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**PARLIAMENT OF THE REPUBLIC OF MACEDONIA**

Pursuant to Article 75, paragraphs 1 and 2 of the Constitution of the Republic of Macedonia, President of the Republic of Macedonia and President of the Parliament of the Republic of Macedonia issue the following

**DECREE  
ON PROMULGATION OF THE LAW ON GUARANTEE OF THE REPUBLIC OF  
MACEDONIA ON THE OBLIGATIONS FROM THE LOAN  
AGREEMENT, INTENDED FOR FINANCING OF THE PROJECT “WIND PARK BOG-  
DANCI”, TO BE CONCLUDED BETWEEN KFW DEVELOPMENT BANK OF THE FEDERAL  
REPUBLIC OF GERMANY AND AD ELEM**

Law on Guarantee of the Republic of Macedonia on the obligations from the Loan Agreement, intended for financing of the project “Wind Park Bogdanci”, to be concluded between KfW Development Bank of the Federal Republic of Germany and AD ELEM, adopted by the Parliament of the Republic of Macedonia at its session held on 6<sup>th</sup> April 2011 shall be promulgated.

No. 07-1894/1  
6<sup>th</sup> April 2011  
Skopje

President  
of the Republic of Macedonia  
**Gorge Ivanov**, in his own hand

President  
of the Parliament of the Republic  
of Macedonia  
**Trajko Veljanoski**, in his own hand

**Law on Guarantee of the Republic of Macedonia on the obligations from the Loan Agreement, intended for financing of the project “Wind Park Bogdanci”, to be concluded between KfW Development Bank of the Federal Republic of Germany and AD ELEM**

Article 1

The Republic of Macedonia shall guarantee payment of commitments and accomplishment of provisions from Loan Agreement, to be concluded between KfW Development Bank of the Federal Republic of Germany and AD ELEM, for the project “Wind Park Bogdanci” in the amount of EUR 32,900,000 according to the terms and conditions provided in the Loan

**Official Gazette of the Republic of Macedonia, no.45 dated 7<sup>th</sup> April 2011**

Agreement, in case AD ELEM does not accomplish and service obligations from the Loan Agreement.

Article 2

Conditions and manner of using the loan referred to in Article 1 of this Law shall be determined in Loan Agreement, to be concluded between KfW Development Bank of the Federal Republic of Germany and AD ELEM for the project "Wind Park Bogdanci".

Article 3

All obligations of the Loan Agreement referred to in Article 1 of this Law, as well servicing of the loan, will be committed by AD ELEM from its revenues, according to the terms and conditions provided in the Loan Agreement.

Article 4

Repayment period of the loan referred to in Article 1 of this Law shall be 12 years including 3-year grace period.

Interest rate is fixed interest rate and it shall be additionally determined two days before the day of signing the agreements.

Loan shall be repaid in semi-annual installments, falling due on 30<sup>th</sup> June and 30<sup>th</sup> December.

Article 5

Before first disbursement of the loan amount, one-time commitment fee shall be paid to the KfW Development Bank amounting to 0.5% of the loan amount.

Commitment fee of 0.25% of the loan amount shall be paid to the KfW Development Bank on annual basis.

Commitment fee referred to in paragraph 2 of this Article shall be paid semi-annually, on 30<sup>th</sup> June and 30<sup>th</sup> December each year.

If any repayment instalments are not at the disposal when due, the rate of interest on arrears may increase to the base rate disclosed by the Deutsche Bundesbank plus 3 %p.a.

In case of overdue and incomplete disbursement of loan amount by the due dead-line, will be paid such amount as is necessary to compensate KfW Development Bank for any losses, referred to in Article 1 of this Law.

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Article 6

To the end of regulating the rights and the obligations, that result from the Loan Agreement and Guarantee Agreement, the Ministry of Finance and AD ELEM undertake to conclude separate loan agreement.

Article 7

This Law shall enter into force on the day it is published in the “Official Gazette of the Republic of Macedonia”.