

**CONFORMED COPY**

**CREDIT NUMBER 3682-TJ**

# **Development Credit Agreement**

**(Pamir Private Power Project)**

**between**

**REPUBLIC OF TAJIKISTAN**

**and**

**INTERNATIONAL DEVELOPMENT ASSOCIATION**

**Dated July 3, 2002**

**CREDIT NUMBER 3682-TJ**

## **DEVELOPMENT CREDIT AGREEMENT**

AGREEMENT, dated July 3, 2002, between REPUBLIC OF TAJIKISTAN (the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (the Association).

WHEREAS (A) the Borrower, having satisfied itself as to the feasibility and priority of the project described in Schedule 2 to this Agreement (the Project), has requested the Association to assist in the financing of the Project;

(B) the Project will be carried out by Pamir Energy Company (PamirEnergy) with the Borrower's assistance and, as part of such assistance, the Borrower will make the proceeds of the credit provided for in Article II of this Agreement (the Credit) available to PamirEnergy, as set forth in this Agreement; and

(C) by an agreement dated May 24, 2002, between the Borrower and PamirEnergy (the Concession Agreement), the Borrower has agreed to grant a concession to PamirEnergy for the operation, management and maintenance of all electricity generation, transmission and distribution facilities for the provision of electric power in the Gorno Badakhshan Autonomous Oblast (GBAO) region to all consumers served or to be served in the future within the GBAO region, and the right to utilize water resources of the GBAO that may be necessary therefore;

WHEREAS the Association has agreed, on the basis, inter alia, of the foregoing, to extend the Credit to the Borrower upon the terms and conditions set forth in this Agreement and in the agreement of even date herewith between the Association and PamirEnergy (the Project Agreement);

NOW THEREFORE the parties hereto hereby agree as follows:

## ARTICLE I

### General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Development Credit Agreements" of the Association, dated January 1, 1985 (as amended through October 6, 1999) (the General Conditions), constitute an integral part of this Agreement.

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) "AKFED" means the Aga Khan Fund for Economic Development, a company established and existing under the laws of the Swiss Federation;

(b) "Concession Agreement" means the Concession Agreement between the Borrower and PamirEnergy, dated May 24, 2002;

(c) "EMMP" means the Environmental Monitoring and Management Plan, satisfactory to the Association, adopted by PamirEnergy on May 27, 2002, providing measures to mitigate any adverse impacts to the environment, social and dam safety;

(d) "Financial Monitoring Report" means each report prepared in accordance with Section 4.02 of the Project Agreement;

(e) "GBAO region" means Gorno Badakhshan Autonomous Oblast region of the

Borrower;

(f) “IFC” means the International Finance Corporation;

(g) “IFC Investment Agreement” means the agreement between IFC and PamirEnergy providing: (i) IFC’s contribution of loan financing in the amount of four million five hundred thousand Dollars (\$4,500,000) to support the Project; and (ii) IFC’s contribution of equity financing to PamirEnergy in the amount of three million five hundred thousand Dollars (\$3,500,000);

(h) “PamirEnergy” means Pamir Energy Company, a joint stock company established on February 21, 2002 under the laws of the Borrower;

(i) “PamirInvest” means PamirInvest S.A., a special purpose company established in the Swiss Federation as a wholly-owned subsidiary of AKFED for the purposes of providing AKFED’s equity investments to PamirEnergy;

(j) “PamirInvest Subscription Agreement” means the agreement between PamirInvest and PamirEnergy providing PamirInvest’s contribution of equity financing to PamirEnergy in the amount of eight million two hundred thousand Dollars (\$8,200,000);

(k) “PIP” means the Project Implementation Plan, satisfactory to the Association, which defines the detailed plans and programs of PamirEnergy to implement the Project, including costs, financing plan, procurement, disbursement, and project management and supervision;

(l) “Project Agreement” means the agreement between the Association and PamirEnergy of even date herewith, as the same may be amended from time to time, and such term includes all schedules and agreements supplemental to the Project Agreement;

(m) “Shareholders Agreement” means the agreement among IFC, PamirInvest, AKFED and PamirEnergy, providing for the voting and management of PamirEnergy, certain restrictions on the transfer of shares of PamirEnergy and other matters relating to the investment in PamirEnergy;

(n) “Social Protection Costs” means the difference between: (i) the electricity rates authorized in the Concession Agreement to be charged by PamirEnergy; and (ii) the prices at which the PamirEnergy actually supplies electricity to the consumers;

(o) “Social Protection Costs Payment Agreement” means an agreement to be entered into between the Borrower and PamirEnergy, whose terms and conditions are satisfactory to the Association, providing the Borrower’s obligation to assume the Social Protection Costs;

(p) “Special Account” means the account referred to in Section 2.02 (b) of this

Agreement; and

(q) "Subsidiary Loan Agreement" means the agreement to be entered into between the Borrower and PamirEnergy pursuant to Section 3.01 (d) of this Agreement, as the same may be amended from time to time, and such term includes all schedules to the Subsidiary Loan Agreement, and the term "Subsidiary Loan" means the Subsidiary Loan provided under the Subsidiary Loan Agreement.

## **ARTICLE II**

### **The Credit**

Section 2.01. The Association agrees to lend to the Borrower, on the terms and conditions set forth or referred to in the Development Credit Agreement, an amount in various currencies equivalent to seven million nine hundred thousand Special Drawing Rights (SDR 7,900,000).

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

(b) The Borrower may, for the purposes of the Project, open and maintain in dollars a special deposit account in a commercial bank on terms and conditions satisfactory to the Association, including appropriate protection against set-off, seizure or attachment. Deposits into, and payments out of, the Special Account shall be made in accordance with the provisions of Schedule 3 to this Agreement.

Section 2.03. The Closing Date shall be December 31, 2006 or such later date as the Association shall establish. The Association shall promptly notify the Borrower of such later date.

Section 2.04. (a) The Borrower shall pay to the Association a commitment charge on the principal amount of the Credit not withdrawn from time to time at a rate to be set by the Association as of June 30 of each year, but not to exceed the rate of one-half of one percent (1/2 of 1%) per annum.

(b) The commitment charge shall accrue: (i) from the date sixty days after the date of this Agreement (the accrual date) to the respective dates on which amounts shall be withdrawn by the Borrower from the Credit Account or canceled; and (ii) at the rate set as of the June 30 immediately preceding the accrual date and at such other rates as may be set from time to time thereafter pursuant to paragraph (a) above. The rate set as of June 30 in each year shall be applied from the next date in that year specified in Section 2.06 of this Agreement.

(c) The commitment charge shall be paid: (i) at such places as the Association shall

reasonably request; (ii) without restrictions of any kind imposed by, or in the territory of, the Borrower; and (iii) in the currency specified in this Agreement for the purposes of Section 4.02 of the General Conditions or in such other eligible currency or currencies as may from time to time be designated or selected pursuant to the provisions of that Section.

Section 2.05. The Borrower shall pay to the Association a service charge at the rate of three-fourths of one percent ( $3/4$  of 1%) per annum on the principal amount of the Credit withdrawn and outstanding from time to time.

Section 2.06. Commitment charges and service charges shall be payable semiannually on June 1 and December 1 in each year.

Section 2.07. (a) Subject to paragraphs (b), (c) and (d) below, the Borrower shall repay the principal amount of the Credit in semiannual installments payable on each June 1 and December 1 commencing December 1, 2012 and ending June 1, 2042. Each installment to and including the installment payable on June 1, 2022, shall be one percent (1%) of such principal amount, and each installment thereafter shall be two percent (2%) of such principal amount.

(b) Whenever: (i) the Borrower's per capita gross national product (GNP), as determined by the Association, shall have exceeded for three consecutive years the level established annually by the Association for determining eligibility to access the Association's resources; and (ii) the Bank shall consider the Borrower creditworthy for Bank lending, the Association may, subsequent to the review and approval thereof by the Executive Directors of the Association and after due consideration by them of the development of the Borrower's economy, modify the repayment of installments under paragraph (a) above by:

- (A) requiring the Borrower to repay twice the amount of each such installment not yet due until the principal amount of the Credit shall have been repaid; and
- (B) requiring the Borrower to commence repayment of the principal amount of the Credit as of the first semiannual payment date referred to in paragraph (a) above falling six months or more after the date on which the Association notifies the Borrower that the events set out in this paragraph (b) have occurred, provided, however, that there shall be a grace period of a minimum of five years on such repayment of principal.

(c) If so requested by the Borrower, the Association may revise the modification referred to in paragraph (b) above to include, in lieu of some or all of the increase in the amounts of such installments, the payment of interest at an annual rate agreed with the Association on the principal amount of the Credit withdrawn and outstanding from time to time, provided that, in the judgment of the Association, such revision shall not change the grant element obtained under the above-mentioned repayment modification.

(d) If, at any time after a modification of terms pursuant to paragraph (b) above, the Association determines that the Borrower's economic condition has deteriorated significantly, the

Association may, if so requested by the Borrower, further modify the terms of repayment to conform to the schedule of installments as provided in paragraph (a) above.

Section 2.08. The currency of the United States of America is hereby specified for the purposes of Section 4.02 of the General Conditions.

Section 2.09. PamirEnergy is designated as representative of the Borrower for the purposes of taking any action required or permitted to be taken under the provisions of Section 2.02 of this Agreement and Article V of the General Conditions.

### **ARTICLE III**

#### **Execution of the Project**

Section 3.01. (a) The Borrower declares its commitment to the objectives of the Project as set forth in Schedule 2 to this Agreement, and, to this end, without any limitation or restriction upon any of its other obligations under this Agreement, shall cause PamirEnergy to perform in accordance with the provisions of the Project Agreement all the obligations of PamirEnergy therein set forth, shall take and cause to be taken all action, including the provision of funds, facilities, services and other resources, necessary or appropriate to enable PamirEnergy to perform such obligations, and shall not take or permit to be taken any action which would prevent or interfere with such performance.

(b) The Borrower shall relend out of the proceeds of the credit the amount allocated from time to time under Categories (1) and (2) to PamirEnergy under a subsidiary loan agreement entered between the Borrower and PamirEnergy, under terms and conditions which shall have been approved by the Association, which shall include the principal terms and conditions specified in paragraph (c) of this section.

(c) The principal terms of the conditions of the Subsidiary Loan Agreement shall be as follows: (i) the term of the Subsidiary Loan shall be twenty (20) years including a grace period of ten (10) years; (ii) interest on the amount of the Subsidiary Loan withdrawn and outstanding from time to time from categories (1) and (2) shall be at a rate of six (6) percent per annum; (iii) the Subsidiary Loan shall be denominated in U.S. Dollars; and (iv) the principal amount of the Subsidiary Loan repayable to the Borrower shall be the equivalent in U.S. Dollars of the amount of the Subsidiary Loan withdrawn and outstanding such equivalent to be expressed as of the date or respective dates of withdrawal from the Credit Account on account of expenditures incurred by PamirEnergy.

(d) The Borrower shall exercise its rights under the Subsidiary Loan Agreement in such manner as to protect the interests of the Borrower and the Association and to accomplish the purposes of the Credit, and, except as the Association shall otherwise agree, the Borrower shall not assign, amend, abrogate or waive the Subsidiary Loan Agreement or any provision thereof.

Section 3.02. Except as the Association shall otherwise agree, procurement of the goods and works required for the Project and to be financed out of the proceeds of the Credit shall be

governed by the provisions of Schedule 1 to the Project Agreement.

Section 3.03. For the purposes of Section 9.06 of the General Conditions and without limitation thereto, the Borrower shall:

(a) prepare, on the basis of guidelines acceptable to the Association, and furnish to the Association not later than six (6) months after the Closing Date or such later date as may be agreed for this purpose between the Borrower and the Association, a plan for the future operation of the Project; and

(b) afford the Association a reasonable opportunity to exchange views with the Borrower on said plan.

Section 3.04. The Borrower shall ensure the maintenance of the rates for electric power as specified in the Concession Agreement.

Section 3.05. The Borrower shall:

(a) ensure that the bills from PamirEnergy for consumption by budgetary organizations in GBAO region will be paid in cash and within 30 days of billing date;

(b) by November 30 of each year, conclude satisfactory agreement with PamirEnergy on the levels of consumption of electricity in the following year by budgetary organizations in GBAO region and promptly determine said consumption levels;

(c) allocate adequate resources in the budget to pay for the agreed amounts of electricity consumption by budgetary organizations in GBAO region every year; and

(d) establish an escrow account in a commercial bank in the Borrower's territory satisfactory to the Association, in which the Borrower will at all times maintain funds equal to projected 45 days' billing for electricity consumption by budgetary organizations in PamirEnergy's concession area.

## **ARTICLE IV**

### **Financial Covenants**

Section 4.01. The Borrower shall:

(a) have the records and accounts for the Special Account for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Association;

(b) furnish to the Association 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 Association shall have reasonably requested, and

(c) furnish to the Association such other information concerning said records and accounts and the audit thereof as the Association shall from time to time reasonably request.

## **ARTICLE V**

### **Remedies of the Association**

Section 5.01. Pursuant to Section 5.02 (l) of the General Conditions, the following additional events are specified:

(a) PamirEnergy shall have failed to perform any of its obligations under the Project Agreement.

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

(c) The Concession Agreement or any provision thereof, shall have been amended, suspended, abrogated, repealed, breached or waived so as to affect materially and adversely the ability of PamirEnergy to carry out the Project.

(d) The Shareholders Agreement shall have failed to become effective on August 31, 2002, or such later date as the Association may agree.

(e) The Social Protection Costs Payment Agreement or any provision thereof, shall have been amended, suspended, abrogated, repealed, breached or waived so as to affect materially and adversely the ability of PamirEnergy to carry out the Project.

Section 5.02. Pursuant to Section 7.01(h) of the General Conditions, the following additional event is specified, namely, that any event specified in paragraphs (a), (c), (d) and (e) of Section 5.01 of this Agreement shall occur.

## **ARTICLE VI**

### **Effective Date; Termination**

Section 6.01. The following events are specified as additional conditions to the effectiveness of the Development Credit Agreement within the meaning of Section 12.01 (b) of



the General Conditions:

(a) the IFC Investment Agreement has been executed on behalf of IFC and PamirEnergy;

(b) the PamirInvest Subscription Agreement has been executed on behalf of PamirInvest and PamirEnergy;

(c) the Social Protection Costs Payment Agreement has been executed on behalf of the Borrower and PamirEnergy; and

(d) the Subsidiary Loan Agreement has been executed on behalf of the Borrower and PamirEnergy.

Section 6.02. The following are specified as additional matters, within the meaning of Section 12.02 (b) of the General Conditions, to be included in the opinion or opinions to be furnished to the Association:

(a) that the Project Agreement has been duly authorized or ratified by PamirEnergy and is legally binding upon PamirEnergy in accordance with its terms; and

(b) that the Subsidiary Loan Agreement has been duly authorized or ratified by the Borrower and PamirEnergy and is legally binding upon the Borrower and PamirEnergy in accordance with its terms.

Section 6.03. The date ninety (90) days after the date of this Agreement is hereby specified for the purposes of Section 12.04 of the General Conditions.

## **ARTICLE VII**

### **Representative of the Borrower; Addresses**

Section 7.01. Except as provided in Section 2.09 of this Agreement, the Minister of Finance of the Borrower is designated as representative of the Borrower 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 Borrower:

Ministry of Finance  
3, Akademik Rajobovkho Street  
Dushanbe, 734025

Republic of Tajikistan

Facsimile:

(992-372) 213329

For the Association:

International Development Association  
1818 H Street, N.W.  
Washington, D.C. 20433  
United States of America

Cable address:

Telex:

Facsimile:

INDEVAS  
Washington, D.C.

248423 (MCI) or  
64145 (MCI)

(202) 477-6391

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

REPUBLIC OF TAJIKISTAN

By:

/s/ Narzullo Abibullaev  
Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By:

/s/ Dennis de Tray  
Authorized Representative

## SCHEDULE 1

### Withdrawal of the Proceeds of the Credit

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

<u>Category</u>	<u>Amount of the Credit Allocated (Expressed in SDR Equivalent)</u>	<u>% of Expenditures to be Financed</u>
(1) Works	1,100,000	100% of foreign expenditures and 90% of local expenditures
(2) Goods cement and steel goods	1,500,000 4,500,000	100% of foreign expenditures, 100% of local expenditures (ex-factory cost) and 90% of local expenditures for other items procured locally (a) (b) other
(3) Unallocated	800,000	
TOTAL	7,900,000	

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 Borrower for goods or services supplied from the territory of any country other than that of the Borrower; and

(b) the term “local expenditures” means expenditures in the currency of the Borrower or for goods or services supplied from the territory of the Borrower;

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 SDR630,000, may be made on account of payments made for expenditures before that date but after March 15, 2002.

## **SCHEDULE 2**

### **Description of the Project**

The objective of the Project is to improve quantity and reliability of supply of electricity in the GBAO region of the Borrower.

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

#### Part A: Completion of the Existing Pamir I Power Plant and Associated Regulating Structure

1. Repairs and rehabilitation of tunnels, penstock and surge tank through the provision of goods and works.

2. Installation and repairs of equipment in the Pamir 1 hydropower plant.

3. Completion of a regulating structure at the outlet of Lake Yashilkul in order to increase the water availability to the Pamir 1 hydropower plant.

4. Construction of an access road, a small channel at the spillway and diversion area, and a control house which operates and maintains gates.

#### Part B: Rehabilitation of Pamir 1 and Other Hydro Power Plant

Rehabilitation of the Pamir 1 hydropower plant and Khrog, Vanj and Namangut hydro

power stations through the provision of goods and works.

Part C: Rehabilitation of Pamir-Khorog-Andarob Transmission Line and Substations

1. Construction of a new 35 kilovolt transmission line between Pamir 1 hydropower plant and the substation in Khorog.
2. Rehabilitation of the transmission line between Khorog and Andarob.
3. Rehabilitation of critical section of other transmission lines within the Khorog area.

Part D: Technical Assistance

Strengthening of PamirEnergy's capacity for the Project implementation, including the areas related to: (1) procurement, operation and management of the utility, through provision of consultant's services; and (2) financial management, operational and environmental monitoring, through provision of goods and training.

**SCHEDULE 3**

**Special Account**

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means Categories (1) and (2) 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 Credit 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 \$1,000,000 to be withdrawn from the Credit Account and deposited into the Special Account pursuant to paragraph 3(a) of this Schedule, provided, however, that unless the Association shall otherwise agree, the Authorized Allocation shall be limited to an amount equivalent to \$500,000 until the aggregate amount of withdrawals from the Credit Account plus the total amount of all outstanding special commitments entered into by the Association pursuant to Section 5.02 of the General Conditions shall be equal to or exceed the equivalent of SDR 5,000,000.

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 Association 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 Borrower shall furnish to the Association a request or requests for deposit into the Special Account of an amount or amounts which do not exceed the aggregate amount of the Authorized Allocation. On the basis of such request or requests, the Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount or amounts as the Borrower shall have requested.

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

(ii) Prior to or at the time of each such request, the Borrower shall furnish to the Association 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 Association shall, on behalf of the Borrower, withdraw from the Credit Account and deposit into the Special Account such amount as the Borrower 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 Association from the Credit 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 Borrower out of the respective Special Account, the Borrower shall, at such time as the Association shall reasonably request, furnish to the Association 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 Association shall not be required to make further deposits into the Special Account:

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

(b) if the Borrower shall have failed to furnish to the Association, within the period of time specified in Section 4.01 (b)(ii) of this Agreement, any of the audit reports required to be furnished to the Association pursuant to said Section in respect of the audit of the records and accounts for the Special Account;

(c) if, at any time, the Association shall have notified the Borrower of its intention to suspend in whole or in part the right of the Borrower to make withdrawals from the Credit Account pursuant to the provisions of Section 6.02 of the General Conditions; or

(d) once the total unwithdrawn amount of the Credit allocated to the eligible Categories, minus the total amount of all outstanding special commitments entered into by the Association 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 Credit Account of the remaining unwithdrawn amount of the Credit allocated to the eligible Categories shall follow such procedures as the Association shall specify by notice to the Borrower. Such further withdrawals shall be made only after and to the extent that the Association 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 Association 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 Association, the Borrower shall, promptly upon notice from the Association: (A) provide such additional evidence as the Association may request; or (B) deposit into the Special Account (or, if the Association shall so request, refund to the Association) an amount equal to the amount of such payment or the portion thereof not so eligible or justified. Unless the Association shall otherwise agree, no further deposit by the Association into the Special Account shall be made until the Borrower has provided such evidence or made such deposit or refund, as the case may be.

(b) If the Association 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 Borrower shall, promptly upon notice from the Association, refund to the Association such outstanding amount.

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

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

