

No. 5182

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT
and
JAPAN**

Guarantee Agreement—*Amagasaki-Ritto Expressway Project* (with related letter, annexed Loan Regulations No. 4 and Loan Agreement between the Bank and Nihon Doro Kodan). Signed at Washington, on 17 March 1960

Official text: English.

Registered by the International Bank for Reconstruction and Development on 22 June 1960.

**BANQUE INTERNATIONALE POUR
LA RECONSTRUCTION ET LE DÉVELOPPEMENT
et
JAPON**

Contrat de garantie — *Projet relatif à l'Amagasaki-Ritto Expressway* (avec une lettre y relative et, en annexe, le Règlement n° 4 sur les emprunts et le Contrat d'emprunt entre la Banque et la Nihon Doro Kodan). Signé à Washington, le 17 mars 1960

Texte officiel anglais.

Enregistré par la Banque internationale pour la reconstruction et le développement le 22 juin 1960.

No. 5182. GUARANTEE AGREEMENT¹ (*AMAGASAKI-RITTO EXPRESSWAY PROJECT*) BETWEEN JAPAN AND THE INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT. SIGNED AT WASHINGTON, ON 17 MARCH 1960

AGREEMENT, dated March 17, 1960, between JAPAN (hereinafter called the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank).

WHEREAS by an agreement of even date herewith between the Bank and Nihon Doro Kodan (hereinafter called the Borrower), which agreement and the schedules therein referred to are hereinafter called the Loan Agreement,² the Bank has agreed to make to the Borrower a loan in various currencies equivalent to forty million dollars (\$40,000,000), 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 as hereinafter provided; 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;

NOW THEREFORE the parties hereto hereby agree as follows :

Article I

Section 1.01. The parties to this Guarantee Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated June 15, 1956,² subject, however, to the modifications thereof set forth in Schedule 3³ to the Loan Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

Article II

Section 2.01. Without limitation or restriction upon any of the other covenants on its part in this Agreement contained, the Guarantor hereby un-

¹ Came into force on 25 May 1960, upon notification by the Bank to the Government of Japan.

² See p. 54 of this volume.

³ See p. 66 of this volume.

conditionally guarantees, as primary obligor and not as surety merely, the due and punctual payment of the principal of, and the interest and other charges on, the Loan, the principal of and interest on the Bonds, and the premium, if any, on the prepayment of the Loan or the redemption of the Bonds, all as set forth in the Loan Agreement and in the Bonds.

Section 2.02. Whenever there is reasonable cause to believe that the funds available to the Borrower will be inadequate to meet the estimated expenditures required for the construction of the Project and for the maintenance and repair, during and after such construction, of the Project, all in accordance with sound engineering practices, the Guarantor undertakes to make arrangements promptly to provide the Borrower or cause the Borrower to be provided on reasonable terms with such funds as are needed to meet such expenditures.

Article III

Section 3.01. The Guarantor shall cause to be performed, in accordance with the provisions of the Loan Agreement, all the covenants, agreements and obligations of the Borrower in respect of the Project.

Section 3.02. (a) As used in this Section, the term "access roads" shall mean public roads extending from interchanges of the Project to the built-up districts of the area traversed by the Project, and the terms "construct" and "construction" shall mean construct, reconstruct and improve and reconstruction, reconstruction and improvement, respectively.

(b) The Guarantor (i) undertakes to make available, promptly as needed, all funds required to pay its share of the costs of the construction of the access roads, (ii) shall construct or cause to be constructed those access roads within the jurisdiction of the Guarantor or any of its agencies and (iii) shall use its best and most diligent efforts to ensure that local governing authorities contribute, promptly as needed, their share of the costs of the construction of the access roads and construct those access roads within the jurisdiction of such local governing authorities.

(c) The Guarantor shall maintain or cause to be maintained those access roads within the jurisdiction of the Guarantor or any of its agencies in a good state of repair in accordance with sound engineering practices and shall use its best and most diligent efforts to ensure that local governing authorities maintain those access roads within the jurisdiction of such local governing authorities in a good state of repair in accordance with sound engineering practices.

Section 3.03. It is the mutual intention of the Guarantor and the Bank that no other external debt shall enjoy any priority over the Loan by way of a lien on governmental assets. To that end, the Guarantor undertakes that, except as the Bank shall otherwise agree, if any lien shall be created on any assets of the

Guarantor as security for any external 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 the Bonds, and that in the creation of any such lien express provision will be made to that effect; 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; (ii) any lien on commercial goods to secure a debt maturing not more than one year after the date on which it is originally incurred and to be paid out of the proceeds of sale of such commercial goods; or (iii) 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.

The term "assets of the Guarantor" as used in this Section includes assets of the Guarantor or of any agency of the Guarantor.

The Guarantor further undertakes that, within the limits of its constitutional powers, it will make the foregoing undertaking effective with respect to liens on the assets of any of its political subdivisions and their agencies, including local governing authorities.

Section 3.04. (a) The Guarantor and the Bank shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan. On the part of the Guarantor, such information shall include information with respect to financial and economic conditions in the territories of the Guarantor and the international balance of payments position of the Guarantor.

(b) The Guarantor and the Bank shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. The Guarantor shall promptly inform the Bank of any condition which interferes with, or threatens to interfere with, the accomplishment of the purposes of the Loan or the maintenance of the service thereof.

(c) The Guarantor shall afford all reasonable opportunity for accredited representatives of the Bank to visit any part of the territories of the Guarantor for purposes related to the Loan.

Section 3.05. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid without deduction for, and free from, any taxes or fees imposed under the laws of the Guarantor or laws in effect in its territories; provided, however, that the provisions of this Section shall not apply to taxation of, or fees upon, 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 3.06. This Agreement, the Loan Agreement and the Bonds shall be free from any taxes or fees that shall be imposed under the laws of the Guarantor or laws in effect in its territories on or in connection with the execution, issue, delivery or registration thereof.

Section 3.07. The principal of, and interest and other charges on, the Loan and the Bonds shall be paid free from all restrictions imposed under the laws of the Guarantor or laws in effect in its territories.

Section 3.08. The Guarantor will not take any action which would prevent or interfere with the performance by the Borrower of any of the covenants, agreements and obligations of the Borrower in the Loan Agreement contained and will take or cause to be taken all action necessary or appropriate to enable the Borrower to perform such covenants, agreements and obligations.

Article IV

Section 4.01. The Guarantor shall endorse, in accordance with the provisions of the Loan Regulations, its guarantee on the Bonds to be executed and delivered by the Borrower. The Minister of Finance of the Guarantor and such person or persons as he shall designate in writing are designated as the authorized representatives of the Guarantor for the purposes of Section 6.12 (b) of the Loan Regulations.

Article V

Section 5.01. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Guarantor :

Minister of Finance
Ministry of Finance
3-2, Kasumigaseki, Chiyoda-ku
Tokyo, Japan

Alternative addresses for cablegrams and radiograms :

Minister of Finance
Okurasho, Tokyo

For the Bank :

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington 25, D. C.
United States of America

Alternative address for cablegrams and radiograms :

Intbafrad
Washington, D. C.

Section 5.02. The Minister of Finance of the Guarantor is designated for the purposes of Section 8.03 of the Loan Regulations.

IN WITNESS WHEREOF, the parties hereto, acting through their representatives thereunto duly authorized, have caused this Guarantee 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.

Japan :

By Koichiro ASAKAI
Authorized Representative

International Bank for Reconstruction and Development :

By J. Burke KNAPP
Vice President

LETTER RELATING TO THE GUARANTEE AGREEMENT

EMBASSY OF JAPAN
WASHINGTON, D. C.

March 17, 1960

International Bank for Reconstruction
and Development
1818 H Street, N. W.
Washington 25, D. C.

Gentlemen :

With reference to the Guarantee Agreement (*Amagasaki-Ritto Expressway Project*) of even date¹ between Japan and your Bank, we have pleasure in confirming the following matters of understanding between us :

1. As regards Article III, Section 3.03, that :
 - (a) there is existing legislation consistent with the Japanese Constitution which enables the Government of Japan to control the external borrowings of its agencies, its political subdivisions and their agencies, and of the Bank of Japan so as to oblige them to obtain the consent of the Government of Japan to any external borrowing and to the terms thereof whether as to security or otherwise;
 - (b) the Government of Japan will make the undertaking contained in Section 3.03 effective with respect to liens on the assets of the Bank of Japan.

2. As regards Section 3.08, that the Government of Japan will not permit any political subdivision of Japan or any agency of the Government of Japan or of any such political subdivision to take any such action as is therein referred to.

Very truly yours,

Government of Japan :
By Koichiro ASAKAI
Authorized Representative

¹ See p. 44 of this volume.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

LOAN REGULATIONS No. 4, DATED 15 JUNE 1956

REGULATIONS APPLICABLE TO LOANS MADE BY THE BANK TO BORROWERS OTHER THAN MEMBER GOVERNMENTS

[*Not published herein. See United Nations, Treaty Series, Vol. 260, p. 376.*]

LOAN AGREEMENT

(AMAGASAKI-RITTO EXPRESSWAY PROJECT)

AGREEMENT, dated March 17, 1960, between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (hereinafter called the Bank) and NIHON DORO KODAN (hereinafter called the Borrower).

Article I

LOAN REGULATIONS

Section 1.01. The parties to this Loan Agreement accept all the provisions of Loan Regulations No. 4 of the Bank dated June 15, 1956,¹ subject, however, to the modifications thereof set forth in Schedule 3² to this Agreement (said Loan Regulations No. 4 as so modified being hereinafter called the Loan Regulations), with the same force and effect as if they were fully set forth herein.

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 Regulations.

Section 2.03. 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 so withdrawn from time to time. Such commitment charge shall accrue from a date sixty days after the date of this Agreement to the respective dates on which amounts shall be withdrawn by the Borrower from the Loan Account as provided in Article IV of the Loan Regulations or shall be cancelled pursuant to Article V of the Loan Regulations.

¹ See above.

² See p. 66 of this volume.

Section 2.04. The Borrower shall pay interest at the rate of six and one-quarter per cent (6 $\frac{1}{4}$ %) per annum on the principal amount of the Loan so withdrawn and outstanding from time to time.

Section 2.05. Interest and other charges shall be payable semi-annually on April 15 and October 15 in each year.

Section 2.06. The Borrower shall repay the principal of the Loan in accordance with the amortization schedule set forth in Schedule 1¹ to this Agreement.

Article III

USE OF PROCEEDS OF THE LOAN

Section 3.01. The Borrower shall apply the proceeds of the Loan exclusively to financing the cost of goods required to carry out the design and construction of the Project described in Schedule 2² to this Agreement. The specific goods to be financed out of the proceeds of the Loan and the methods and procedures for procurement of such goods shall be determined by agreement between the Bank and the Borrower, subject to modification by further agreement between them.

Section 3.02. The Borrower shall cause all goods financed out of the proceeds of the Loan to be used exclusively in the design and construction of the Project.

Article IV

BONDS

Section 4.01. The Borrower shall execute and deliver Bonds representing the principal amount of the Loan as provided in the Loan Regulations.

Section 4.02. The President of the Borrower and such person or persons as he shall appoint in writing are designated as authorized representatives of the Borrower for the purposes of Section 6.12 (a) of the Loan Regulations.

Article V

PARTICULAR COVENANTS

Section 5.01. (a) The Borrower shall carry out the design and construction of the Project with due diligence and efficiency and in conformity with sound engineering and financial practices.

(b) Except as the Bank shall otherwise agree, the Project shall be constructed by contractors satisfactory to the Bank and the Borrower, employed under contracts satisfactory to the Bank and the Borrower.

¹ See p. 64 of this volume.

² See p. 66 of this volume.

(c) In connection with the design and construction of the Project, the Borrower shall employ engineering consultants acceptable to, and to an extent and upon terms and conditions satisfactory to, the Bank and the Borrower.

(d) The general design standards to be used for the Project shall be satisfactory to the Bank and the Borrower.

(e) The Borrower shall furnish to the Bank, promptly upon their preparation, the plans and specifications for the Project and any material modifications subsequently made therein, in such detail as the Bank shall from time to time request.

(f) The Borrower shall maintain records adequate to identify the goods financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to record the progress of the design and construction of the Project (including the cost thereof) and to reflect in accordance with consistently maintained sound accounting practices the operations and financial condition of the Borrower; shall enable the Bank's representatives to inspect the Project, the goods and any relevant records and documents; and 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 goods and the operations and financial condition of the Borrower.

Section 5.02. The Borrower shall at all times operate, maintain and repair the Project in accordance with sound engineering and highway practices.

Section 5.03. (a) The Bank and the Borrower shall cooperate fully to assure that the purposes of the Loan will be accomplished. To that end, each of them shall furnish to the other all such information as it shall reasonably request with regard to the general status of the Loan.

(b) The Bank and the Borrower shall from time to time exchange views through their representatives with regard to matters relating to the purposes of the Loan and the maintenance of the service thereof. 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 or the maintenance of the service thereof.

Section 5.04. 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 the Bonds, and that in the creation of any such lien express provision will be made to that effect; 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 the date on which it is originally incurred.

Section 5.05. The Borrower shall pay or cause to be paid all taxes or fees, 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 this Agreement, the Guarantee Agreement¹ or the Bonds, or the payment of principal, interest

¹ See p. 44 of this volume.

or other charges thereunder; provided, however, that the provisions of this Section shall not apply to taxation of, or fees upon, 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 5.06. The Borrower shall pay or cause to be paid all taxes and fees, 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 this Agreement, the Guarantee Agreement or the Bonds.

Section 5.07. (a) The Borrower shall at all times maintain its existence and right to carry on operations and shall, except as the Bank shall otherwise agree, take all steps necessary to maintain and renew all rights, powers, privileges and franchises which are necessary or useful for the successful construction and operation of the Project.

(b) The Borrower shall operate and maintain its equipment and property, and from time to time make all necessary renewals and repairs thereof, all in accordance with sound business and engineering practices; and shall at all times carry on its operations in a sound, efficient and businesslike manner.

Section 5.08. The Borrower shall give priority to the Project in its construction program, and, to that end, shall, if necessary to accomplish the prompt and diligent construction of the Project, make such revisions in the construction schedules for other parts of that program as may be required.

Article VI

REMEDIES OF THE BANK

Section 6.01. (i) If any event specified in paragraph (a), paragraph (b), paragraph (e) or paragraph (f) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of thirty days, or (ii) if any event specified in paragraph (c) of Section 5.02 of the Loan Regulations shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Bank to the Borrower, then at any subsequent time during the continuance thereof, the Bank, at its option, may declare the principal of the Loan and of all the Bonds then outstanding to be due and payable immediately, and upon any such declaration such principal shall become due and payable immediately, anything in this Agreement or in the Bonds to the contrary notwithstanding.

Article VII

MISCELLANEOUS

Section 7.01. The Closing Date shall be March 31, 1963.

Section 7.02. A date 60 days after the date of this Agreement is hereby specified for the purposes of Section 9.04 of the Loan Regulations.

Section 7.03. The following addresses are specified for the purposes of Section 8.01 of the Loan Regulations :

For the Borrower :

Nihon Doro Kodan
No. 1, 1-Chome, Shiba Tamura-Cho
Minato-Ku, Tokyo
Japan

Alternative address for cablegrams and radiograms :

Dorokodan
Tokyo

For the Bank :

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington 25, D. C.
United States of America

Alternative address for cablegrams and radiograms :

Intbafrad
Washington, D. C.

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 J. Burke KNAPP
Vice President

Nihon Doro Kodan :
By Michizo KISHI
Authorized Representative

SCHEDULE 1
AMORTIZATION SCHEDULE

<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>	<i>Date Payment Due</i>	<i>Payment of Principal (expressed in dollars) *</i>
April 15, 1963	\$850,000	October 15, 1973	\$894,000
October 15, 1963	850,000	April 15, 1974	922,000
April 15, 1964	850,000	October 15, 1974	951,000
October 15, 1964	850,000	April 15, 1975	980,000
April 15, 1965	850,000	October 15, 1975	1,011,000
October 15, 1965	850,000	April 15, 1976	1,043,000
April 15, 1966	563,000	October 15, 1976	1,075,000
October 15, 1966	581,000	April 15, 1977	1,109,000
April 15, 1967	599,000	October 15, 1977	1,143,000
October 15, 1967	618,000	April 15, 1978	1,179,000
April 15, 1968	637,000	October 15, 1978	1,216,000
October 15, 1968	657,000	April 15, 1979	1,254,000
April 15, 1969	678,000	October 15, 1979	1,293,000
October 15, 1969	699,000	April 15, 1980	1,334,000
April 15, 1970	721,000	October 15, 1980	1,375,000
October 15, 1970	743,000	April 15, 1981	1,418,000
April 15, 1971	766,000	October 15, 1981	1,462,000
October 15, 1971	790,000	April 15, 1982	1,508,000
April 15, 1972	815,000	October 15, 1982	1,555,000
October 15, 1972	840,000	April 15, 1983	1,604,000
April 15, 1973	867,000		

* To the extent that any part of the Loan is repayable in a currency other than dollars (see Loan Regulations, Section 3.02), 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 part of the principal amount of the Loan pursuant to Section 2.05 (b) of the Loan Regulations or on the redemption of any Bond prior to its maturity pursuant to Section 6.16 of the Loan Regulations :

<i>Time of Prepayment or Redemption</i>	<i>Premium</i>
Not more than 3 years before maturity	½%
More than 3 years but not more than 6 years before maturity	1 ½%
More than 6 years but not more than 11 years before maturity	2 ½%
More than 11 years but not more than 16 years before maturity	3 ¼%
More than 16 years but not more than 20 years before maturity	5%
More than 20 years before maturity	6 ¼%

SCHEDULE 2

DESCRIPTION OF PROJECT

The Project is a four-lane, divided, limited access expressway, including service areas, bus stops and interchanges, between a point called Amagasaki-interchange, north-west of Amagasaki, and a point called Ritto-interchange, east of Otsu. The expressway will be about 72 kilometers long. The Project also includes the equipment, buildings and other permanent facilities necessary for the maintenance and operation of this expressway after its completion.

SCHEDULE 3

MODIFICATIONS OF LOAN REGULATIONS No. 4

For the purposes of this Agreement the provisions of Loan Regulations No. 4 of the Bank, dated June 15, 1956, shall be deemed to be modified as follows :

(a) By the deletion of Section 2.02.

(b) By the deletion of the first two sentences of Section 3.01.

(c) By the addition to Section 3.05, at the end thereof, of the following sentence :

“ If a withdrawal is applied for on account of expenditures in the currency of the Guarantor, the value of the currency of the Guarantor in terms of the currency or currencies to be withdrawn shall be as reasonably determined by the Bank. ”

(d) By the deletion of Section 4.01 and the substitution therefor of the following Section :

“ SECTION 4.01. *Withdrawal from the Loan Account.* The Borrower shall be entitled, subject to the provisions of these Regulations to withdraw from the Loan Account, in such currencies (other than the currency of the Guarantor) as may be agreed upon by the Bank and the Borrower, amounts equivalent to a percentage to be agreed upon between the Bank and the Borrower of such amounts as shall have been expended on and after April 1, 1959 for the reasonable cost of goods to be financed under the Loan Agreement; provided that the Bank and the Borrower may make arrangements for advances on account of such withdrawals. Except as shall be otherwise agreed between the Bank and the Borrower, no withdrawal shall be made on account of expenditures in the territories of any country, other than Switzerland, which is not a member of the Bank, or for goods produced in (including services supplied from) such territories. ”

(e) By the deletion of Section 4.02.

(f) By the deletion of the first sentence of Section 4.03 and the substitution therefor of the following sentence :

“ When the Borrower shall desire to withdraw any amount from the Loan Account, the Borrower shall deliver to the Bank a written application in such form, and containing such statements and agreements, as the Bank shall reasonably request. ”

g) By the deletion of the last paragraph of Section 5.02 and the substitution therefor of the following paragraph :

“ The right of the Borrower to make withdrawals from the Loan Account shall continue to be suspended in whole or in part, as the case may be, until the event or events which gave rise to such suspension shall have ceased to exist or until the Bank shall have notified the Borrower that the right to make withdrawals has been restored, whichever is the earlier; provided, however, that in the case of any such notice of restoration, the right to make withdrawals shall be restored only to the extent and subject to the conditions specified in such notice, and no such notice shall affect or impair any right, power or remedy of the Bank in respect of any other or subsequent event described in this Section. ”

(h) By the deletion of Section 5.04.

(i) By the deletion of Section 9.03 and the substitution therefor of the following Section :

“ SECTION 9.03. *Effective Date.* Notwithstanding the provisions of Section 8.01, except as shall be otherwise agreed by the Bank and the Borrower, the Loan Agreement and Guarantee Agreement shall come into force and effect on the date upon which the Bank dispatches to the Borrower and the Guarantor notice of its acceptance of the evidence required by Section 9.01. ”

(j) By the deletion in Section 10.01 of paragraph 12 and the substitution therefor of the following paragraph :

“ 12. The term ‘ Project ’ means the project for which the Loan is granted, as described in Schedule 2 to the Loan Agreement and as the description thereof shall be amended from time to time by agreement between the Bank and the Borrower with the concurrence of the Guarantor. ”

(k) By the deletion in Section 10.01 of paragraph 14 and the substitution therefor of the following paragraph :

“ 14. The term ‘ external debt ’ means any debt payable in any medium other than currency of the Guarantor, whether such debt is or may become payable absolutely or at the option of the creditor in such other medium. ”

LETTER RELATING TO THE LOAN AGREEMENT

NIHON DORO KODAN
(JAPAN HIGHWAY PUBLIC CORPORATION)
MINATO-KU, TOKYO, JAPAN

March 17, 1960

International Bank for Reconstruction
and Development
1818 H Street, N.W.
Washington 25, D. C.

Gentlemen :

We refer to Section 3.01 of the Loan Agreement (*Amagasaki-Ritto Expressway Project*) of even date¹ between us and to Section 4.01 of Loan Regulations No. 4 dated June 15, 1956¹ as amended² by such Agreement.

There is attached hereto a List of Goods to be purchased out of the proceeds of the Loan to which we request your agreement in accordance with Section 3.01 of said Loan Agreement.

We also request your agreement pursuant to Section 4.01 of the Loan Regulations as amended that the Bank finance 45% of such amounts as shall have been expended on these listed goods on or after April 1, 1959. It is understood that such percentage may be adjusted if in the future there are significant changes in this list of goods or in the amount of estimated expenditures for the goods listed.

Section 4.01 of the Loan Regulations as amended provides, among other things, that withdrawals from the Loan Account shall be "in such currencies (other than the currency of the Guarantor) as may be agreed upon by the Bank and the Borrower." This letter will confirm that, pursuant to this Section, in making withdrawals we shall be prepared to accept United States dollars, pounds sterling or other currencies freely convertible by Japan into dollars or pounds sterling.

Please confirm your agreement with the foregoing by signing and returning to us the enclosed copy of this letter.

Very truly yours,

Nihon Doro Kodan :
By Michizo KISHI
Authorized Representative

Confirmed:
International Bank for
Reconstruction and Development :
By J. Burke KNAPP

¹ See p. 54 of this volume.

² See p. 66 of this volume.

AMAGASAKI-RITTO EXPRESSWAY PROJECT LOAN (No. JA)

LIST OF GOODS

Payments for acquisition of right of way, services of construction contractors,
materials to be supplied by Nihon Doro Kodan to contractors and
special equipment to be purchased by Nihon Doro Kodan for use of
contractors \$40,000,000
