

No. 16237

**UNITED STATES OF AMERICA
and
REPUBLIC OF KOREA**

**Loan Agreement—Korea — SNU Graduate Program of
Basic Science. Signed at Seoul on 13 September 1975**

Authentic text: English.

Registered by the United States of America on 27 January 1978.

**ÉTATS-UNIS D'AMÉRIQUE
et
RÉPUBLIQUE DE CORÉE**

**Accord de prêt — Corée — Programme de l'Université
nationale de Séoul relatif à l'enseignement des sciences
fondamentales. Signé à Séoul le 13 septembre 1975**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 27 janvier 1978.

**LOAN AGREEMENT¹ (KOREA—SNU GRADUATE PROGRAM OF
BASIC SCIENCE) BETWEEN THE REPUBLIC OF KOREA AND
THE UNITED STATES OF AMERICA**

Dated: September 13, 1975

A.I.D. Loan No. 489-V-091
Project No. 489-22-660-709

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¹ Came into force on 13 September 1975 by signature.

LOAN AGREEMENT

LOAN AGREEMENT, dated September 13, 1975, between the GOVERNMENT OF THE REPUBLIC OF KOREA (hereinafter called the "Borrower") and the UNITED STATES OF AMERICA, acting through the AGENCY FOR INTERNATIONAL DEVELOPMENT (hereinafter called "A.I.D.").

Article I. THE LOAN

Section 1.1. THE LOAN. A.I.D. hereby agrees to lend to the Borrower, pursuant to the Foreign Assistance Act of 1961, as amended, an amount of not to exceed Five Million United States Dollars (\$5,000,000), to assist in financing the reasonable foreign exchange costs of certain goods and services required for the Project as defined in Section 1.2 hereof. Goods and services financed hereunder are hereinafter referred to as "Eligible Items," and the aggregate amount disbursed hereunder is hereinafter referred to as "Principal."

Section 1.2. PROJECT. As used in this Agreement, the "Project" shall mean an education project involving the Seoul National University ("SNU"). The basic purpose of the Project is to enable SNU to produce, in Korea, faculty and graduates in the basic sciences who are fully qualified by international standards to staff Korea's colleges, research institutes and industry. This purpose will be pursued primarily through intensive academic training and research both in Korea (with the assistance of eminent U.S.-trained academicians including Koreans presently in the United States) and in the United States (by sending outstanding Korean scholars to the United States for higher academic training or refreshing). The Project shall also include the procurement of library materials and graduate laboratory equipment and related equipment, materials, supplies and services.

This Loan shall be used to finance the foreign exchange costs of educational equipment, related materials, supplies, and services, library books and materials, and related educational technical assistance, including the costs of certain international travel, needed to implement the Project. The goods and services to be financed under this Loan shall be listed in the Implementation Letters referred to in Section 9.2 ("Implementation Letters").

Article II. BORROWER REPAYMENT TERMS AND INTEREST

Section 2.1. INTEREST. The Borrower will pay semi-annually to A.I.D., in dollars, interest on the outstanding balance of the Principal and on any due and unpaid interest. Such interest shall accrue from the dates of the respective disbursements hereunder, the first such interest payment to be due and payable no later than six (6) months after the first such disbursement on a date to be specified by A.I.D. Interest will accrue at a rate of two percent (2%) per annum for ten (10) years after the first disbursement hereunder and at a rate of three percent (3%) per annum thereafter; all interest hereunder shall be computed on the basis of a three hundred sixty-five (365) day year. Disbursements hereunder will be deemed to occur on the date on which payment by A.I.D. is made either directly to the Borrower or its designee or to a banking institution pursuant to a commitment document.

Section 2.2. PRINCIPAL. The Borrower shall repay the Principal to A.I.D. in United States dollars within forty (40) years from the date of the first disbursement hereunder in sixty-one (61) approximately equal semi-annual install-

ments. The first installment of principal shall be payable nine and one-half (9^{1/2}) years after the date on which the first interest payment is due in accordance with Section 2.1. Upon completion of disbursements, A.I.D. will furnish the Borrower with an amortization schedule in accordance with this Section.

Section 2.3. APPLICATION AND PLACE OF PAYMENT. All payments shall be applied first to the payment of any interest due and unpaid and then to the repayment of Principal. Except as A.I.D. may otherwise agree in writing, all such payments shall be made to the Controller, United States Agency for International Development, Washington, D.C., and shall be deemed to have been paid when there received.

Section 2.4. PREPAYMENT. The Borrower shall have the right to prepay, without penalty, on any date on which interest is due, all or any part of the Principal. Any prepayment shall be applied first to the payment of any accrued and unpaid interest and then to the remaining installments of Principal in the inverse order of their maturity.

Article III. CONDITIONS PRECEDENT TO DISBURSEMENT

Section 3.1. CONDITIONS PRECEDENT TO FINANCING THE SERVICES OF THE PROJECT COORDINATOR. Unless A.I.D. otherwise agrees in writing, prior to the issuance of the first letter of commitment or other commitment document for the services of the Project Coordinator, the Borrower shall furnish A.I.D., in form and substance satisfactory to A.I.D.:

- (a) an opinion of the Minister of Justice of the Borrower that this Loan Agreement has been duly authorized or ratified by, and executed on behalf of, the Borrower and is a valid and legally binding obligation of the Borrower in accordance with its terms;
- (b) the names of the persons who will act as the representatives of the Borrower pursuant to Section 9.1 hereof, together with evidence of their authority and a specimen signature of each such person, certified as to its authenticity by either the person rendering the legal opinion pursuant to Section 3.1.(a) or the person executing this Loan Agreement;
- (c) evidence of the establishment of a standing committee for the graduate program in the basic sciences at SNU to be responsible for the detailed planning, implementation, and periodic evaluation of the Project and coordination of activities related thereto; and
- (d) an executed contract for the services of the Project Coordinator.

Section 3.2. CONDITIONS PRECEDENT TO FINANCING OTHER THAN THE SERVICES OF THE PROJECT COORDINATOR. Unless A.I.D. otherwise agrees in writing, prior to the issuance of letters of commitment or other commitment documents for procurement of Eligible Items, other than those in Sections 3.1, 3.3, and 3.4, the Borrower shall have met the conditions precedent in Section 3.1, and in addition the Borrower shall furnish to A.I.D., in form and substance satisfactory to A.I.D., a Project Implementation and Evaluation Plan which will include among other things (i) a plan for the overall development of the graduate program in natural sciences and mathematics at SNU; (ii) a time-phased plan for implementation of each Project element; and (iii) a financial plan for the Project detailing the Borrower's contributions to the Project during the disbursement period of the Loan.

Section 3.3. CONDITIONS PRECEDENT TO FINANCING THE EQUIPMENT AND MATERIALS. Unless A.I.D. otherwise agrees in writing, prior to the issuance of the first letter of commitment or other commitment document for the procurement of equipment and materials under the Loan, the Borrower shall have met the conditions precedent in Sections 3.1 and 3.2, and in addition the Borrower shall furnish to A.I.D., in form and substance satisfactory to A.I.D., a list of the equipment and materials to be procured and a plan for equipment maintenance.

Section 3.4. CONDITIONS PRECEDENT TO FINANCING THE TRAINING. Unless A.I.D. otherwise agrees in writing, prior to the issuance of the first letter of commitment or other commitment document for the advance preparation of SNU faculty in the United States under the Loan, the Borrower shall have met the conditions precedent in Sections 3.1 and 3.2, and in addition the Borrower shall furnish to A.I.D., in form and substance satisfactory to A.I.D., a staff development plan for all prospective participants.

Section 3.5. TERMINAL DATE FOR FULFILLMENT OF CONDITIONS PRECEDENT. Except as A.I.D. may otherwise agree in writing, if the conditions required by Section 3.1 have not been satisfied within one hundred and twenty (120) days after the date of execution of this Loan Agreement, or if the conditions required by Sections 3.2, 3.3 and 3.4 have not been satisfied within nine (9) months after the date of the execution of this Loan Agreement, A.I.D. may at any time thereafter terminate this Agreement by giving notice to the Borrower. Upon such termination, and notwithstanding any other provisions of this Loan Agreement, the Borrower shall repay to A.I.D. the unpaid Principal, if any, and any accrued interest. Upon full payment in accordance with the foregoing, all other obligations of the Borrower and A.I.D. under this Agreement shall cease.

Section 3.6. NOTIFICATION OF MEETING OF CONDITIONS PRECEDENT. A.I.D. shall notify the Borrower upon its determination that the conditions precedent specified in Sections 3.1, 3.2, 3.3, and 3.4 have been met.

Article IV. DISBURSEMENTS

Section 4.1. REQUESTS FOR LETTERS OF COMMITMENT. To obtain disbursements, the Borrower may from time to time request A.I.D. to issue, and subject to the provisions of this Loan Agreement, A.I.D. shall issue letters of commitment to one or more banks in the United States designated by the Borrower and satisfactory to A.I.D., committing A.I.D. to reimburse such bank or banks for payments made, through letters of credit or otherwise, to the Borrower or any designee of the Borrower, pursuant to such documentation or requirements as A.I.D. may specify.

Section 4.2. OTHER FORMS OF DISBURSEMENT. Disbursements may also be made through such other means as the Borrower and A.I.D. may agree in writing.

Section 4.3. TERMINAL DATE FOR REQUESTS FOR COMMITMENT DOCUMENTS AND FOR DISBURSEMENT. Except as A.I.D. may otherwise agree in writing, no letters of commitment or other commitment documents shall be issued in response to requests received by A.I.D. after forty-eight (48) months, and no disbursements shall be made against documentation received after sixty (60) months, from the date of execution of this Loan Agreement.

Article V. PARTICULAR COVENANTS AND WARRANTIES
CONCERNING THE PROJECT

Section 5.1. BORROWER'S COVENANTS. Except as A.I.D. may otherwise agree in writing, the Borrower covenants and agrees that it shall:

- (a) carry out the Project, or cause the Project to be carried out, with due diligence and efficiency, and in conformity with sound financial, administrative and management practices. The Borrower shall further carry out the Project, or cause the Project to be carried out, in accordance with any contracts and procurement arrangements, and modifications thereto, approved by A.I.D. pursuant to this Agreement;
- (b) except as A.I.D. shall otherwise specify in Implementation Letters, submit to A.I.D. for its approval:
 - 1) all bid documents and documents concerning the solicitation of proposals relating to the goods and services financed under the Loan, and any modifications thereof, prior to their issuance; and
 - 2) all contracts financed under the Loan, and any modifications thereof, prior to their execution;
- (c) adequately maintain, repair and operate, in accordance with sound educational and operational practices, all equipment financed by the Loan;
- (d) adhere to the financial plan submitted in satisfaction of Section 3.2 of this Loan;
- (e) provide all other resources, in addition to this Loan and the Korean won requirements, necessary for the punctual and effective carrying out of the Project. In no event shall the Borrower's contribution hereunder be less than twenty-five percent (25%) of the funds contributed to the Project;
- (f) participate in, and provide supporting facilities to carry out, evaluation of the Project during the disbursement phase of the Loan;
- (g) follow through after the completion of disbursements of the Loan in evaluating the extent to which the completed Project is contributing to the sector goal.

Article VI. GENERAL COVENANTS, WARRANTIES AND AGREEMENTS

Section 6.1. UTILIZATION OF ELIGIBLE ITEMS. Except as A.I.D. may agree otherwise in writing, all Eligible Items shall be used exclusively in carrying out the Project. This restriction shall apply only until such time as such goods can no longer be usefully employed for the Project, provided that no goods financed hereunder shall be exported from the Republic of Korea without the prior written approval of A.I.D., and provided further that no Eligible Items shall at any time be used to promote or assist any project or activity associated with or financed by any country not included in Code 935 of the *A.I.D. Geographic Code Book* as in effect at the time of such projected use except with the prior written consent of A.I.D.

Section 6.2. INFORMATION AND MARKING. The Borrower shall give publicity to the Loan provided for herein and the Project as a program of United States aid as prescribed in Implementation Letters.

Section 6.3. NOTICE OF MATERIAL DEVELOPMENTS. The Borrower represents and warrants that it has disclosed to A.I.D. all circumstances which

may materially affect the Project or the discharge of its obligations under this Loan Agreement, and shall inform A.I.D. of any conditions which may constitute a default hereunder or which interfere, or which it is reasonable to believe may interfere, with the Project or the discharge of any of its obligations hereunder.

Section 6.4. INSPECTIONS. The authorized representatives of A.I.D. shall have the right at all reasonable times, whether prior to completion of the Project or subsequent thereto, to inspect the Project, the utilization of all Eligible Items, the books and records referred to in Section 6.8 and any other documents, correspondence, memoranda, or records relating to the Loan provided for herein or to the Project. The Borrower shall cooperate with A.I.D. to facilitate such inspections and shall afford a reasonable opportunity for authorized representatives of A.I.D. to visit any part of the Republic of Korea for any purpose related to the Loan provided for herein.

Section 6.5. TAXES AND DUTIES. This Agreement, the Loan, and any evidences of indebtedness issued in connection herewith shall be free from, and the Principal and interest shall be paid without deduction for and free from, any taxation or fees imposed under the laws in effect within the country of the Borrower. To the extent that (a) any contractor, including any consulting firm, any personnel of such contractor financed hereunder, and any property or transactions relating to such contracts and (b) any commodity procurement transaction financed hereunder, are not exempt from identifiable taxes, tariffs, duties, and other levies imposed under laws in effect in the country of the Borrower, the Borrower shall, as and to the extent prescribed in and pursuant to Implementation Letters, pay or reimburse the same under Section 5.1.(e) of this Agreement with funds other than those provided under the Loan.

Section 6.6. COMMISSIONS, FEES AND OTHER PAYMENTS. The Borrower warrants and covenants that in connection with obtaining the Loan provided for herein or taking any action under or with respect to this Loan Agreement, it has not paid, and will not pay or agree to pay, nor to the best of its knowledge has there been paid or will there be paid or agreed to be paid by any other person or entity, commissions, fees or other payments of any kind, except as regular compensation to the Borrower's full-time officers and employees or as compensation for bona fide professional, technical or other comparable services. The Borrower shall promptly report to A.I.D. any payment or agreement to pay for such bona fide professional, technical or comparable services to which it is a party or of which it has knowledge (indicating whether such payment has been made or is to be made on a contingent basis), and if the amount of any such payment is deemed unreasonable by A.I.D., the party concerned shall cause a reduction satisfactory to A.I.D. to be made therein.

Section 6.7. RENEGOTIATION OF TERMS OF THE LOAN. The Borrower agrees to negotiate with A.I.D. at such time or times as A.I.D. may request, an acceleration of the repayment of the Loan in the event that there is any significant improvement in the internal and external economic and financial position and prospects of the country of the Borrower.

Section 6.8. MAINTENANCE AND AUDIT OF RECORDS. The Borrower shall maintain, or cause to be maintained, in accordance with sound accounting principles and practices consistently applied, books and records relating to the

Project and to this Loan Agreement. Such books and records shall, without limitation, be adequate to show:

- (a) the receipt and use made of Eligible Items;
- (b) the progress of the Project; and
- (c) current data covering operations.

Such books and records shall be regularly audited, in accordance with sound auditing standards, for such period and at such intervals as A.I.D. may require, and shall be maintained for five (5) years after the date of the last disbursement by A.I.D. or until all sums due A.I.D. under this Loan Agreement have been paid, whichever date shall first occur.

Section 6.9. REPORTS. The Borrower will furnish A.I.D. with such information and reports relating to the Project, Eligible Items, and the Loan provided for herein as A.I.D. may reasonably request.

Section 6.10. CONTINUING CONSULTATION. The Borrower and A.I.D. shall cooperate fully to assure that the purpose of the Loan will be accomplished. To this end, the Borrower and A.I.D. shall from time to time, at the request of either party, exchange views through their representatives with regard to the progress of the Project, the performance by the Borrower of its obligations under this Agreement, the performance of the consultants, contractors, and suppliers engaged on the Project, and other matters relating to the Project.

Article VII. COVENANTS CONCERNING PROCUREMENT

Section 7.1. PROCUREMENT SOURCE AND ORIGIN. (a) Except as A.I.D. may otherwise agree in writing and except as provided in Section 7.6 herein for marine insurance, all Eligible Items, including transportation services, shall have both their source and origin in those countries noted as eligible under Code 941 of the *A.I.D. Geographic Code Book* as in effect at the time orders are placed or contracts are entered into for such Eligible Items. Transportation services shall be deemed to have their source and origin in such countries if procured from a flag carrier registered in any of such countries.

(b) All other goods and services obtained for the Project but not financed by A.I.D., except transportation services, shall have their source and origin in countries included in Code 935 of the *A.I.D. Geographic Code Book* as in effect at the time such goods or services are procured. In addition to the ocean shipment requirement of Section 7.5 hereunder, all Eligible Items shall be transported to Korea on carriers of countries included in the said Code 935 as in effect at the time such transportation is procured. This covenant shall be construed in accordance with A.I.D. regulations as from time to time amended.

Section 7.2. DATE OF PROCUREMENT. Except as A.I.D. may otherwise agree in writing, no goods or services may be financed hereunder which arise out of orders or contracts firmly placed or entered into prior to the date of this Loan Agreement.

Section 7.3. PORT CHARGES. With respect to transportation services that constitute Eligible Items, A.I.D. will finance under the Loan ninety percent (90%) of all ocean freight costs of each shipment, and ninety-eight percent (98%) of such costs on any shipment under freeout terms. The remaining ten percent (10%), or two percent (2%) of freeout shipments, represent port charges in the

Republic of Korea and the Borrower covenants that it shall make available foreign exchange to finance said port charges in accordance with such rules and procedures as A.I.D. may prescribe in Implementation Letters.

Section 7.4. SMALL BUSINESS NOTIFICATION. In order that American small business shall have the opportunity to participate in furnishing Eligible Items, unless A.I.D. shall otherwise agree in writing, the Borrower shall, prior to ordering or contracting for any Eligible Item estimated to have a unit cost more than the equivalent of Five Thousand United States dollars (\$5,000) as A.I.D. may specify, cause to be received by A.I.D. such information concerning Eligible Items as A.I.D. may require.

Section 7.5. OCEAN SHIPMENT. At least fifty percent (50%) of the gross tonnage of all Eligible Items (computed separately for dry bulk carriers, dry cargo liners, and tankers) which shall be transported on ocean vessels shall be transported on privately owned United States flag commercial vessels, unless A.I.D. shall determine that such vessels are not available at fair and reasonable rates for United States-flag commercial vessels. In addition, at least fifty percent (50%) of the gross freight revenue generated by all shipments financed under the Loan and transported on dry cargo liners shall be paid to or for the benefit of privately-owned United States-flag commercial vessels. No goods may be financed hereunder which are transported on any ocean vessel or aircraft (a) designated by A.I.D. as ineligible to carry A.I.D.-financed commodities, or (b) which has been chartered for the carriage of A.I.D.-financed commodities unless such charter has been approved in advance by A.I.D.

Section 7.6. MARINE INSURANCE. (a) Marine insurance may be financed under the Loan provided (i) such insurance is placed at the lowest available competitive rate in the Republic of Korea or any country noted as eligible under Code 941 of the *A.I.D. Geographic Code Book* as in effect at the time of placement, and (ii) claims thereunder are payable in United States dollars or other freely convertible currency.

(b) If in connection with the placement of marine insurance on shipments financed under United States legislation authorizing assistance to other nations, the Republic of Korea, by statute, decree, rule or regulation, favors any insurance company of any country over any marine insurance company authorized to do business in any state of the United States, goods financed hereunder shall during the continuance of such discrimination be so insured in the United States with a company or companies authorized to do a marine insurance business in any state of the United States of America.

Section 7.7. EMPLOYMENT OF CONTRACT PERSONNEL. The employment of personnel to perform services under contracts financed hereunder, in whole or in part, will be subject to all applicable United States legislation and such regulations as A.I.D. may from time to time promulgate or specify, including security clearances and limitations on the employment of nationals of countries other than the Republic of Korea and countries noted as eligible under Code 941 of the *A.I.D. Geographic Code Book*, as in effect at the time orders are placed or contracts are entered into for such personnel; and, except as A.I.D. may otherwise direct, all such contracts shall include provisions necessary to implement such legislation and regulations.

Section 7.8. REASONABLE PRICE. No more than reasonable prices shall be paid for any goods or services financed, in whole or in part, under the Loan, as more fully described in Implementation Letters. Such items shall be procured on a fair and, except for professional services, on a competitive basis.

Article VIII. CANCELLATION AND SUSPENSION

Section 8.1. CANCELLATION BY THE BORROWER. The Borrower may, with the prior written consent of A.I.D., by written notice to A.I.D., cancel any part of the Loan which, prior to the giving of such notice, A.I.D. has not disbursed or committed itself to disburse.

Section 8.2. EVENTS OF DEFAULT; ACCELERATION. If any one or more of the following events ("Events of Default") shall occur:

- (a) the Borrower shall fail to pay in full any interest payment or installment of Principal required under this Agreement when the same shall become payable by it;
- (b) the Borrower shall fail to comply with any other provision contained herein applicable to it;
- (c) any representation or warranty made by or on behalf of the Borrower with respect to obtaining the Loan provided for herein or made or required to be made hereunder is incorrect in any material respect;
- (d) a material default shall have occurred after the date hereof, and not been remedied after notice, under any other loan agreement between the Borrower and A.I.D.;

then A.I.D., at its option, may declare all or any part of the unrepaid Principal under the Loan provided for herein to be due and payable immediately, and upon any such declaration, unless the default may be cured and is cured within sixty (60) days thereafter, such Principal and all interest accrued thereon shall become immediately due and payable.

Section 8.3. TERMINATION OF DISBURSEMENTS. In the event that at any time:

- (a) an Event of Default has occurred and has not been remedied as provided above; or
- (b) an event occurs that A.I.D. determines to be an extraordinary situation which makes it improbable that the purposes of the Loan provided for herein will be attained or that the Borrower will be able to or will perform its obligations hereunder; or
- (c) any disbursement would be in violation of the legislation governing A.I.D.;

then A.I.D. at its option, after notice to the Borrower, may (i) decline to issue further commitment documents, (ii) suspend or cancel outstanding commitment documents to the extent that they have not been utilized, giving notice to the Borrower thereof, and (iii) decline to make other disbursements.

Section 8.4. CANCELLATION BY A.I.D. Following any suspension of disbursements pursuant to Section 8.3, if the cause or causes for such suspension of disbursements shall not have been eliminated or corrected within sixty (60) days from the date of such suspension, A.I.D. may, at its option, at any time or times thereafter, cancel all or any part of the Loan that is not then disbursed.

Section 8.5. CONTINUED EFFECTIVENESS OF AGREEMENT. Notwithstanding any cancellation, suspension of disbursement, or acceleration of repayment, the provisions of this Agreement shall continue in full force and effect until the payment in full of all Principal and any accrued interest hereunder.

Section 8.6. REFUNDS. (a) In the case of any disbursement not supported by valid documentation in accordance with the terms of this Agreement, or of any disbursement not made or used in accordance with the terms of this Agreement, A.I.D., notwithstanding the availability or exercise of any of the other remedies provided for under this Agreement, may require the Borrower to refund such amount in United States dollars to A.I.D. within thirty (30) days after receipt of a request therefor. Such amount shall be made available first for the cost of goods and services procured for the Project hereunder, to the extent justified; the remainder, if any, shall be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder. Notwithstanding any other provision in this Agreement, A.I.D.'s right to require a refund with respect to any disbursement under the Loan shall continue for five (5) years following the date of such disbursement.

(b) In the event that A.I.D. receives a refund from any contractor, supplier, or banking institution, or from any other third party connected with the Loan, with respect to goods or services financed under the Loan, and such refund relates to an unreasonable price for goods or services, or to goods that did not conform to specifications, or to services that were inadequate, A.I.D. shall first make such refund available for the cost of goods and services procured for the Project hereunder, to the extent justified, the remainder to be applied to the installments of Principal in the inverse order of their maturity and the amount of the Loan shall be reduced by the amount of such remainder.

Section 8.7. NON-WAIVER OF REMEDIES. No delay in exercising or omission to exercise any right, power or remedy accruing to A.I.D. under this Loan Agreement shall be construed as a waiver of any such right, power or remedy.

Section 8.8. EXPENSES OF COLLECTION. All reasonable costs incurred by A.I.D. (other than salaries of its staff) after an Event of Default has occurred, in connection with the collection of amounts due under this Loan Agreement, may be charged to the Borrower and reimbursed as A.I.D. shall specify.

Article IX. MISCELLANEOUS

Section 9.1. DESIGNATION OF REPRESENTATIVES. (a) All actions required or permitted to be performed or taken under this Loan Agreement by the Borrower or A.I.D. may be performed by their respective duly authorized representatives.

(b) The Borrower hereby designates the Minister, Economic Planning Board, as its respective representative with authority to designate in writing other representatives in their dealings with A.I.D. The representatives designated in or pursuant to the preceding sentence, unless A.I.D. is given notice otherwise, shall have authority to agree, on behalf of the Borrower respectively, to any modification of this Loan Agreement. Until receipt by A.I.D. of written notice of revocation of the authority of any such representative, A.I.D. may accept the

signature of such representative on any instrument as conclusive evidence that any action effected by such instrument is authorized by the party on whose behalf such representative purports to act.

Section 9.2. IMPLEMENTATION LETTERS. A.I.D. shall from time to time issue Implementation Letters that will prescribe the procedures applicable hereunder in connection with the implementation of this Loan Agreement.

Section 9.3. COMMUNICATIONS. Any communication or document given, made or sent by the Borrower or A.I.D. pursuant to this Loan Agreement shall be in writing and shall be deemed to have been duly given, made or sent to the party to which it is addressed when it shall be delivered by hand or by mail, telegram, cable or radiogram to such party at its following address:

To the Borrower:

Mail Address: Minister of Economic Planning Board
Government of the Republic of Korea
Seoul, Korea

To A.I.D.:

Mail Address: Director
United States Agency for International Development
Seoul, Korea

Other addresses may be substituted for the above upon giving of notice as provided herein.

All communications and documents submitted to A.I.D. hereunder shall be in English, and all technical and engineering specifications therein shall be in English except as A.I.D. may otherwise agree in writing.

EXECUTED at Seoul, Korea on the date first above written.

United States of America:

By: MICHAEL H. B. ADLER
Title: Director

The Republic of Korea:

By: NAM DUCK-WOO
Title: Deputy Prime Minister
