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"UZDONMAHSULOT" ДАВЛАТ АКЦИОНЕРЛИК КОРПОРАЦИЯСИ
ГОСУДАРСТВЕННАЯ АКЦИОНЕРНАЯ КОРПОРАЦИЯ "УЗХЛЕБОПРОДУКТ"
"UZWHEATPRODUCT" STATE STOCK CORPORATION

"UZDON"
ТАШКИ САВДО ФИРМАСИ

ВНЕШНЕТОРГОВАЯ
ФИРМА "UZDON"

"UZDON"
FOREIGN TRADE FIRM

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1997г. №

FROM: FTC "UZDON"
TO: MR. JACQUE COVO, LEGAL ADVACER OF MESSERS OF "ROMAK S.A."
LETTER N UZ - 1/2-9-206
DATE: 10.04.1997.

DEAR SIRS,

FOREIGN TRADE COMPANY "UZDON" HAVE CERFULLY STUDIED YOUR CLAIM SUBMITTED TO OUR COMPANY REGARDING DELIVERY OF 40,6 THOUSAND TONS MILLING WHEAT TO THE ADDERSS OF "UZKHLEBOPRODUCT" CORPORATION AND WE REGRET TO REJECT IT.

1. IN SPITE OF THE FACT THAT SETTLEMENT OF DISPUTES IN THE CONTRACT WITHOUT DATED AND NUMBER IS SUBJECT TO GAFTA RULE NO.125 AT THE SAME TIME WE DRAW YOUR ATTENTION THAT CONTRACT HAD BEEN SIGNED ON THE TERRITORY OF UZBEKISTAN AND ITS PERFORMANCE IS REGULATED IN FIRST TURN BY THE REPUBLICAN LEGISLATION, THIS MEANS THAT BEFORE ENTERING INTO FORCE IT IS NECESSARY TO OBSERVE CERTAIN FORMALITIES EXECUTION OF WHICH RENDERED IMPOSSIBLE DUE TO SO-COLLED "FORCE-MAJEURE" CIRCUMSTANCES SUCH CIRCUMSTANCES WERE EXPRESSED IN THE FACT THAT THE GOVERNMENT OF THE REPUBLIC OF UZBEKISTAN DID NOT ALLOCATE A QUOTA FOR PURCHASE OF CERTAIN VOLUME OF GRAIN FROM "ROMAK S.A." DUE TO THIS REASON OBSERVATION OF CERTAIN OBLIGATORY REGULATIONS UPON SIGNING THE CONTRACT BECAME IMPOSSIBLE (REGISTRATION WITH THE MINISTRY FOR FOREIGN ECONOMIC AFFAIRS, WITH THE NATIONAL BANK FOR FOREIGN ECONOMIC ACTIVITIES, WITH THE CUSTOMS COMMITTEE), WITHOUT PASSING THROUGH SUCH FORMALITIES CONTRACT, AS PER REPUBLICAN LEGISLATION, HAS NOT LEGAL VALUE WITH ALL RESULTING CONSEQUENCES (POINT 7 OF QUADRIPARTITE AGREEMENT DATED 10.07.1996 HAD REFLECTED THIS CONDITION).

2. AFOREMENTIONED CIRCUMSTANCES DO NOT DENY DELIVERY OF MILLING WHEAT BY "ROMAK S.A.", BUT AS YOU ACKNOWLEDGE YOURSELVES THE DELIVERY HAD BEEN MADE IN ACCORDANCE WITH THE INSTRUCTIONS RECEIVED FROM GAK "UZKHLEBOPRODUCT" AND NOT FROM FTC "UZDON" AND THIS EVIDENCES WHICH IS CONFIRMED BY FAX FROM "ROMAK S.A." DATED JULY 24TH 1996 WHICH INFORMS THAT WHEAT DELIVERY IS EXECUTED TO BE COUNTED UNDER CONTRACT NUMBER 6-2/005 DATED 2.10.95 BETWEEN "ODIL" COMPANY AND GAK "UZKHLEBOPRODUCT".

7/2

3. BY ITS LETTER DATED FEBRUARY 27TH 1997 FTC "UZDON" HAVE INFORMED "ROMAK S.A." THAT FTC "UZDON" REFUSES TO PAY DUE TO THE FOLLOWING REASON: CONSIDERING THE FACT THAT FTC "UZDON" HAS NO ITS OWN TURN-OVER ASSETS FOR WHEAT PAYMENT AND ACTS UNDER THE ORDER OF GAK "UZKHLEBOPRODUCT" WHICH IS THE GUARANTOR, PAYOR AND RECEIVER OF 40,581,579 MT KAZAK MILLING WHEAT SHIPPED BY "ROMAK S.A.". WE ASK YOU TO READDRESS INVOICES AND DOCUMENTARY PRESENTATION OF CREDIT SUISSE NT-68404A22, NT-683904A22, N-T683877A22 FOR TOTAL USD 13,022,922,22 TO GAK "UZKHLEBOPRODUCT" FOR PAYMENT TO BENEFICIARY.

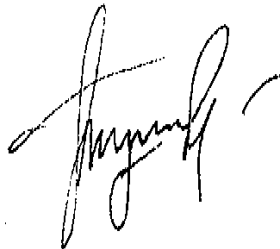
4. CONTRACT BETWEEN FTC "UZDON" AND "ROMAK S.A." BEARS REFERENCE TO GAFTA ARBITRATION RULES NO.125 ONLY IN RESPECT TO ARBITRATION DISPUTES, BUT IT BEARS NO REFERENCE THAT DELIVERY QUALITYWISE AND PAYMENTWISE TO BE EXECUTED UNDER CONTRACT NUMBERS STIPULATED IN SUCH RULES.

APART FROM THIS REPUBLIC OF UZBEKISTAN IS NOT GAFTA MEMBERS AS YOU PUT IT.

5. THEREFORE SUBMISSION OF CLAIMS TO FTC "UZDON" HAS NO LEGAL GROUNDS AS THE DELIVERY OF MILLING WHEAT TO GAK "UZKHLEBOPRODUCT" HAD BEEN DE JURO AND DE FACTO MADE WITHOUT OUR PARTICIPATION. AT THE SAME TIME AND REALIZING THAT "ROMAK S.A." SHOULD RECEIVE PAYMENT FOR THE DELIVERED GRAIN WE CONSIDERED ARBITRATION PROCEDURES AGAINST "ODIL" COMPANY OR GAK "UZKHLEBOPRODUCT".

BEST REGARDS

LAWER OF FTC "UZDON"



R.R.TULYAGANOV