

CONFORMED COPY

LOAN NUMBER 3284 MOR

(Port Sector Project - ODEP)

between

KINGDOM OF MOROCCO

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated May 9, 1991

LOAN NUMBER 3284 MOR

GUARANTEE AGREEMENT

AGREEMENT, dated May 9, 1991, between KINGDOM OF MOROCCO (the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank).

WHEREAS (A) the Guarantor and the Office d'Exploitation des Ports (the Borrower), having been satisfied as to the feasibility and priority of the Project described in Schedule 2 to the Loan Agreement, have requested the Bank to assist in the financing of the Project; and

(B) by the Loan Agreement of even date herewith between the Bank and the Borrower, the Bank has agreed to extend to the Borrower a loan in various currencies equivalent to ninety-nine million dollars (\$99,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the obligations of the Borrower in respect of such loan and to undertake such other obligations, all as provided in this

Agreement; and

WHEREAS the Guarantor, in consideration of the Bank's entering into the Loan Agreement with the Borrower, has agreed so to guarantee such obligations of the Borrower and to undertake such other obligations;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Loan and Guarantee Agreements" of the Bank, dated January 1, 1985, with the last sentence of Section 3.02 deleted (the General Conditions) constitute an integral part of this Agreement.

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions, the Preamble to this Agreement and Section 1.02 of the Loan Agreement have the respective meanings therein set forth.

ARTICLE II

Guarantee

Section 2.01. The Guarantor declares its commitment to the objectives of the Project as set forth in Schedule 2 to the Loan Agreement, and, to this end, without limitation or restriction upon any of its other obligations under the Guarantee Agreement, hereby unconditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and interest and other charges on, the Loan, and the premium, if any, on the prepayment of the Loan, all as set forth in the Loan Agreement.

ARTICLE III

Other Covenants

Section 3.01. The Guarantor shall take all measures as may be required on its part (including, without limitation, the granting of licenses and issuance of approvals) to enable the Borrower to carry out the Project and to comply with its other obligations under the Loan Agreement.

Section 3.02. Without limitation or restriction upon the provisions of Section 3.01 of this Agreement:

(a) The Guarantor and the Bank shall, from time to time, at the request of either party, exchange views with regard to the Guarantor's policies on port tariffs and its plans in respect of the overall development of its ports.

(b) The Guarantor agrees, as long as it exercises control over the setting of port tariffs, to establish tariffs to be charged by the Borrower which would enable the Borrower to comply with its obligations under Sections 5.02 and 5.03 of the Loan Agreement.

(c) The Guarantor shall take all measures necessary to ensure that all infrastructure, facilities and other property of the ports which are controlled or operated by the Guarantor shall at all times be maintained, and the Guarantor shall from time to time, promptly as and when needed, make all necessary repairs and renewals thereof, all in accordance with sound administrative, financial, commercial, engineering and environmental practices.

(d) The Guarantor shall: (i) take all measures required on its part to ensure the conclusion, not later than June 30, 1991, of an agreement between the Guarantor and the Borrower, under terms and conditions satisfactory to the Bank, in respect of the Borrower's financial, managerial and operational autonomy and the Guarantor's related governmental policies and measures; and (ii) duly perform

all of its obligations set forth in said agreement in accordance with the terms and conditions thereof.

ARTICLE IV

Representative of the Guarantor; Addresses

Section 4.01. The Minister of Finance of the Guarantor is designated as representative of the Guarantor for the purposes of Section 11.03 of the General Conditions.

Section 4.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Guarantor:

Ministcre des Finances
Rabat
Kingdom of Morocco

Cable address:

MINISTERE FINANCES
Rabat, Morocco

Telex:

36715,
36936 or
36147

For the Bank:

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

Cable address:

INTBAFRAD
Washington, D.C.

Telex:

197688 (TRT),
248423 (RCA),
64145 (WUI) or
82987 (FTCC)

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.

KINGDOM OF MOROCCO

By /s/ Mohammed Belkhat
Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ Kemal Dervis
Acting Regional Vice President
Europe, Middle East and North Africa