreement.

SECTION 5.09. Except as the Bank shall otherwise agree, the Borrower shall not make any repayment in advance of maturity in respect of any borrowings from the Guarantor or its agencies for medium and long-term relending or of the loan provided for in the agreement dated November 19, 1959 between the Development Loan Fund and the Borrower.

SECTION 5.10. If the Borrower establishes or acquires any subsidiary, the Borrower shall cause such subsidiary to observe and perform the obligations of the Borrower hereunder to the extent to which such obligations shall or can be applicable thereto, as though such obligations were binding upon such subsidiary.

SECTION 5.11. Except as shall be otherwise agreed between the Bank and the Borrower, the Borrower shall not incur or permit any subsidiary to incur any debt if, after the incurring of such debt, the consolidated debt of the Borrower and all its subsidiaries then incurred and outstanding would be greater than 4.5 times the consolidated capital and surplus of the Borrower and all its subsidiaries. For the purposes of this Section:

- (a) The term "debt" means any debt incurred by the Borrower or any subsidiary maturing more than one year after the date on which it is originally incurred.
- (b) Wherever reference is made in this Section to the incurring of debt, such reference shall include any modification of the terms of payment of such debt. Debt shall be deemed to be incurred (i) under a loan contract or agreement on the date and to the extent it is drawn down pursuant to such loan or agreement and (ii) under a guarantee agreement, on the date the agreement providing for such guarantee has been entered into.
- (c) Whenever in connection with this Section it shall be necessary to value in terms of Rials debt payable in another currency, such valuation shall be made at the prevailing lawful rate of exchange at which such other currency is, at the time of such valuation, obtainable for the purposes of servicing such debt.
- (d) The term "consolidated debt of the Borrower and all its subsidiaries" means the total amount of debt

of the Borrower and all its subsidiaries, excluding:
(i) any debt owed by the Borrower to any subsidiary or by any subsidiary to the Borrower or to any other subsidiary, and (ii) the amount of the advance referred to in paragraph (c)(ii) of this Section.

- (c) The term "consolidated capital and surplus of the Borrower and all its subsidiaries" means the aggregate of: (i) the total unimpaired paid-up capital, surplus and free reserves of the Borrower and all its subsidiaries after excluding such items of capital, surplus and reserves as shall represent equity interests of the Borrower in any subsidiary or of any subsidiary in the Borrower or any other subsidiary, and (ii) such amounts of the advance as shall at the time be outstanding under the Government Advance Agreement and be repayable after the date of the last maturity of the Loan or of any of the loans provided for in the prior loan agreements.

ARTICLE VI

Modification of Prior Loan Agreements

SECTION 6.01. For the purposes of the prior loan agreement dated June 5, 1968, paragraph (c) of Section 5.02 of Loan Regulations No. 4 of the Bank as applied to such agreement is amended to read as follows:

- "(c) A default shall have occurred in the performance of any other covenant or agreement on the part of the Borrower or the Guarantor under the Loan Agreement, the Guarantee Agreement or the Bonds, or under any other loan agreement between the Borrower and the Bank or any guarantee agreement between the Guarantor and the Bank guaranteeing a loan to the Borrower, or under any bond issued pursuant to any such agreement."

SECTION 6.02. Section 5.06 of the prior loan agreements dated November 23, 1959, July 12, 1965 and July 26, 1966 and Section 5.05 of the prior loan agreement dated June 5, 1968 are hereby amended to read as in Section 5.05 of this Loan Agreement.

ARTICLE VII

Remedies of the Bank

SECTION 7.01. If any event specified in Section 7.01 of the General Conditions or in Section 7.02 of this Agreement shall occur and shall continue for the period, if any, therein set forth, then at any subsequent time during the continuance thereof, the Bank, at its option, may by notice to the Borrower declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, together with the interest and other charges thereon; and upon any such declaration such principal, interest and charges shall become due and payable immediately, any thing to the contrary in this Loan Agreement or in the Bonds notwithstanding.

SECTION 7.02. The following additional events are specified for the purposes of Section 7.01 of the General Conditions:

- (a) any part of the principal amount of any loan to the Borrower having an original maturity of one year or more shall, in accordance with its terms, have become due and payable in advance of maturity by reason of any default on the part of the Borrower or otherwise as provided in the relative contractual instruments, or any security constituted thereunder shall have become enforceable;
- (b) a resolution shall have been passed for the dissolution or liquidation of the Borrower;

- (c) a change shall have been made in the Borrower's Memorandum or Articles of Association, as amended, without the Bank's consent which, in the Bank's judgment, shall be a substantial adverse change, and such change shall not have been corrected within sixty days following notice of the Bank's judgment to the Borrower;
- (d) a subsidiary or any other entity shall have been created or acquired or taken over by the Borrower, if such creation, acquisition or taking over would adversely affect the conduct of the Borrower's business or the Borrower's financial situation or the efficiency of the Borrower's management and personnel and such situation shall not have been corrected within sixty days following notice thereof by the Bank to the Borrower.

ARTICLE VIII

Miscellaneous

SECTION 8.01. The Closing Date shall be December 31, 1974 or such other date as shall be agreed upon between the Bank and the Borrower.

SECTION 8.02. The following addresses are specified for the purposes of Section 10.01 of the General Conditions:

For the Bank:

**International Bank for
Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America**

Call to address

For the Borrower:

**Industrial and Mining Development Bank of Iran
133 Khiaban Shiraz
(Behjat Abad)
Teheran, Iran**

Cable address:

**Inmidel
Teheran**

SECTION 8.03. The date of August 15, 1969 is hereby specified for purposes of Section 11.04 of the General Conditions.

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

[Signature]
Vice-President

**INDUSTRIAL AND MINING DEVELOPMENT
BANK OF IRAN**

By

[Signature]
Authorized Representative

SCHEDULE 1
Amortization Schedule

Date Payment Due	Payment of Principal (expressed in dollars)*
December 15, 1971	524,000
June 15, 1972	1,085,000
December 15, 1972	1,646,000
June 15, 1973	1,874,000
December 15, 1973	1,874,000
June 15, 1974	1,874,000
December 15, 1974	1,874,000
June 15, 1975	1,874,000
December 15, 1975	1,874,000
June 15, 1976	1,874,000
December 15, 1976	1,874,000
June 15, 1977	1,874,000
December 15, 1977	1,874,000
June 15, 1978	1,874,000
December 15, 1978	1,874,000
June 15, 1979	1,874,000
December 15, 1979	1,874,000
June 15, 1980	1,874,000
December 15, 1980	1,874,000
June 15, 1981	1,874,000
December 15, 1981	1,870,000
June 15, 1982	1,346,000
December 15, 1982	822,000
June 15, 1983	291,000
December 15, 1983	111,000
June 15, 1984	111,000
December 15, 1984	111,000
June 15, 1985	112,000
December 15, 1985	75,000
June 15, 1986	38,000

* To the extent that any portion of the Loan is repayable in a currency other than dollars (see General Conditions, Section 4.02), 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 portion of the principal amount of the Loan pursuant to Section 3.05(b) of the General Conditions or to Section 2.08(a) of the Loan Agreement or on the redemption of any Bond prior to its maturity pursuant to Section 8.15 of the General Conditions:

<i>Time of Prepayment or Redemption</i>	<i>Premiums</i>
Not more than three years before maturity	1%
More than three years but not more than six years before maturity	2 $\frac{1}{4}$ %
More than six years but not more than eleven years before maturity	3 $\frac{3}{4}$ %
More than eleven years but not more than fifteen years before maturity	5 $\frac{1}{4}$ %
More than fifteen years before maturity	6 $\frac{1}{2}$ %

SCHEDULE 2**Modifications of the General Conditions**

For the purposes of this Agreement, the provisions of the General Conditions are modified as follows:

(1) The following subparagraph (d) is added to Section 3.05:

“(d) The Bank and the Borrower may from time to time agree upon arrangements for prepayment and the application thereof in addition to, or in substitution for, those set forth in paragraph (b) of Section 3.05 and in Section 8.15.”

(2) The words “Investment Projects” are substituted for the words “the Project” at the end of Section 5.03.

(3) Section 6.03 is deleted and replaced by the following new Section:

“Section 6.03. *Cancellation by the Bank.* 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) by the date specified in Section 3.02(c) of the Loan Agreement no applications for approval or requests for authorization to withdraw from the Loan Account in respect of any portion of the Loan shall have been received by the Bank, or having been so received, shall have been denied, or (c) after the Closing Date an amount of the Loan shall remain unwithdrawn from the Loan Account, the Bank may by notice to the Borrower terminate the right of the Borrower to request such approvals and authorizations or to make withdrawals from the Loan Account, as the case may be, with respect to such amount or portion of the Loan. Upon the giving of such notice such amount or portion of the Loan shall be cancelled.”

(4) Paragraph (d) of Section 7.01 is amended to read as follows:

“(a) A default shall occur in the performance of any other obligation on the part of the Borrower or the Guarantor under the Loan Agreement, the Guarantee Agreement or the Bonds, or under any other loan agreement between the Borrower and the Bank or any guarantee agreement between the Guarantor and the Bank guaranteeing a loan to the Borrower, or under any bond issued pursuant to any such agreement, and such default shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower and the Guarantor.”