

CONFORMED COPY

GET GRANT NUMBER 28661

Global Environment Trust Fund  
Grant Agreement

(Technical Support and Investment Project for the  
Phaseout of Ozone Depleting Substances)

between

CZECH REPUBLIC

and

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

acting as Trustee of the Global Environment  
Trust Fund

Dated October 26, 1994

GET GRANT NUMBER 28661

GLOBAL ENVIRONMENT TRUST FUND GRANT AGREEMENT

AGREEMENT, dated October 26, 1994, between CZECH REPUBLIC (the Recipient) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT acting as Trustee of grant funds provided by Participants of the Global Environment Facility into the Global Environment Trust Fund (GET) (the Trustee).

WHEREAS (A) the International Bank for Reconstruction and Development (the Bank) pursuant to Resolution No. 91-5 of March 14, 1991, of the Executive Directors of the Bank (the Resolution), established the Global Environment Facility consisting of the GET, Cofinancing Arrangements with the GET and the Ozone Projects Trust Fund, to assist in the protection of the global environment and promote thereby environmentally sound and sustainable economic development;

(B) certain members of the Bank and Switzerland (the Participants) have provided resources by way of grant into the GET and the Participants have requested and the Bank has agreed, to administer such grant funds as Trustee, for the purposes of, and in accordance with, provisions of the Resolution;

(C) the Recipient, having satisfied itself as to the feasibility and priority of the Project described in Schedule 2 to this Agreement, has requested assistance from the resources of the GET in the financing of the Project, and the Trustee has determined that such assistance would be in accordance with the provisions of the Resolution;

(D) the Project will be carried out through the Recipient's Ministry of

Environment (MOE) and Investicní a Postovní Banka (IPB) with the Recipient's assistance and, as part of such assistance, the Recipient will make available to IPB, as financial intermediary, a part of the proceeds of the GET Grant as provided in this Agreement; and

WHEREAS the Trustee has agreed, on the basis, inter alia, of the foregoing, to extend the GET Grant to the Recipient upon the terms and conditions set forth in this Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

#### ARTICLE I

##### General Conditions; Definitions

Section 1.01. (a) The following provisions of the General Conditions Applicable to Loan and Guarantee Agreements of the Bank, dated January 1, 1985, with the modifications set forth in paragraph (b) of this Section (the General Conditions) constitute an integral part of this Agreement:

- (i) Article I;
  - (ii) Sections 2.01 (1), (2), (3), (4), (6), (8), (9), (10), (11), (15), (18) and (20), 2.02 and 2.03;
  - (iii) Section 3.01;
  - (iv) Section 4.01 and the first sentence of Section 4.09;
  - (v) Article V;
  - (vi) Sections 6.01, 6.02 (a), (c), (d), (e), (f), (i) and (k), 6.03, 6.04 and 6.06;
  - (vii) Section 8.01 (b);
  - (viii) Sections 9.01 (a) and (c), 9.04, 9.05, 9.06, 9.07, 9.08 and 9.09;
  - (ix) Sections 10.01, 10.03 and 10.04;
  - (x) Article XI; and
  - (xi) Sections 12.03 and 12.04.
- (b) The General Conditions shall be modified as follows:
- (i) a new paragraph shall be added to the end of Section 2.01 to read as follows: "the term "Special Drawing Rights" and the symbol "SDR" mean special drawing rights as valued by the International Monetary Fund in accordance with its Articles of Agreement";
  - (ii) the term "Bank", wherever used in the General Conditions, other than in Sections 2.01 (8) and 6.02 (f) thereof and the last use of such term in Section 5.01 thereof, means the Trustee except that in Section 6.02, the term "Bank" shall also include the International Bank for Reconstruction and Development acting in its own capacity;
  - (iii) the term "Borrower", wherever used in the General Conditions, means the Recipient;
  - (iv) the term "Loan Agreement", wherever used in the General Conditions, means this Agreement;
  - (v) the term "Loan" and "loan" wherever used in the General Conditions, means the GET Grant;
  - (vi) the term "Loan Account" wherever used in the General Conditions, means the GET Grant Account; and
  - (vii) a new sub-paragraph shall be added after sub-paragraph (j) in Section 6.02 of the General Conditions, as follows: "An

extraordinary situation shall have arisen in which further disbursement under the grant would exceed the resources available for disbursement from the GET."

Section 1.02. Wherever used in this Agreement, unless the context otherwise requires, the several terms defined in the General Conditions and in the Recitals to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) "Project Administration Agreement" means the agreement between the Recipient and IPB, as such agreement may be amended from time to time;

(b) "ODS" means ozone depleting substance;

(c) "PMU" means the GEF-ODS Phaseout Project Management Unit to be established and operated within the MOE;

(d) "TAG" means the GEF-ODS Phaseout Technical Advisory Group to be established and operated within the MOE;

(e) "Subsidiary Grant" means the grant from the Recipient to IPB pursuant to the Project Administration Agreement;

(f) "Participating Enterprise" means Spolek Chemical Works, Thermo-King-Frigera, Kovosluzba - OTS e., Ekotez Ltd., CKD Compressors, Bratri Horákové, s.r.o. and any such other organization or enterprise which the PMU has identified as a participant in the Project;

(g) "Sub-grant Agreement" means an agreement between IPB and a Participating Enterprise, as such agreement may be amended from time to time;

(h) "Sub-grant" means a grant from IPB to a Participating Enterprise pursuant to a Sub-grant Agreement to finance a Sub-project;

(i) "Sub-project" means an ODS phaseout activity to be financed out of the proceeds of the GET grant; and

(j) "Special Account" means the account referred to in Section 2.02 (b) of this Agreement.

## ARTICLE II

### The GET Grant

Section 2.01. The Trustee agrees to make available to the Recipient, on the terms and conditions set forth or referred to in this Agreement, the GET Grant in an amount in various currencies equivalent to one million seven hundred thousand Special Drawing Rights (SDR 1,700,000).

Section 2.02. (a) The amount of the GET Grant may be withdrawn from the GET Grant Account in accordance with the provisions of Schedule 1 to this Agreement for expenditures made (or, if the Trustee shall so agree, to be made) in respect of the reasonable cost of goods and services required for carrying out the Project and to be financed out of the proceeds of the GET Grant.

(b) The Recipient shall, for the purposes of the Project, open and maintain in dollars a special deposit account in IPB on terms and conditions satisfactory to the Trustee, including appropriate protection against set-off, seizure or attachments. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Schedule 4 to this Agreement.

Section 2.03. The Closing Date shall be June 30, 1996 or such later date as the Trustee shall establish. The Trustee shall promptly notify the Recipient of such later date.

Section 2.04. The Trustee shall not be obligated to make any payment under this Agreement except to the extent it shall have received funds for the purpose of the Project.

## ARTICLE III

### Execution of the Project

Section 3.01. (a) The Recipient declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement, and, to this end, shall carry out the Project through the MOE and IPB with due diligence and efficiency and in conformity with appropriate administrative, engineering and financial practices and with due regard to ecological and environmental factors, and shall provide, promptly as needed, the funds, facilities, services and other resources required for the Project.

(b) For purposes of Part A of the Project, the Recipient shall make available a part of the proceeds of the GET Grant to IPB as a Subsidiary Grant under the Project Administration Agreement under terms and conditions which shall have been approved by the Trustee, including, inter alia, a financial intermediary fee of 2.72% of the amount disbursed to finance Sub-grants, and IPB shall make available said proceeds as Sub-grants to the Participating Enterprises under Sub-grant Agreements to finance Sub-projects under terms and conditions which shall have been approved by the Trustee and in accordance with the general procedures and guidelines set forth in the Project Implementation Manual agreed to by the Recipient and the Trustee and the procurement and consultants' procedures set forth in Schedule 3 to this Agreement.

(c) The Recipient shall cause IPB to exercise its rights under the Project Administration Agreement and each Sub-grant Agreement in such manner as to protect the interests of the Recipient, the Trustee and IPB and to accomplish the purposes of the GET Grant, and, except as the Trustee shall otherwise agree, IPB shall not assign, amend, abrogate or waive the Project Administration Agreement or any Sub-grant Agreement or any provision thereof.

Section 3.02. Except as the Trustee shall otherwise agree, procurement of the goods, works and consultants' services required for the Project and to be financed out of the proceeds of the GET Grant shall be governed by the provisions of Schedule 3 to this Agreement.

Section 3.03. (a) The Recipient shall, at the request of the Trustee, exchange views with the Trustee with regard to progress of the Project, the performance of its obligations under this Agreement and other matters relating to the purposes of the GET Grant.

(b) The Recipient shall promptly inform the Trustee of any condition which interferes or threatens to interfere with the progress of the Project, the accomplishment of the purposes of the GET Grant, or the performance by the Recipient of its obligations under this Agreement.

Section 3.04. The Recipient shall take all measures necessary to ensure that each Participating Enterprise complies with all relevant environmental requirements of the Recipient for any ODS phaseout activity to be carried out under the Project.

#### ARTICLE IV

##### Financial Covenants

Section 4.01. (a) The Recipient shall maintain or cause IPB to maintain records and accounts adequate to reflect in accordance with sound accounting practices the operations, resources and expenditures in respect of the Project.

(b) The Recipient shall or shall cause IPB to:

- (i) have the records and accounts referred to in paragraph (a) of this Section, including those for the Special Account, for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Trustee;
- (ii) furnish to the Trustee as soon as available, but in any case not later than six months after the end of each such year the report of such audit by said auditors, of such scope and in such detail as the Trustee shall have reasonably requested; and
- (iii) furnish to the Trustee such other information concerning such records, accounts and financial statements and the audit thereof as the Trustee shall from time to time reasonably request.

(c) For all expenditures with respect to which withdrawals from the GET Grant

Account were made on the basis of statements of expenditure, the Recipient shall or shall cause IPB to:

- (i) maintain, in accordance with paragraph (a) of this Section, records and accounts reflecting such expenditures;
- (ii) retain, until at least one year after the Trustee has received the audit report for the fiscal year in which the last withdrawal from the GET Grant Account was made, all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures;
- (iii) enable the Trustee's representatives to examine such records; and
- (iv) ensure that such records and accounts are included in the annual audit referred to in paragraph (b) of this Section and that the report of such audit contains a separate opinion by said auditors as to whether the statements of expenditure submitted during such fiscal year, together with the procedures and internal controls involved in their preparation, can be relied upon to support the related withdrawals.

#### ARTICLE V

##### Remedies of the Trustee

Section 5.01. Pursuant to Section 6.02 (k) of the General Conditions, the following additional events are specified:

(a) The Charter or any other regulations governing the existence or the operations of IPB shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the operations or the financial condition of IPB or the ability of IPB to perform any of its obligations under the Project Administration Agreement.

(b) As a result of events which have occurred after the date of this Agreement, an extraordinary situation shall have arisen which shall make it improbable that the Recipient will be able to perform its obligations under this Agreement.

(c) The Recipient, or any other authority having jurisdiction, shall have taken: (i) any actions which shall adversely affect the carrying out of the Project or the performance by IPB of any of its obligations under the Project Administration Agreement; or (ii) any action for the dissolution or disestablishment of IPB or for the suspension of its operations.

#### ARTICLE VI

##### Effectiveness; Termination

Section 6.01. For purposes of Section 12.03 of the General Conditions, the following events are specified as conditions to the effectiveness of the GET Grant Agreement:

(a) the Project Administration Agreement shall have been executed with terms and conditions satisfactory to the Trustee; and

(b) the Recipient shall have appointed staff for the PMU whose qualifications, experience and terms and conditions of employment are satisfactory to the Trustee.

Section 6.02. The date sixty (60) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

Section 6.03. This Agreement shall continue in effect until the GET Grant has been fully disbursed and the parties to this Agreement have fulfilled all their obligations hereunder.

#### ARTICLE VII

##### Representative of the Recipient; Addresses

Section 7.01. The Minister of Environment of the Recipient is designated as

representative of the Recipient for the purposes of Section 11.03 of the General Conditions.

Section 7.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Recipient:

Ministry of Environment of the Czech Republic  
Vr\_ovická 65  
100 10 Praha 10  
Czech Republic

Telex:

122298

For the Trustee:

International Bank for  
Reconstruction and Development  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable address:

Telex:

INTBAFRAD 197688 (TRT),  
Washington, D.C. 248423 (RCA),  
64145 (WUI) or  
82987 (FTCC)

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in Washington, D.C., as of the day and year first above written.

CZECH REPUBLIC

By /s/ Michael Zantovsky

Authorized Representative

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT  
as Trustee of the Global Environment  
Trust Fund

By /s/ Kemal Dervis

Authorized Representative

#### SCHEDULE 1

#### Withdrawal of the Proceeds of the GET Grant

1. The table below sets forth the Categories of items to be financed out of the proceeds of the GET Grant, the allocation of the amounts of the GET Grant to each Category and the percentage of expenditures for items so to be financed in each Category:

Amount of the GET Grant Allocated (Expressed in	% of Expenditures
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Category	SDR Equivalent) to be Financed		
Goods, works and services:			
(a)	for Part A.1 of the Project	60,000 )	100% of foreign expenditures and
(b)	for Part A.2 of the Project	780,000 )	100% of local expenditures (ex-factory cost)
(c)	for Part A.3 of the Project	350,000 )	)
(d)	for Part A.4 of the Project	280,000 )	)
(e)	for Part B of 230,000 the Project	) )	)
TOTAL		1,700,000	

2. For the purposes of this Schedule:

(a) the term "foreign expenditures" means expenditures in the currency of any country other than that of the Recipient for goods or services supplied from the territory of any country other than that of the Recipient; and

(b) the term "local expenditures" means expenditures in the currency of the Recipient or for goods or services supplied from the territory of the Recipient.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of payments made for expenditures prior to the date of this Agreement, except that withdrawals, in an aggregate amount not exceeding the equivalent of SDR 180,000, may be made on account of payments made for expenditures under Parts A.2, A.3 and A.4 of the Project before that date but after August 1, 1993.

4. If the Trustee shall have determined at any time that any payment made from the GET Grant Account was used for any expenditure not consistent with the provisions of this Agreement, the Recipient shall, promptly upon notice from the Trustee, refund to the Trustee for deposit into the GET Grant Account, an amount equal to the amount so used or the portion thereof as specified by the Trustee.

## SCHEDULE 2

### Description of the Project

The objective of the Project is to assist the Recipient in the phase-out of the production and consumption of Ozone Depleting Substances (ODSs) in a cost-effective manner by the 1996 calendar year.

The Project consists of the following parts, subject to such modifications thereof as the Recipient and the Trustee may agree upon from time to time to achieve such objectives:

Part A: Investment Sub-projects

1. Sub-project 1: Engineering Assistance for ODS Production Phaseout

Carrying out of an engineering study to develop a strategy to shut down chlorofluorocarbons (CFCs) production by January 1, 1996 while minimizing the environmental impact of excess amounts of carbon tetrachloride (CTC) produced at the Spolek Chemical Works, including the identification of available methods of converting CTC to perchloroethylene (PCE), identification of available methods of using PCE as a raw material for producing HFC-134a and making recommendations for using propylene, CTC or PCE as raw materials in the production of other hydrofluorocarbons (HFCs) and hydrochloro-fluorocarbons (HCFCs).

2. Sub-project 2: Design and Operation of CFC Refrigerant Reclamation Facilities and Establishment of Refrigerant Recovery Capacity

Establishment of a national refrigeration recovery/ reclamation/recycling program to be developed in two phases: (i) phase one to focus on the development of a comprehensive plan and program, including training of technicians for recovery and the establishment of reclamation facilities to be used at the Spolek Chemical Works; and (ii) phase two to set up the national recovery network and provide training to refrigeration technicians.

3. Sub-project 3: Introduction of Non-ODS Refrigerants

Phase-out of CFCs used in commercial, industrial and transport refrigeration systems through the following activities: (i) conversion by Thermo-King-Frigera of existing transport cooling systems and environmental test facilities, retrofitting existing commercial cooling systems and preparing a retrofit manual; and (ii) retrofitting by CKD Compressors of a centrifugal chiller and a screw compressor as part of a municipal heat pump installation.

4. Sub-project 4: Introduction of Non-ODS Insulation Technologies in Cold Room Panel Manufacturing

Introduction of low-ODSs and non-ODSs foaming technologies to companies through the demonstration of available techniques and the provision of training seminars.

Part B: Project Management Unit and Technical Advisory Group

Establishment of a GEF-ODS Phaseout Project Management Unit and a GEF-ODS Phaseout Technical Advisory Group within the MOE to provide institutional, organizational and technical support to the sectors using ODSs to help initiate and implement ODS phaseout projects in various industrial sectors.

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The Project is expected to be completed on June 30, 1996.

SCHEDULE 3

Procurement and Consultants' Services

Section I. Procurement of Goods and Works

Part A: International Competitive Bidding

1. Except as provided in Part C hereof, goods and works shall be procured under contracts awarded in accordance with procedures consistent with those set forth in Sections I and II of the "Guidelines for Procurement under IBRD Loans and IDA Credits" published by the Bank in May 1992 (the Guidelines).

2. For fixed-price contracts, the invitation to bid referred to in paragraph 2.13 of the Guidelines shall provide that, when contract award is delayed beyond the original bid validity period, the successful bidder's bid price will be increased for each week of delay by two predisclosed correction factors acceptable to the Trustee, one to be applied to all foreign currency components and the other to the local currency component of the bid price. Such an increase shall not be taken into account in the bid evaluation.

3. In the procurement of goods in accordance with Part A of this Section I, the Recipient shall use the relevant standard bidding documents issued by the Bank, with such modifications thereto as the Trustee shall have agreed to be necessary for the purposes of the Project. Where no relevant standard bidding documents have been issued by the Bank, the Recipient shall use bidding documents based on other international recognized standard forms agreed with the Trustee.

Part B: Preference for Domestic Manufacturers

In the procurement of goods in accordance with the procedures described in Part A.1 hereof, goods manufactured in the Czech Republic may be granted a margin of preference in accordance with, and subject to, the provisions of paragraphs 2.55 and 2.56 of the Guidelines and paragraphs 1 through 4 of Appendix 2 thereto.



Part C: Other Procurement Procedures

1. Contracts for goods estimated to cost the equivalent of \$50,000 or more and less than the equivalent of \$300,000, up to an aggregate amount not to exceed the equivalent of \$500,000, may be procured under contracts awarded on the basis of comparison of price quotations obtained from at least three suppliers from at least three countries eligible under the Guidelines, in accordance with procedures acceptable to the Trustee.

2. Contracts for goods estimated to cost below the equivalent of \$50,000, up to an aggregate amount not to exceed the equivalent of \$100,000, and contracts for works may be procured on the basis of comparison of price quotations obtained from at least three suppliers eligible under the Guidelines, in accordance with procedures acceptable to the Trustee.

3. Goods of a proprietary nature may be purchased from suppliers on the basis of negotiated contracts pursuant to procedures acceptable to the Trustee.

Part D: Review by the Trustee of Procurement Decisions

1. Review of invitations to bid and of proposed awards and final contracts:

(a) With respect to each contract estimated to cost the equivalent of \$100,000 or more, the procedures set forth in paragraphs 2 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, such procedures shall be modified to ensure that the two conformed copies of the contract required to be furnished to the Trustee pursuant to said paragraph 2 (d) shall be furnished to the Trustee prior to the making of the first payment out of the Special Account in respect of such contract.

(b) With respect to each contract not governed by the preceding paragraph, the procedures set forth in paragraphs 3 and 4 of Appendix 1 to the Guidelines shall apply. Where payments for such contract are to be made out of the Special Account, said procedures shall be modified to ensure that the two conformed copies of the contract together with the other information required to be furnished to the Trustee as part of the evidence to be furnished pursuant to paragraph 4 of Schedule 4 to this Agreement.

(c) The provisions of the preceding subparagraph (b) shall not apply to contracts on account of which withdrawals from the OTF Grant Account are to be made on the basis of statements of expenditure.

2. The figure of 15% is hereby specified for purposes of paragraph 4 of Appendix 1 to the Guidelines.

Section II. Employment of Consultants

1. The Recipient shall employ management and environmental consultants whose qualifications, experience and terms and conditions of employment shall be satisfactory to the Trustee. Such consultants shall be selected in accordance with principles and procedures satisfactory to the Trustee on the basis of the "Guidelines for the Use of Consultants by World Bank Borrowers and by The World Bank as Executing Agency" published by the Bank in August 1981. For complex, time-based assignments, the Recipient shall employ such consultants under contracts using the standard form of contract for consultants' services issued by the Bank, with such modifications as shall have been agreed by the Trustee. Where no relevant standard contract documents have been issued by the Bank, the Recipient shall use other standard forms agreed with the Trustee.

2. Notwithstanding the provisions of paragraph 1 of this Section, the provisions of the Consultants' Guidelines requiring prior Trustee review or approval of budgets, short lists, selection procedures, letters of invitation, proposals, evaluation reports and contracts, shall not apply to (a) contracts for the employment of consulting firms estimated to cost less than \$100,000 equivalent each or (b) contracts for the employment of individuals estimated to cost less than \$50,000 equivalent each. However, said exceptions to prior Trustee review shall not apply to (a) the terms of reference for such contracts, (b) single-source selection of consulting firms, (c) assignments of a critical nature, as reasonably determined by the Trustee, (d) amendments to contracts for the employment of consulting firms raising the contract value to \$100,000 equivalent or above, or (e) amendments to contracts for the employment of individual consultants raising the contract value to \$50,000 equivalent

or above.

#### SCHEDULE 4

##### Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means the Categories set forth in the table in paragraph 1 of Schedule 1 to this Agreement;

(b) the term "eligible expenditures" means expenditures in respect of the reasonable cost of goods and services required for the Project and to be financed out of the proceeds of the GET Grant allocated from time to time to the eligible Categories in accordance with the provisions of Schedule 1 to this Agreement; and

(c) the term "Authorized Allocation" means an amount equivalent to \$300,000 to be withdrawn from the GET Grant Account and deposited into the Special Account pursuant to paragraph 3 (a) of this Schedule.

2. Payments out of the Special Account shall be made exclusively for eligible expenditures in accordance with the provisions of this Schedule.

3. After the Trustee has received evidence satisfactory to it that the Special Account has been duly opened, withdrawals of the Authorized Allocation and subsequent withdrawals to replenish the Special Account shall be made as follows:

(a) For withdrawals of the Authorized Allocation, the Recipient shall furnish to the Trustee a request or requests for a deposit or deposits which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Trustee shall, on behalf of the Recipient, withdraw from the GET Grant Account and deposit in the Special Account such amount or amounts as the Recipient shall have requested.

(b) (i) For replenishment of the Special Account, the Recipient shall furnish to the Trustee requests for deposits into the Special Account at such intervals as the Trustee shall specify.

(ii) Prior to or at the time of each such request, the Recipient shall furnish to the Trustee the documents and other evidence required pursuant to paragraph 4 of this Schedule for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Trustee shall, on behalf of the Recipient, withdraw from the GET Grant Account and deposit into the Special Account such amount as the Recipient shall have requested and as shall have been shown by said documents and other evidence to have been paid out of the Special Account for eligible expenditures. All such deposits shall be withdrawn by the Trustee from the GET Grant Account under the respective eligible Categories, and in the respective equivalent amounts, as shall have been justified by said documents and other evidence.

4. For each payment made by the Recipient out of the Special Account, the Recipient shall, at such time as the Trustee shall reasonably request, furnish to the Trustee such documents and other evidence showing that such payment was made exclusively for eligible expenditures.

5. Notwithstanding the provisions of paragraph 3 of this Schedule, the Trustee shall not be required to make further deposits into the Special Account:

(a) if, at any time, the Trustee shall have determined that all further withdrawals should be made by the Recipient directly from the GET Grant Account in accordance with the provisions of Article V of the General Conditions and paragraph (a) of Section 2.02 of this Agreement; or

(b) once the total unwithdrawn amount of the GET Grant allocated to the eligible Categories, less the amount of any outstanding special commitment entered into by the Trustee pursuant to Section 5.02 of the General Conditions with respect to the Project, shall equal the equivalent of twice the amount of the Authorized Allocation.

Thereafter, withdrawal from the GET Grant Account of the remaining unwithdrawn amount of the GET Grant allocated to the eligible Categories shall follow such procedures as the Trustee shall specify by notice to the Recipient. Such further withdrawals shall be made only after and to the extent that the Trustee shall have been satisfied that all such amounts remaining on deposit in the Special Account as of the date of such notice will be utilized in making payments for eligible expenditures.

6. (a) If the Trustee shall have determined at any time that any payment out of the Special Account: (i) was made for an expenditure or in an amount not eligible pursuant to paragraph 2 of this Schedule; or (ii) was not justified by the evidence furnished to the Trustee, the Recipient shall, promptly upon notice from the Trustee: (A) provide such additional evidence as the Trustee may request; or (B) deposit into the Special Account (or, if the Trustee shall so request, refund to the Trustee) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Trustee shall otherwise agree, no further deposit by the Trustee into the Special Account shall be made until the Recipient has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Trustee shall have determined at any time that any amount outstanding in the Special Account will not be required to cover further payments for eligible expenditures, the Recipient shall, promptly upon notice from the Trustee, refund to the Trustee such outstanding amount.

(c) The Recipient may, upon notice to the Trustee, refund to the Trustee all or any portion of the funds on deposit in the Special Account.

(d) Refunds to the Trustee made pursuant to paragraphs 6 (a), (b) and (c) of this Schedule shall be credited to the GET Grant Account for subsequent withdrawal or for cancellation in accordance with the relevant provisions of this Agreement, including the General Conditions.

