Loan Agreement

(Power Transmission and Distribution Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION
 AND DEVELOPMENT

and

ELECTRICITY AUTHORITY OF CYPRUS

Dated June 25, 1980
AGREEMENT, dated 25 June 1980, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and ELECTRICITY AUTHORITY OF CYPRUS (hereinafter called the Borrower).

WHEREAS (A) the Borrower has adopted an expansion program for the period 1980-1984 (hereinafter referred to as the "Borrower's Program") which comprises: (i) the installation of two 60-MW oil-fired steam units, adjacent to the existing Dhekelia power station, the new plant to be called Dhekelia "B" and to come into service in 1982/83 as a new base load plant; (ii) the expansion and reinforcement of the existing transmission system; and (iii) the extension and reinforcement of the 11-kV and low voltage distribution networks in towns and rural areas;

(B) the Republic of Cyprus (hereinafter called the Guarantor) has requested the Bank to assist in financing a part of the Borrower's Program set forth in (ii) and (iii) in the Preamble (A) above, namely, the Project described in Schedule 2 to this Agreement by making the Loan to the Borrower as hereinafter provided; and

(C) the Guarantor or the Borrower has contracted or intends to contract from foreign public or private financing institutions (hereinafter collectively called the Co-financiers) loans and credits in various foreign currencies in an approximate aggregate amount equivalent to $80,000,000 dollars to assist further in the financing of the Borrower's Program, on the terms and conditions set forth in the agreements entered into or to be entered into between the Guarantor or the Borrower and the Co-financiers (hereinafter called the Co-financing Agreement or Co-financing Agreements, as the case may be); and

WHEREAS, the Bank has agreed, on the basis, inter alia, of the foregoing to make the Loan to the Borrower upon 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 parties to this Agreement accept all the provisions of the General Conditions Applicable to Loan and
Guarantee Agreements of the Bank, dated March 15, 1974, with the same force and effect as if they were fully set forth herein (said General Conditions Applicable to Loan and Guarantee Agreements of the Bank being hereinafter called the General Conditions).

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions and in the Preamble to this Agreement have the respective meanings therein set forth and (a) the term "Electricity Development Law" means the Electricity Development Law (Cap. 171) of the Guarantor, as amended to the date of this Agreement, and (b) the term "Previous Loan Agreement" means the Loan Agreement concluded between the Bank and the Borrower on June 19, 1972.

ARTICLE II

The Loan

Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions in the Loan Agreement set forth or referred to, an amount in various currencies equivalent to sixteen million dollars ($16,000,000).

Section 2.02. The amount of the Loan may be withdrawn from the Loan Account in accordance with the provisions of Schedule 1 to this Agreement as such Schedule may be amended from time to time by agreement between the Borrower and the Bank, for expenditures made (or, if the Bank shall so agree, to be made) in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the Loan.

Section 2.03. Except as the Bank shall otherwise agree, procurement of the goods and civil works to be financed out of the proceeds of the Loan, shall be governed by the provisions of Schedule 4 to this Agreement.

Section 2.04. The Closing Date shall be June 30, 1984 or such later date as the Bank shall establish. The Bank shall promptly notify the Borrower and the Guarantor of such later date.

Section 2.05. The Borrower shall pay to the Bank a commitment charge at the rate of three-fourths of one per cent (3/4 of 1%)
Section 2.06. The Borrower shall pay interest at the rate of eight and twenty-five hundredths per cent (8.25%) per annum on the principal amount of the Loan withdrawn and outstanding from time to time.

Section 2.07. Interest and other charges shall be payable semiannually on May 1 and November 1 in each year.

Section 2.08. The Borrower shall repay the principal amount of the Loan in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

ARTICLE III

Execution of the Project

Section 3.01. (a) The Borrower shall carry out the Project with due diligence and efficiency and in conformity with appropriate administrative, financial, engineering and public utility practices.

(b) Without limitation upon the generalities of the foregoing, the Borrower shall appoint by October 1, 1980 or such later date as the Bank and the Borrower may agree, a Project Manager who shall be responsible for supervising the execution of the Project and whose qualifications and experience shall be satisfactory to the Bank.

Section 3.02. In order to assist the Borrower in the design of high voltage transmission lines and new substations, in the preparation of load flow studies in system reinforcement in towns where transmission works are involved, in the preparation of specifications and tender documents and in the execution of the 132(66)-kV lines and substations under Part A of the Project, the Borrower shall employ consultants whose qualifications, experience and terms and conditions of employment shall be satisfactory to the Bank.

Section 3.03. (a) The Borrower undertakes to insure, or make adequate provision for the insurance of, the imported goods to be financed out of the proceeds of the Loan against hazards incident
to the acquisition, transportation and delivery thereof to the
place of use or installation, and for such insu--znce any indemnity
shall be payable in a currency freely usable by the Borrower to
replace or repair such goods.

(b) Except as the Bank shall otherwise agree, the Borrower
shall cause all goods and services financed out of the proceeds
of the Loan to be used exclusively for the Project.

Section 3.04. (a) The Borrower shall furnish to the Bank,
promptly upon their preparation, the plans, specifications,
reports, contract documents and construction and procurement
schedules for the Project, and any material modifications thereof
or additions thereto, in such detail as the Bank shall reasonably
request.

(b) The Borrower shall: (i) maintain records and procedures
adequate to record and monitor the progress of the Project (in-
cluding its cost, where feasible, and the benefits to be derived
from it), to identify the goods and services financed out of the
proceeds of the Loan, and to disclose their use in the Project;
(ii) enable the Bank's accredited representatives to visit the
facilities and construction sites included in the Project and to
examine the goods financed out of the proceeds of the Loan and any
relevant records and documents; and (iii) furnish to the Bank at
regular intervals all such information as the Bank shall reason-
ably request concerning the Project, its cost and, where appro-
priate, the benefits to be derived from it, the expenditure
of the proceeds of the Loan and the goods and services financed
out of such proceeds.

(c) Promptly after completion of the Project, but in any
event not later than six months after the Closing Date or such
later date as may be agreed for this purpose between the Borrower
and the Bank, the Borrower shall prepare and furnish to the Bank a
report, of such scope and in such detail as the Bank shall reason-
ably request, on the execution and initial operation of the
Project, its cost and the benefits derived and to be derived from
it, the performance by the Borrower and the Bank of their respec-
tive obligations under the Loan Agreement and the accomplishment
of the purposes of the Loan.

(d) The Borrower shall enable the Bank's representatives
to examine all plants, installations, sites, works, buildings,
property and equipment of the Borrower and any relevant records
and documents.
Section 3.05. The Borrower shall take all such action as shall be necessary to acquire as and when needed all such land and rights in respect of land as shall be required for the construction (and operation) of the facilities included in the Project.

Section 3.06. The Borrower shall, directly or through the Guarantor and by October 31, 1980 or such later date as the Bank and the Borrower may agree, contract from the Co-financiers such loans and credits as shall provide an aggregate amount not less than the equivalent of $46,000,000 for the financing of the Borrower's Program on terms and conditions consistent with the obligations of the Borrower under this Agreement.

ARTICLE IV
Management and Operations of the Borrower

Section 4.01. The Borrower shall at all times manage its affairs, maintain its financial position, plan its future expansion and carry on its operations, all in accordance with appropriate business, financial and public utility practices and under qualified management, assisted by qualified and competent staff.

Section 4.02. The Borrower shall: (i) at all times take all steps which are necessary to maintain its existence and its right to carry on operations and to acquire, maintain and renew all interests in land and other properties and all rights, powers, and privileges which are necessary or useful in the conduct of its business including the carrying out of the Project; (ii) at all times properly operate and maintain its plant, machinery, equipment and other property, and promptly make all necessary repairs and renewals thereof, in accordance with appropriate engineering practices; and (iii), except in the normal course of its business, not sell, lease, transfer or otherwise dispose of any of its property or assets which shall be required for the efficient operation of its business and undertakings.

Section 4.03. The Borrower shall take out and maintain with responsible insurers, or make other provisions satisfactory to the Bank, for, insurance against such risks and in such amounts as shall be consistent with appropriate practices.
Section 4.04. The Borrower shall take all necessary measures to ensure that the operation and maintenance of its facilities be carried out with due regard to the safeguarding of the environment.

Section 4.05. The Borrower shall carry out or cause to be carried out by December 31, 1982 or such later date as the Bank and the Borrower may agree, under terms of reference satisfactory to the Bank, a detailed study of the feasibility of conversion of fuel source from oil to coal for its Dhekelia "B" power station and of the use of coal as the fuel source for further expansion of its power generation system.

ARTICLE V

Financial Covenants

Section 5.01. The Borrower shall maintain records adequate to reflect in accordance with consistently maintained appropriate accounting practices its operations and financial condition.

Section 5.02. The Borrower shall: (i) have its accounts 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 four 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 the accounts and financial statements of the Borrower and the audit thereof as the Bank shall from time to time reasonably request.

Section 5.03. (a) The Borrower represents that at the date of this Agreement no lien exists on any of its assets as security for any debt.

(b) 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 in the creation of any such lien express provision will be made to that effect, at no cost to the Bank: provided, however, that the foregoing provisions of this paragraph shall not apply to: (A) 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 (B) 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 5.04. Except as the Bank and the Borrower shall otherwise agree, the Borrower shall not incur any long-term debt unless a reasonable forecast of its net revenues for each year during the term of the debt to be incurred shall be (i) for each of the years 1980 through 1982, not less than 1.3 times the Borrower's debt service requirements for such year, and (ii) for each year thereafter, not less than 1.5 times the Borrower's debt service requirements for such year, on all its long-term debt including the debt to be incurred. For the purposes of this Section:

(i) the term "long-term debt" means any debt maturing by its terms more than one year after the date on which it is originally incurred, including any debt represented by bonds;

(ii) debt shall be deemed to be incurred (1) under a loan contract or agreement, on the date the loan contract or agreement providing for such debt is entered into, and (2) under a guarantee agreement, on the date the agreement providing for such guarantee is entered into;

(iii) the term "net revenues" means gross revenues from all sources adjusted to take account of power rates in effect during the period to which the calculation relates less operating and administrative expenses, including provision for taxes, if any, but before provision for depreciation and interest and other charges on debt;

(iv) the term a "reasonable forecast" means a forecast prepared by the Borrower for the fiscal year in which the debt in question is proposed to be incurred, that
has been reviewed by the Bank and which both the Borrower and the Bank accept as reasonable, provided that no event shall have occurred since the Bank's acceptance of such forecast and before the incurrence of the debt which would have a material adverse effect on the financial condition or future operating results of the Borrower;

(v) the term "debt service requirements" means the aggregate amount of amortization (including sinking fund contributions, if any), interest and other charges on debt; and

(vi) whenever it shall be necessary to value in the currency of the Guarantor a debt payable in another currency, such valuation shall be made on the basis of the rate of exchange at which such other currency is obtainable by the Borrower, at the time such valuation is made, for the purposes of servicing such debt or, if such other currency is not so obtainable, at the rate of exchange that will be reasonably determined by the Bank.

Section 5.05. (a) Notwithstanding any provisions to the contrary in the Previous Loan Agreement and except as the Bank shall otherwise agree, the Borrower shall from time to time take all steps necessary or desirable to obtain such adjustments in its rates for the sale of electricity as will provide the Borrower with revenues sufficient to yield an annual rate of return on its average net fixed assets in operation of (i) at least 9% in the fiscal years following immediately such time as the Borrower shall be enabled to charge and collect payment for power provided by the Borrower and consumed throughout the Republic of Cyprus, and (ii) until such time, at least 3% in fiscal year 1980, 4% in fiscal year 1981, 5% in fiscal year 1982 and 6% in the following fiscal years.

(b) For the purposes of this Section:

(i) the rate of return in respect of any fiscal year shall be calculated by relating the Borrower's net income from operations for that year to the average of the net value of fixed assets in operation during that fiscal year;
(ii) the term "net income from operations" means gross operating revenues from electric power, less all operating, administrative and overhead expenses including depreciation, taxes and levies, if any, or any payments in lieu thereof, but without deduction of interest or other charges on debt; and

(iii) the term "average of the net value of fixed assets in operation" means: one-half of the sum of (A) the value of the Borrower's gross fixed assets in operation less accumulated depreciation calculated on a straight-line basis at rates acceptable to the Bank and less customers' contributions towards capital expenditure all determined in accordance with methods of valuation and revaluation acceptable to the Bank at the beginning of the fiscal year, plus (B) the value of the Borrower's gross fixed assets in operation less accumulated depreciation so calculated and less customers' contributions towards capital expenditure all determined as aforesaid at the end of the year in question.

ARTICLE VI

Remedies of the Bank

Section 6.01. For the purposes of Section 6.02 of the General Conditions, the following additional events are specified pursuant to paragraph (k) thereof:

(a) (i) Subject to sub-paragraph (ii) of this paragraph:

(A) The right of the Guarantor or the Borrower to withdraw the proceeds of any credit or loan made to it for the financing of the Borrower's Program under the Co-financing Agreements shall have been suspended, cancelled or terminated in whole or in part, pursuant to the terms thereof, or

(B) any such credit or loan shall have become due and payable prior to the agreed maturity thereof.
(ii) Sub-paragraph (i) of this paragraph shall not apply if: (A) such suspension, cancellation, termination or prematuring is not caused by the failure of the Guarantor or the Borrower to perform any of its obligations under such agreement, and (B) adequate funds for the Borrower's Program are available to the Borrower from other sources on terms and conditions consistent with the obligations of the Borrower under this Agreement.

(b) the Electricity Development Law shall have been amended, suspended, abrogated, repealed or waived so as to adversely affect the carrying out of the Project or the operations or financial condition of the Borrower or the efficiency of the Borrower's management or personnel.

Section 6.02. For the purposes of Section 7.01 of the General Conditions, the following additional event is specified pursuant to paragraph (h) thereof namely, that the event specified in paragraph (a) (i) (B) or paragraph (b) of Section 6.01 of this Agreement shall occur.

ARTICLE VII
Effective Date; Termination

Section 7.01. The date September 25, 1980, is hereby specified for the purpose of Section 12.04 of the General Conditions.

ARTICLE VIII
Addresses

Section 8.01. The following addresses are specified for the purposes of Section 11.01 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
Cable address: INTBAFRA D
Washington, D.C.

Telex: 440098 (ITT)
248423 (RCA) or
64145 (WUI)

For the Borrower:

Electricity Authority of Cyprus
15 Photiou Stavrou Pitta Street
P.O. Box 4506
Nicosia, Cyprus

Cable address: GRID
Nicosia

Telex: 2432

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, 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 15/ A. David Knox

Acting Regional Vice President
Europe, Middle East and North Africa

ELECTRICITY AUTHORITY OF CYPRUS

By 15/ Andreas Frangos

Authorized Representative
SCHEDULE 1

Withdrawal of the Proceeds of the Loan

1. The table below sets forth the Categories of imported items to be financed out of the proceeds of the Loan and the allocation of amounts of the Loan to each Category:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (Expressed in Dollar Equivalent)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Equipment and materials</td>
<td>14,200,000</td>
</tr>
<tr>
<td>(2) Installation and consultants' services</td>
<td>300,000</td>
</tr>
<tr>
<td>(3) Unallocated</td>
<td>1,500,000</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>16,000,000</td>
</tr>
</tbody>
</table>

2. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of:

(a) expenditures in the currency of the Guarantor or for goods or services supplied from the territory of the Guarantor;

(b) payments made for expenditures prior to the date of this Agreement; and

(c) payments for taxes levied by, or in the territory of, the Guarantor on goods or services, or on the importation, manufacture, procurement or supply thereof.

3. Notwithstanding the allocation of an amount of the Loan set forth in the second column of the table in paragraph 1 above, if the Bank has reasonably estimated that the amount of the Loan then allocated to any Category will be insufficient to finance all expenditures in that Category, the Bank may, by notice to the Borrower, reallocate to such Category, to the extent required to meet such estimated shortfall, proceeds of the Loan which are
then allocated to another Category and which in the opinion of the Bank are not needed to meet other expenditures.

4. If the Bank shall have reasonably determined that the procurement of any item in any Category is inconsistent with the procedures set forth or referred to in this Agreement, no expenditures for such item shall be financed out of the proceeds of the Loan and the Bank may, without in any way restricting or limiting any other right, power or remedy of the Bank under the Loan Agreement, by notice to the Borrower, cancel such amount of the Loan as, in the Bank's reasonable opinion, represents the amount of such expenditures which would otherwise have been eligible for financing out of the proceeds of the Loan.
SCHEDULE 2

Description of the Project

The Project, which is part of the Borrower's Program, consists of expansion and reinforcement of the Borrower's transmission and distribution system and includes the following Parts:

Part A: Transmission System Expansion and Reinforcement

(1) The construction and placing into operation of about ten 132 kV line and transformer bays and about nine 66 kV line and transformer bays;

(2) The installation and placing into operation of about four 132/11 kV transformers totalling about 90 MVA, and about eight 66/11 kV transformers totalling about 95 MVA, together with associated switchgear; and

(3) The construction and placing into operation of about 28 miles of 132/66 kV double circuit overhead transmission lines.

Part B: Distribution System Expansion and Reinforcement

(1) The construction and placing into operation of about 120 miles of 11 kV overhead lines and 36 miles of 11 kV underground cables;

(2) The construction and placing into operation of about 270 miles of low voltage lines and about 15 miles of low voltage cables; and

(3) The construction, installation, and placing into operation of about 135 ground mounted distribution transformers totalling about 54 MVA, and about 450 pole mounted distribution transformers totalling about 45 MVA.

* * *

The Project is expected to be completed by December 31, 1983.
SCHEDULE 3
Amortization Schedule

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Payment of Principal (expressed in dollars)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each May 1 and November 1</td>
<td></td>
</tr>
<tr>
<td>beginning November 1, 1983 through November 1, 1994</td>
<td>665,000</td>
</tr>
<tr>
<td>On May 1, 1995</td>
<td>705,000</td>
</tr>
</tbody>
</table>

* 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

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:

<table>
<thead>
<tr>
<th>Time of Prepayment</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Not more than three years before maturity</td>
<td>1.65%</td>
</tr>
<tr>
<td>More than three years but not more than six years before maturity</td>
<td>3.30%</td>
</tr>
<tr>
<td>More than six years but not more than eleven years before maturity</td>
<td>6.00%</td>
</tr>
<tr>
<td>More than eleven years but not more than thirteen years before maturity</td>
<td>7.15%</td>
</tr>
<tr>
<td>More than thirteen years before maturity</td>
<td>8.25%</td>
</tr>
</tbody>
</table>
SCHEDULE 4

Procurement

A. International Competitive Bidding

1. Except as provided in Part B hereof, goods shall be procured under contracts awarded in accordance with procedures consistent with those set forth in the "Guidelines for Procurement under World Bank Loans and IDA Credits" published by the Bank in March 1977 (hereinafter called the Guidelines), on the basis of international competitive bidding as described in Part A of the Guidelines.

2. For goods to be procured on the basis of international competitive bidding, and in addition to the requirements of paragraph 1.2 of the Guidelines, the Borrower shall prepare and forward to the Bank as soon as possible, and in any event not later than 60 days prior to the date of availability to the public of the first tender or prequalification documents relating thereto, as the case may be, a general procurement notice, in such form and detail and containing such information as the Bank shall reasonably request; the Bank will arrange for the publication of such notice in order to provide timely notification to prospective bidders of the opportunity to bid for the goods in question. The Borrower shall provide the necessary information to update such notice annually so long as any goods remain to be procured on the basis of international competitive bidding.

3. For the purpose of evaluation and comparison of bids for the supply of goods to be procured on the basis of international competitive bidding: (i) bidders shall be required to state in their bid the c.i.f. (port of entry) price for the imported goods, or the ex-factory price or off-the-shelf price of other goods, offered in such bid; and (ii) customs duties and other import taxes levied in connection with the importation, or the sales and similar taxes levied in connection with the sale or delivery, pursuant to the bid, of the goods shall not be taken into account in the evaluation of the bids.

B. Other Procurement Procedures

Contracts for small items such as fuses and low voltage insulators may be let under the Borrower's procurement procedures acceptable to the Bank.
C. Review of Procurement Decisions by the Bank

1. Review of invitations to bid and of proposed awards and final contracts:

   With respect to all contracts estimated to cost the equivalent of $50,000 or more:

   (a) Before bids are invited, the Borrower shall furnish to the Bank, for its comments, the text of the invitations to bid and the specifications and other bidding documents, together with a description of the advertising procedures to be followed for the bidding, and shall make such modifications in the said documents or procedures as the Bank shall reasonably request. Any further modification to the bidding documents shall require the Bank's concurrence before it is issued to the prospective bidders.

   (b) After bids have been received and evaluated, the Borrower shall, before a final decision on the award is made, inform the Bank of the name of the bidder to which it intends to award the contract and shall furnish to the Bank, in sufficient time for its review, a detailed report, by the consultants referred to in Section 3.02 of this Agreement, on the evaluation and comparison of the bids received, together with the recommendations for award of the said consultants and such other information as the Bank shall reasonably request. The Bank shall, if it determines that the intended award would be inconsistent with the Guidelines or this Schedule, promptly inform the Borrower and state the reasons for such determination.

   (c) The terms and conditions of the contract shall not, without the Bank's concurrence, materially differ from those on which bids were asked or prequalification invited.

   (d) Two conformed copies of the contract shall be furnished to the Bank promptly after its execution and prior to the submission to the Bank of the first application for withdrawal of funds from the Loan Account in respect of such contract.

2. With respect to each contract not governed by the preceding paragraph, the Borrower shall furnish to the Bank, promptly after its execution and prior to the submission to the Bank of the first application for withdrawal of funds from the Loan Account in respect of such contract, two conformed copies of such contract, together with the analysis of the respective bids, recommendations for award and such other information as the Bank shall
reasonably request. The Bank shall, if it determines that the award of the contract was not consistent with the Guidelines or this Schedule, promptly inform the Borrower and state the reasons for such determination.

3. Before agreeing to any material modification or waiver of the terms and conditions of a contract, or granting an extension of the stipulated time for performance of such contract, or issuing any change order under such contract (except in cases of extreme urgency) which would increase the cost of the contract by more than 10% of the original price, the Borrower shall inform the Bank of the proposed modification, waiver, extension or change order and the reasons therefor. The Bank, if it determines that the proposal would be inconsistent with the provisions of this Agreement, shall promptly inform the Borrower and state the reasons for its determination.
INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

CERTIFICATE

I hereby certify that the foregoing is a true copy of the original in the archives of the International Bank for Reconstruction and Development.

In witness whereof I have signed this Certificate and affixed the Seal of the Bank thereunto this 25th day of June, 1980.

[Signature]
FOR SECRETARY