

LOAN NUMBER 2841 JO

Project Agreement

(National Urban Development Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

and

HOUSING BANK

Dated July 13, 1987

LOAN NUMBER 2841 JO

PROJECT AGREEMENT

AGREEMENT, dated July 13, 1987, between  
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT  
(the Bank) and HOUSING BANK (HB).

WHEREAS (A) by the Loan Agreement of even date  
herewith between the HASHEMITE KINGDOM OF JORDAN (the  
Borrower) and the Bank, the Bank has agreed to make  
available to the Borrower an amount in various currencies  
equivalent to twenty six million four hundred thousand  
dollars (\$26,400,000), on the terms and conditions set  
forth in the Loan Agreement, but only on condition that  
HB agree to undertake such obligations toward the Bank as  
are set forth in this Agreement;

(B) by a subsidiary financing agreement to be  
entered into between the Borrower and HB, part of the  
proceeds of the loan provided for under the Loan  
Agreement will be made available to HB on the terms and  
conditions set forth in said Subsidiary Financing  
Agreement; and

WHEREAS HB, in consideration of the Bank's entering  
into the Loan Agreement with the Borrower, has agreed to  
undertake the obligations set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as  
follows:

ARTICLE I

Definitions

Section 1.01. Unless the context otherwise requires,  
the several terms defined in the Loan Agreement and the  
General Conditions (as so defined) have the respective

meanings therein set forth.

## ARTICLE II

### Execution of Part B of the Project

Section 2.01. HB declares its commitment to the objectives of the Project as set forth in Schedule 2 to the Loan Agreement, and, to this end, shall carry out Part B of the Project and conduct its operations and affairs with due diligence and efficiency and in conformity with appropriate technical, administrative and financial standards and practices, with qualified management and staff and in accordance with HB Policy Statement and shall provide, or cause to be provided, promptly as needed, the funds, facilities, services and other resources required for the purpose.

Section 2.02. Without limitation upon the provisions of Section 2.01 of this Agreement, HB shall:

(a) establish and operate the credit facilities under Part B (1), (2) and (3) of the Project in accordance with its applicable policies and practices pursuant to HB Policy Statement;

(b) carry out Part B (4) of the Project in accordance with the applicable provisions of Schedule 5 to the Loan Agreement, and employ, in order to assist it in the carrying out of the same, consultants with qualifications, experience and terms of reference satisfactory to the Bank; and

(c) except as the Bank shall otherwise agree, procure the goods required for Part B (4) (a) of the Project and to be financed out of the proceeds of the Loan in accordance with the provisions of Section I of Schedule 4 to the Loan Agreement.

Section 2.03. HB shall carry out the obligations set forth in Sections 9.04, 9.05, 9.06 and 9.07 of the General Conditions (relating to insurance, use of goods and services, plans and schedules and records and reports, respectively) in respect of Part B of the Project.

Section 2.04. HB shall duly perform all its obligations under the Subsidiary Financing Agreement. Except as the Bank shall otherwise agree, HB shall not take or concur in any action which would have the effect of amending, abrogating, assigning or waiving the Subsidiary Financing Agreement or any provision thereof.

Section 2.05. (a) HB shall, at the request of the Bank, exchange views with the Bank with regard to progress of the Project, the performance of its obligations under this Agreement and under the Subsidiary Financing Agreement, and other matters relating to the purposes of the Loan.

(b) HB shall promptly inform the Bank of any condition which interferes or threatens to interfere with the progress of the Project, the accomplishment of the purposes of Loan, or the performance by HB of its obligations under this Agreement and under the Subsidiary Financing Agreement.

## ARTICLE III

### Financial Covenants

Section 3.01. (a) HB shall maintain records and

accounts adequate to reflect in accordance with sound accounting practices its operations and financial condition.

(b) HB shall:

- (i) have its records, account and financial statements (balance sheets, statements of income and expenses and related statements) for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Bank;
- (ii) furnish to the Bank as soon as available, but in any case not later than six months after the end of each such year, (A) certified copies of its financial statements for such year as so audited and (B) the report of such audit by said auditors of such scope and in such detail as the Bank shall have reasonably requested; and
- (iii) furnish to the Bank such other information concerning said records, accounts and financial statements as well as the audit thereof, as the Bank shall from time to time reasonably request.

#### ARTICLE IV

Effective Date; Termination;  
Cancellation and Suspension

Section 4.01. This Agreement shall come into force and effect on the date upon which the Loan Agreement becomes effective.

Section 4.02. This Agreement and all obligations of the Bank and of HB thereunder shall terminate on the date on which the Loan Agreement shall terminate in accordance with its terms, and the Bank shall promptly notify HB thereof.

Section 4.03. All the provisions of this Agreement shall continue in full force and effect notwithstanding any cancellation or suspension under the General Conditions.

#### ARTICLE V

Miscellaneous Provisions

Section 5.01. Any notice or request required or permitted to be given or made under this Agreement and any agreement between the parties contemplated by this Agreement shall be in writing. 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, telex or radiogram to the party to which it is required or permitted to be given or made at such party's address hereinafter specified or at such other address as such party shall have designated by notice to the party giving such notice or making such request. The addresses so specified are:

For the Bank:

International Bank for

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

Cable address:

Telex:

INTBAFRAD  
Washington, D.C.

440098 (ITT),  
248423 (RCA)

or

64145 (WUI)

For HB:

Housing Bank  
P.O. Box 7693  
Amman, Jordan

Cable address:

Telex:

ISKAN  
Amman

21693 JO

Section 5.02. Any action required or permitted to be taken, and any document required or permitted to be executed, under this Agreement on behalf of HB may be taken or executed by the Chairman of HB or such other person or persons as the said Chairman shall designate in writing, and HB shall furnish to the Bank sufficient evidence of the authority and the authenticated specimen signature of each such person.

Section 5.03. This Agreement may be executed in several counterparts, each of which shall be an original, and all collectively but one instrument.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names 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/ A. J. Stoutjesdijk  
Acting Regional Vice President  
Europe, Middle East and North Africa

HOUSING BANK

By /s/ M. Kamal  
Authorized Representative