

THE SCHEDULE—*continued*.

SECTION 1. Subject to the provisions of this Agreement each Bank agrees to make loans to the Commonwealth at the latter's request, from time to time from the date hereof until June 30, 1959, in an aggregate amount not exceeding the amounts set forth below opposite its name:

Bank of America National Trust & Savings Assn.	300 Montgomery Street, San Francisco 20, California	\$1,062,500
The Cleveland Trust Company	Euclid Avenue, Cleveland 1, Ohio	375,000
The First National City Bank of New York	55 Wall Street, New York 15, New York	1,062,500
J. P. Morgan & Co. Incorporated	23 Wall Street, New York 8, New York	500,000
		\$3,000,000

The loans to be made by the Banks pursuant to this Section (the "Loans") will be evidenced by Promissory Notes (the "Notes") of the Commonwealth, duly executed by the Treasurer of the Commonwealth and by any person at the time Consul General, Acting Consul General or Consul of the Commonwealth in New York City. Each of the Notes will be substantially in the form of Exhibit A hereto (appropriately completed in accordance with this Section), will be dated the date of the Loan which it evidences, will be payable in dollars in ten equal semiannual instalments on June 30 and December 31 of each year, commencing December 31, 1959 and ending June 30, 1964, and will bear interest at the rate of 4½% per annum on the unpaid balance from time to time thereof from the date thereof to the date of payment. The Commonwealth will pay interest on the Notes, in dollars, semiannually on the last day of June and December in each year. Interest is to be computed on the basis of a year of 365 days.

SECTION 2. Each borrowing by the Commonwealth will be in the amount of \$750,000 or multiple thereof and will be divided among the Banks pro rata to their commitments. The Commonwealth will give to the Agent at least seven business days' written or telegraphic notice of the date on which any Loan is required and the amount of such Loan. The Agent will give at least three business days' written or telegraphic notice to each Bank of such date and of the proportionate amount of the Loan to be made by such Bank.

SECTION 3. Payments of principal and interest on the Notes will be made to the Agent, at its office at 23 Wall Street, New York 8, New York, in dollars in Federal Reserve Funds for the account of the holders of the Notes pro rata to the principal amount for the time being of the Notes held by them. All payments of commitment fees pursuant to this Agreement will be made to the Agent in dollars for the account of the Banks pro rata to their commitment.

SECTION 4. The Commonwealth represents, warrants and agrees that the principal of and interest on the Notes will be free of all present or future taxes imposed by the Commonwealth, or by any taxing authority thereof or therein, except to the extent that the right to receive payment of the principal of or interest on any Note is or comes to be beneficially owned by any person residing in or ordinarily a resident of the Commonwealth.

SECTION 5. The Commonwealth represents and warrants (a) that there has been no material adverse change in the financial, economic or political conditions of the Commonwealth from the conditions set forth in the Prospectus dated April 22, 1958 relating to the Commonwealth's Fifteen Year 4½% Bonds Due May 1, 1973; and (b) that the proceeds of the Loans will be made available to Trans-Australia to enable Trans-Australia to finance approximately 75% of the purchase price of one Lockheed Electra aircraft and related spare parts and equipment.

SECTION 6. The obligation of each Bank to make each Loan hereunder is subject to the performance by the Commonwealth of all its obligations under this Agreement, to the accuracy of its representations and warranties herein contained and to the satisfaction on the date of such Loan of the following further conditions:

(a) The Agent shall have received a Note to such Bank in the amount of the Loan by such Bank;