

ORIGINAL DOCUMENTS IN SAFE

Case No. 10865

Date of filing: 17 Feb 84

** AWARD - Type of Award Agreed Terms
 - Date of Award 17 Feb 84
4 pages in English 3 pages in Farsi

** DECISION - Date of Decision _____
 _____ pages in English _____ pages in Farsi

** CONCURRING OPINION of _____
 - Date _____
 _____ pages in English _____ pages in Farsi

** SEPARATE OPINION of _____
 - Date _____
 _____ pages in English _____ pages in Farsi

** DISSENTING OPINION of _____
 - Date _____
 _____ pages in English _____ pages in Farsi

** OTHER; Nature of document: _____

 - Date _____
 _____ pages in English _____ pages in Farsi

Claim No. 10865

Chamber Two

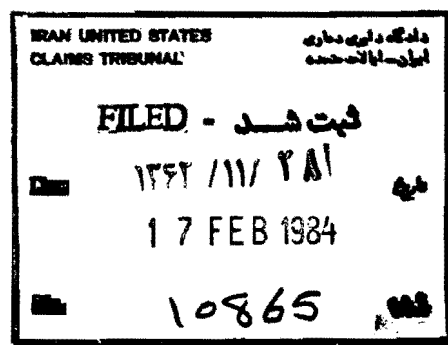
Award No. 112-10865-2

THE GOVERNMENT OF THE UNITED
STATES OF AMERICA, on behalf
and for the benefit of TAYLOR
MACHINERY COMPANY,

Claimant,

- and -

THE ISLAMIC REPUBLIC OF IRAN,
Respondent.



AWARD ON AGREED TERMS

On 19 January 1982, the Government of the United States of America filed a Claim with the Tribunal on behalf and for the benefit of the Claimant, TAYLOR MACHINERY COMPANY, against THE ISLAMIC REPUBLIC OF IRAN as Respondent within the meaning of Article VII, paragraph 3, of the Declaration of the Government of the Democratic and Popular Republic of Algeria concerning the Settlement of Claims by the Government of the United States of America and the Islamic Republic of Iran of 19 January 1981 ("Claims Settlement Declaration").

On 19 January 1984, TAYLOR MACHINERY COMPANY and BANK SEPAH, Respondent herein within the meaning of Article VII, paragraph 3 of the Claims Settlement Declaration, entered into a Settlement Agreement, signed by them, resolving the matters in dispute between them, whereby it is agreed, inter alia, that the Respondent shall pay to the Claimant the amount of US \$ 50,296.00.

On 31 January 1984 a Joint Request for an Award on agreed terms was filed with the Tribunal, signed by the same Parties as well as by the Agent of the Islamic Republic of Iran and the Agent of the United States of America. The Settlement Agreement was filed together with this Joint Request.

On 31 January 1984, the present case was assigned to Chamber Two of the Tribunal.

The Tribunal notes that Article 5A of the Settlement Agreement provides for the confidentiality thereof prior to the full and final payment of the Settlement Amount, but

establishes that this provision only regards the Parties to the Settlement Agreement and does not address the Tribunal. Therefore, a copy of the Settlement Agreement, together with the Joint Request and the letter of the Agent of the United States of America, is attached hereto.

The Tribunal has satisfied itself that it has jurisdiction in this matter within the terms of the Declaration of the Democratic and Popular Republic of Algeria concerning the Settlement of Claims by the Government of the United States of America and the Islamic Republic of Iran of 19 January 1981.

For the foregoing reasons,

THE TRIBUNAL MAKES THE FOLLOWING AWARD:

The Settlement Agreement filed with the Joint Request is hereby accepted and recorded as an Award on Agreed Terms, binding on the Parties, in full settlement of the entire case, pursuant to Article 34 (1) of the Tribunal Rules.

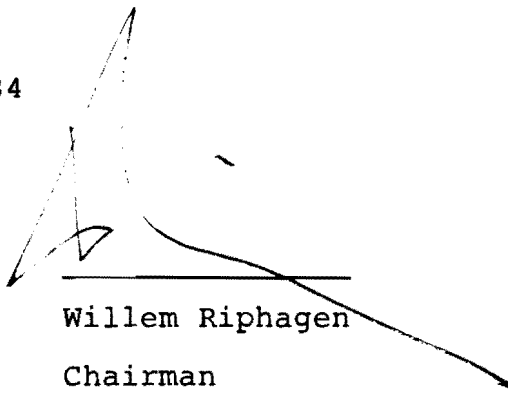
Consequently, BANK SEPAH shall pay to TAYLOR MACHINERY COMPANY the sum of Fifty Thousand Two Hundred and Ninety Six United States Dollars and no Cents (US \$ 50,296.00), which obligation shall be satisfied by payment out of the Security Account established pursuant to paragraph 7 of the

Declaration of the Democratic and Popular Republic of
Algeria of 19 January 1981.

This Award is hereby submitted to the President of the
Tribunal for notification to the Escrow Agent.

The Hague,

Dated 17 February, 1984

A handwritten signature in dark ink, appearing to be 'Willem Riphagen', written over a horizontal line.

Willem Riphagen

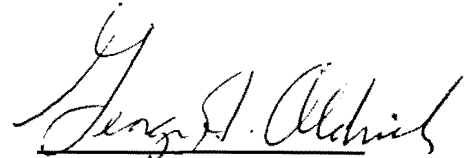
Chairman

Chamber Two

In the Name of God

A handwritten signature in dark ink, appearing to be 'Shafie Shafeiei', written over a horizontal line.

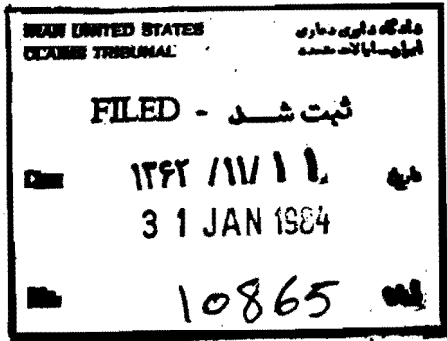
Shafie Shafeiei

A handwritten signature in dark ink, appearing to be 'George H. Aldrich', written over a horizontal line.

George H. Aldrich

IN THE NAME OF GOD

In The Iran-United States Claims Tribunal



The Hague, the Netherland

Case No. 128202 Tribunal No. 10865

Chamber No.

Joint request for arbitral
award on agreed terms

Pursuant to Artical 34 of the Tribunal's Rules of procedure,
Taylor Machinery Company claimant, and Bank Sepah, respondent,
jointly request that the Tribunal issue an arbitral award on agreed
terms that will record and give effect to the Settlement Agreement
reached by the parties.

Bank Sepah and *Taylor Machinery Company* have entered into a
Settlement Agreement, a copy of which is attached hereto, provid-
ing that the *Taylor Machinery Company*, shall be paid the amount of
\$50,296.00 United States Dollars (*Fifty thousand two hundred ninety
six dollars only*)
in complete and final settlement of all claims and counterclaims
now existing or capable of arising in connection with this case.

The undersigned request the Tribunal to record the Settle-
ment Agreement as an arbitral award on agreed terms, with full
payment to the *Taylor Machinery Company* to be made out of the Security
Account.

in the name of God

[Signature]
Mohammad Karim Eshragh,
The Agent of the Government of
the Islamic Republic of Iran to
the Iran-U.S. Claims Tribunal

[Signature]
Representative of
Taylor Machinery Company

Respectfully submitted,

[Signature]
Representative of
Bank Sepah-Iran
New York Agency

[Signature]
The ~~Liaison~~ Agent of the Govern-
ment of the United State of Americ
to the Iran-U.S. Claims Tribunal

SETTLEMENT AGREEMENT

This agreement is made this 19 th day of Jan. , 1984 (29 th Day 1362) between Bank Sepah, New York Agency (hereinafter referred to as " Bank Sepah ") and *Taylor Machinery Company*, (hereinafter referred to as "*Taylor Machinery Company*");

WHEREAS, *Taylor Machinery Company* has filed a claim that has been docketed with Iran-United States Claims Tribunal ("Tribunal") as case No. 128202 ("Case 128202 "); Tribunal No. 10865

WHEREAS, Bank Sepah has asserted a number of counterclaims against *Taylor Machinery Company* and its subsidiaries;

WHEREAS, the parties to this Agreement wish to settle the above claim filed with the Tribunal;

THEREFORE, the parties to this Agreement agree to settle Case 128202 in exchange for the consideration, and under the terms and conditions set forth below.

ARTICLE 1 - PAYMENT

A. In full and final settlement of all outstanding claims and disputes arising or capable of arising out of the past business relationship between the parties, including but not limited to *Taylor Machinery Company* Statement of Claim submitted in case No. 128202 before the Iran-United States Claims Tribunal, *Taylor Machinery Company* shall be paid the sum of *Fifty thousand two hundred ninety six only* (U.S.\$50,296.00) (the " Settlement Amount").

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B. By no later than , 1984, the parties shall submit to the Tribunal a joint request, pursuant to Article 34 of the Tribunal's Rules, that the Tribunal record this Agreement as an arbitral award on agreed terms, and that the Tribunal order payment of the Settlement Amount to *Taylor Machinery Company* from the Security Account.

ARTICLE 2 - RELEASE AND TERMINATION OF PROCEEDING

A. Payment of the Settlement Amount to *Taylor Machinery Company* shall terminate the proceedings in Case *128202* and shall constitute complete and final settlement of all claims and counterclaims now existing or capable of arising in connection with Case *128202* and capable of arising out of dispute between the parties.

B. Upon full and final payment of the Settlement Amount to *Taylor Machinery Company* and Bank Sepah shall, for themselves and their subsidiaries, affiliates and real or juridical persons, directors, officers, and employees (and for the successors and assigns of themselves and their subsidiaries, affiliates and real or juridical persons, directors, officers, and employees) by this Agreement release and forever discharge each other and their subsidiaries, affiliates, directors, officers, and employees from any and all liability that they ever had, now have, or thereafter may have against each other in connection with Case

C. Upon full and final payment of the Settlement Amount to *Taylor Machinery Company* shall, for itself and its subsidiaries and affiliates, directors, officers, and employees (and for the successors and assigns of itself and its subsidiaries and affiliates, directors, officers, and employees) by this Agreement release and forever discharge all Respondents in Case *128202* and their agencies, instrumentalities, subsidiaries, and affiliates from all liability that they ever had, now have, or hereafter may have that arises or is capable of arising out of the contracts, transactions, or occurrences that are the subject of Case *128202* and which have been subject of disputes between the parties.

WKK
F.C.
JAN

D. As to any past dealings, should any claims be pending or be filed by a third party in any court or forum against either of the parties hereto based on any assignment or transfer of rights of any kind from one of the parties hereto, the party who has effected or caused such assignment or transfer of rights shall be exclusively liable to such third party.

E. The releases set forth in this Agreement are self-executing upon the full and final payment of the Settlement Amount to

F. Upon full and final payment of the Settlement Amount to *Taylor Machinery Company* Bank Sepah and *Taylor Machinery Company* waive any and all claims for costs, including attorneys' fees, arising out of or related to the arbitration or prosecution of the claims or counterclaims asserted (or which might have been asserted) before the Tribunal or elsewhere with respect to case 128202 or any claim of *Taylor Machinery Company* or Bank Sepah against each other.

G. This Agreement, including the releases set forth in this Agreement, does not apply to the subject matter of any other proceeding on the Tribunal, including any claim by Islamic republic, Bank Sepah or Bank Markazi against U.S. government or any U.S. financial and banking entity.

ARTICLE 4 - VALIDITY

A. This Agreement is valid only in its entirety. None of the terms and provisions of this Agreement may be interpreted separately and changed, except by written agreement of the parties.

B. If the Tribunal does not record this settlement as an arbitral award on agreed terms within 60 days of filing of the Settlement Agreement, or if the payment of the Settlement Amount is not made to *Taylor Machinery Company* within 90 days, either party may withdraw it, and this Agreement shall not prejudice Bank Sepah or *Taylor Machinery Company* in future proceedings in Case 128202.

C. This Agreement has been written and signed in both languages of Farsi and English and each text shall have the same equal validity.

ARTICLE 5 - CONFIDENTIALITY

A. Prior to the full and final payment of the Settlement

Taylor Machinery Company

Amount to ✓, the parties to this Agreement will not refer to or divulge the content of this Agreement (except for the submission to the Tribunal); or of documents generated solely for purposes of settlement negotiations; or of discussions in the course of settlement negotiations, in any pending or future proceeding before the Tribunal or elsewhere.

B. Taylor Machinery Company and Bank Sepah shall not use, or cause any third party to use, this Settlement Agreement in the prosecution or defense of any other case before the Tribunal or any other court or forum.

ARTICLE 6 - AUTHORITY

The representatives of the parties hereto expressly declare that they are duly empowered to sign this Agreement and their signatures will commit their respective principals to fulfillment of their obligations under this Agreement without any limitations whatsoever, except as may otherwise contained in this Settlement Agreement.

The notarized Power of Attorney of the Company's representative are hereto attached.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement.

AC
MR
SP
TAYLOR MACHINERY COMPANY

BY

[Signature]

BANK SEPAH, IRAN NEW YORK
AGENCY

BY

MR AC

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STATE OF NEW YORK)
COUNTY OF NEW YORK)

ss

ایالت نیویورک (حوزه صلاحیت
شهرستان نیویورک)

CERTIFICATION

گواهی

This is to certify that the following
is, to the best of our knowledge and
belief, a true and accurate translation
into Farsi of the attached English
language Settlement Agreement

باینوسله گواهی میشود که مدرک ذمیمه
تا حد دانش و آگاهی من ترجمه صحیح و
دقیقی است از یک موافقتنامه
حل و فصل

که بزبان انگلیسی بوده .

BERLITZ TRANSLATION SERVICES

Sworn and subscribed to before me
this 6th day of December,
19 83.

سوگند خورده و اخذ شده در حضور من
در روز ۶ ماه دسامبر ۸۳
۱۹

Barbara R. Barzelatto
NOTARY PUBLIC

BARBARA R. BARZELATTO
Notary Public, State of New York
No. 31-4780003
Qualified in New York County
Commission Expires March 30, 1985

