Loan Assumption Agreement

(Oum Er Rbia Sanitation Project)

between

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

and

OFFICE NATIONAL DE L'ELECTRICITE ET DE L'EAU POTABLE

Dated September 18, 2013
LOAN NUMBER 7925-MA

LOAN ASSUMPTION AGREEMENT

AGREEMENT, dated September 18, 2013 between the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank) and OFFICE NATIONAL DE L’ELECTRICITE ET DE L’EAU POTABLE (the Borrower).

WHEREAS: (A) by a loan agreement between the Bank and OFFICE NATIONAL DE L’EAU POTABLE (ONEP), dated August 19, 2010 (the Loan Agreement), the Bank made a loan (the Loan) to ONEP in an amount equal to twenty five million nine hundred thousand Euros (EUR 25,900,000), and eight million six hundred thousand Dollars (US$8,600,000), on the terms and conditions set forth in the Loan Agreement;

(B) by a guarantee agreement between the Kingdom of Morocco (the Guarantor) and the Bank, dated August 19, 2010 (the Guarantee Agreement), the Guarantor guaranteed the obligations of ONEP contained or referred to in the Loan Agreement on the terms and conditions set forth in the Guarantee Agreement;

(C) by Law No. 40-09 of the Guarantor regarding Office National de l’Electricité et de l’Eau Potable, promulgated by Dahir No. 1-11-160 of the Guarantor dated September 29, 2011, the Borrower was created and assumed ONEP’s assets, rights and obligations;

(D) by a letter from the Guarantor dated July 4, 2013, and a legal opinion from the General Secretariat of the Government dated September 24, 2012, both the Guarantor and the General Secretariat of the Government have indicated that, as per the provisions of Law No. 40-09 of the Guarantor, the guarantees provided by the Guarantor for loans contracted by ONEP, are still valid following the establishment of the Borrower and the Borrower’s assumption of ONEP’s assets, rights and obligations; on the basis of such letter and such legal opinion, the Bank has agreed that there is no need for the Bank to enter into an agreement with the Guarantor to amend the Guarantee Agreement;

(E) the Borrower has agreed to assume the Loan and the Borrower has requested the Bank to agree to the undertaking by the Borrower of the obligations in respect of the Loan as provided in this Loan Assumption Agreement;

(F) the Bank has agreed to the request of the Borrower and the Guarantor;

and

(G) this Loan Assumption Agreement supersedes the Loan Agreement.

WHEREAS the Bank has agreed, on the basis of the foregoing to enter into this
Loan Assumption Agreement on the terms and conditions hereinafter set forth.

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The General Conditions (as defined in the Loan Agreement) constitute an integral part of this Loan Assumption Agreement.

Section 1.02. Wherever used in this Loan Assumption Agreement, unless the context otherwise requires, the terms defined in the Preamble to this Loan Assumption Agreement and in the Loan Agreement have the respective meanings therein set forth.

ARTICLE II

Assumption

Section 2.01. The Borrower hereby accepts the rights and benefits, and assumes the obligations, of ONEP set forth or referred to in the Loan Agreement, including the obligations to make payment of principal, interest, service, and other charges, and to carry out of the activities set forth or referred to in the Loan Agreement.

Section 2.02. All actions taken, rights acquired or obligations incurred under the Loan Agreement by ONEP shall be valid and binding upon the Borrower.

ARTICLE III

Effectiveness

Section 3.01. The following event is a specified condition to the effectiveness of this Loan Assumption Agreement: the execution and delivery of this Loan Assumption Agreement on behalf of the Borrower has been duly authorized or ratified by all necessary governmental and corporate action.

Section 3.02. As part of the evidence to be furnished pursuant to Section 3.01, there shall be furnished to the Bank an opinion or opinions satisfactory to the Bank of legal counsel acceptable to the Bank showing that this Loan Assumption Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and is legally binding upon the Borrower in accordance with its terms.

Section 3.03. Except as the Bank, and the Borrower shall otherwise agree, this Loan Assumption Agreement shall enter into effect on the date on which the Bank
dispatches to the Borrower a notice of its acceptance of evidence required pursuant to Sections 3.01 and 3.02 of this Loan Assumption Agreement.

ARTICLE IV

Representative; Addresses

Section 4.01. The Borrower’s Representative is its Director General.

Section 4.02. The Borrower’s Address is:

Office National de l’Electricité et de l’Eau Potable
Avenue Mohamed Belhassan El Ouazzani
10220 Rabat
Kingdom of Morocco

Facsimile: 537-75-91-06

Section 4.03. The Bank’s Address is:

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

Cable address: INDEVAS
Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: (202) 477-6391
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 city of Rabat, Kingdom of Morocco, as of the day and year first above written.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: Simon Gray
Title: Country Director

OFFICE NATIONAL DE L'ÉLECTRICITÉ ET DE L'EAU POTABLE

By

Authorized Representative

Name: Mr. Ali Fassi Fihri
Title: General Director
September 18, 2013

Mr. Ali Fassi Fihri
Director General
Office National de l’Electricité et de l’Eau Potable
Avenue Belhassan El Ouazzani
10002 Rabat
Kingdom of Morocco

Excellency:

Re: Kingdom of Morocco – Loan Assumption Agreement - Loan Number 7925-MA
(Oum Er Rbia Sanitation Project)

Enclosed are the following documents regarding the above-mentioned Loan, which are delivered to you as the authorized representative of the Office National de l’Electricité et de l’Eau Potable (the Borrower):

1. one signed original of the Loan Assumption Agreement of even date herewith, between the Borrower and the International Bank for Reconstruction and Development (the Bank).

Please confirm, on behalf of the Borrower, receipt of the documents listed above, by signing the enclosed copy of this letter.

Sincerely yours,

[Signature]

Simon Gray
Director, Maghreb Department
Middle East & North Africa Region

Enclosures

Received By:

El Kadmiri Silaam (Chief of Service Gestion des Finances Multilatéraux - OMEC)