

March 22, 1982

LOAN AND PROJECT AGREEMENT

**dated 22 MAR 1982 between KREDITANSTALT FUR WIEDERAUFBAU and the
REPUBLIC OF THE PHILIPPINES and the NATIONAL HOUSING AUTHORITY
for DM 10,000,000.--**

- Resettlement Dasmariñas -

LOAN AND PROJECT AGREEMENT

between

KREDITANSTALT FUR WIEDERAUFBAU, Frankfurt am Main,
("Kreditanstalt") on the one part

and the

REPUBLIC OF THE PHILIPPINES
("Borrower")

and the

NATIONAL HOUSING AUTHORITY, Quezon City,
("Project Sponsor")
on the other part.

On the basis of the agreements dated December 13, 1978 and August 29, 1980 between the Government of the Federal Republic of Germany and the Government of the Republic of the Philippines on financial co-operation ("Government Agreements"), and the exchange of notes dated February 24, 1982 the Borrower, the Project Sponsor, and Kreditanstalt hereby conclude the following Loan and Project Agreement:

ARTICLE 1

Amount and Purpose of the Loan 1.1 Kreditanstalt undertakes to extend to the Borrower a Loan not exceeding

DM 10,000,000.-- (in words: ten million Deutsche Mark).

1.2 The Borrower shall channel the Loan in full to the Project Sponsor according to Article 2. The Project Sponsor shall use the Loan exclusively for Resettlement Dasmariñas, Area E, ("Project") and primarily to pay the foreign exchange costs. By separate agreement, the Project Sponsor and Kreditanstalt shall determine the details of the Project as well as the goods and services to be financed from the Loan.

1.3 Taxes and other public charges to be borne by the Project Sponsor and import duties shall not be financed from the Loan.

ARTICLE 2

Channelling of the Loan to the Project Sponsor

2.1 The Borrower shall channel the Loan to the Project Sponsor under a subsidiary loan agreement on the terms and conditions laid down in Article 4, sections 4.1, 4.2, 4.3 and 4.4.

2.2 Prior to the first disbursement from the Loan, the Borrower shall furnish Kreditanstalt with a copy of the loan agreement specified in Article 2.1.

2.3 The channelling of the Loan shall not constitute any liability of the Project Sponsor vis-a-vis Kreditanstalt for payment obligations under this Agreement.

ARTICLE 3

Disbursement

3.1 Kreditanstalt shall disburse the Loan upon request of the Project Sponsor in accordance with the progress of the Project. By separate agreement, the Project Sponsor and Kreditanstalt shall agree on the disbursement procedure, in particular on the evidence to be furnished by the Project Sponsor for the disbursement of the Loan, proving the use of the loan amounts for the purpose stipulated in this Agreement.¹² Philippines, Mar 3.2 Kreditanstalt shall have the right to refuse to make disbursements after December 31, 1985.

3.3 The Borrower shall be entitled to cancel any loan amounts which have not yet been requested, if Kreditanstalt and the Project Sponsor have consented thereto.

ARTICLE 4

Commitment Charge, Interest, and Repayments 4.1 The Borrower shall pay a commitment charge of 1/4 % p.a. (one quarter of one per cent per annum) on undisbursed loan amounts. The commitment charge shall be computed for a period beginning three months after the signing of this Agreement and ending at the respective dates at which disbursements are debited.

4.2 The Borrower shall pay interest on the Loan at a rate of 2 % p.a. (two per cent per annum). Interest shall be charged from the dates at which disbursements are debited to the dates at which repayments are credited to Kreditanstalt's account specified in Article 4.9.

4.3 The Borrower shall pay the commitment charge, the interest, and the interest on arrears pursuant to Article 4.5, if any, semi-annually on June 30 and on December 31 for the half-year then ending. The first commitment charge shall be due together with the first interest payment.

4.4 The Borrower shall repay the Loan as follows:

June	30, 1992	DM	243,000. --
December	31, 1992	DM	243,000. --

June	30, 1993	DM	243,000. --
December	31, 1993	DM	243,000. --
June	30, 1994	DM	244,000. --
December	31, 1994	DM	244,000. --
June	30, 1995	DM	244,000. --
December	31, 1995	DM	244,000. --
June	30, 1996	DM	244,000. --
December	31, 1996	DM	244,000. --
June	30, 1997	DM	244,000. --
December	31, 1997	DM	244,000. --
June	30, 1998	DM	244,000. --
December	31, 1998	DM	244,000. --
June	30, 1999	DM	244,000. --
December	31, 1999	DM	244,000. --
June	30, 2000	DM	244,000. --
June	30, 2001	DM	244,000. --
December	31, 2000	DM	244,000. --
December	31, 2001	DM	244,000. --
June	30, 2002	DM	244,000. --
December	31, 2002	DM	244,000. --
June	30, 2003	DM	244,000. --
December	31, 2003	DM	244,000. --
June	30, 2004	DM	244,000. --
December	31, 2004	DM	244,000. --
June	30, 2005	DM	244,000. --
December	31, 2005	DM	244,000. --
June	30, 2006	DM	244,000. --

December	31, 2006	DM	244,000. --
June	30, 2007	DM	244,000. --
December	31, 2007	DM	244,000. --
June	30, 2008	DM	244,000. --
December	31, 2008	DM	244,000. --
June	30, 2009	DM	244,000. --
December	31, 2009	DM	244,000. --
June	30, 2010	DM	244,000. --
December	31, 2010	DM	244,000. --
June	30, 2011	DM	244,000. --
December	31, 2011	DM	244,000. --
June	30, 2012		244,000. -- _
		DM	10,000,000. --
		=====	=====

4.5 If repayments are not at Kreditanstalt's disposal when due, Kreditanstalt shall be entitled to increase the rate of interest on arrears to the discount rate of Deutsche Bundesbank prevailing at the respective due date plus 3 % p.a. for the period beginning with the due date and ending at the date at which such repayments in default are credited. In the case of arrears of interest, Kreditanstalt shall be entitled to claim damages. Such damages shall not exceed the amount arrived at if interest on arrears were charged at the discount rate of Deutsche Bundesbank prevailing at the respective due date plus 3 % p.a.

4.6 Commitment charge, interest, and additions for default pursuant to Article 4.5, if any, shall be computed on the basis of a 360-days year and of 30-days months

4.7 Undisbursed or prematurely repaid loan amounts shall be set off against such redemption instalments as shall fall due last under the repayment schedule except as otherwise agreed upon in a particular case.

4.8 Kreditanstalt shall be entitled to set off, at its discretion, payments received against payments due under this Agreement or under other loan agreements concluded between Kreditanstalt and the Borrower.

4.9 The Borrower shall remit all payments in no other currency than Deutsche Mark to Kreditanstalt's account No. 504 091 00 with Deutsche Bundesbank, Frankfurt am Main, no set-off against such payments being permitted.

ARTICLE 5

Suspension of Disbursements and Premature Repayment

5.1 The Borrower shall be entitled at any time

(a) subject to his obligations under Article 8, to forgo any loan amounts not yet withdrawn, and

(b) to repay the Loan in whole or in part in advance of maturity.

5.2 Kreditanstalt shall be entitled to suspend disbursement only if

(a) the Borrower shall have failed to perform his obligation vis-a-vis Kreditanstalt to make payments when due;

(b) obligations under this Agreement or under separate agreements pertaining to this Agreement shall not have been duly performed;

(c) the Project Sponsor shall not be able to prove the use of the loan amounts for the purpose stipulated in this Agreement or

(d) any extraordinary situation shall have arisen which shall preclude or seriously jeopardize the accomplishment of the purpose of the Loan, the execution of the Project or the performance of the payment obligations assumed by the Borrower under this Agreement.

5.3 If any event specified in Article 5.2 (a), (b) or (c) shall have occurred and shall continue for a period to be specified by Kreditanstalt which shall, however, not be less than 30 days Kreditanstalt shall be entitled

(a) in the case of events specified in Article 5.2 (a) or 5.2 (b) to demand the immediate repayment of all loan amounts outstanding as well as payment of all interest accrued and all other incidental charges or

(b) in the case of the event specified in Article 5.2 (c) to demand the immediate repayment of such loan