

CONFORMED COPY

CREDIT NUMBER 2569 BD

Development Credit Agreement

(Jamuna Bridge Project)

between

PEOPLE'S REPUBLIC OF BANGLADESH

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated February 25, 1994

CREDIT NUMBER 2569 BD

DEVELOPMENT CREDIT AGREEMENT

AGREEMENT, dated February 25, 1994, between PEOPLE'S REPUBLIC OF BANGLADESH (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, has requested the Association to assist in the financing of the Project;

(B) the Borrower intends to contract from Asian Development Bank (ADB) a loan (the ADB Loan) in an amount equivalent to two hundred million dollars (\$200,000,000) to assist in financing the Project on the terms and conditions set forth in an agreement (the ADB Loan Agreement) to be entered into between the Borrower and ADB;

(C) the Borrower intends to contract from the Overseas Economic Cooperation Fund of Japan (OECF) a loan (the OECF Loan) in an amount equivalent to two hundred million dollars (\$200,000,000) to assist in financing the Project on the terms and conditions set forth in an agreement (the OECF Loan Agreement) to be entered into between the Borrower and OECF; and

(D) the Project will be carried out by Jamuna Multipurpose Bridge Authority (JMBA) with the Borrower's assistance and, as part of such assistance, the Borrower will make available to JMBA the proceeds of the Credit as provided in this Agreement; and

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 Project Agreement of even date herewith between the Association and JMBA;

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, with the last sentence of Section 3.02 deleted (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 and in the Preamble to this Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

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

(b) "Subsidiary Loan Agreement" means the agreement to be entered into between the Borrower and JMBA pursuant to Section 3.01 (b) of this Agreement, as the same may be amended from time to time, and such term includes any schedules to the Subsidiary Loan Agreement;

(c) "JMBA" means Jamuna Multipurpose Bridge Authority, established pursuant to the Jamuna Multipurpose Bridge Authority Ordinance, 1985 (Ordinance No. LV OF 1985);

(d) "Project Agreement" means the agreement between the Association and Jamuna Multipurpose Bridge Authority (JMBA), 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;

(e) "Resettlement Action Plan" means the Plan dated October 15, 1993, satisfactory to the Association, for the resettlement and rehabilitation of Project Affected People (as hereinafter defined);

(f) "Project Affected People" means all the people who have been or will be directly or indirectly affected by the Project;

(g) "Resettlement Unit" means the Unit established within JMBA acceptable to the Association for purposes of providing assistance in implementing the Resettlement Action Plan;

(h) "Environmental Action Plan" means the Plan dated December 1993, satisfactory to the Association setting forth measures to be taken to mitigate the adverse impact of the Project on the environment, including measures for fisheries development, wildlife protection and land use;

(i) "Bridge-end Facilities Land Use Plan" means the Plan dated July 1992, satisfactory to the Association for land use at the Jamuna bridge-end facilities;

(j) "Taka" means the currency of the Borrower; and

(k) "Fiscal Year" means the Fiscal Year of the Borrower beginning on July 1 and ending on June 30 of the following calendar year.

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 one hundred forty-three million six hundred thousand Special Drawing Rights (SDR 143,600,000).

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 shall, for the purposes of the Project, open and maintain in US 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 June 30, 1999 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 cancelled; and (ii) at the rate set as of the June 30 immediately preceding the accrual date or 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 payment 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 15 and December 15 in each year.

Section 2.07. (a) Subject to paragraphs (b) and (c) below, the Borrower shall repay the principal amount of the Credit in semi-annual installments payable on each June 15 and December 15 commencing June 15, 2004 and ending December 15, 2033. Each installment to and including the installment payable on December 15, 2013 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 gross national product per capita, as determined by the Association, shall have exceeded \$790 in constant 1985 dollars for five consecutive years, 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 terms of repayment of installments under paragraph (a) above by 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. If so requested by the Borrower, the Association may revise such modification 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.

(c) 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. JMBA 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 the Development Credit Agreement, shall cause JMBA to perform in accordance with the provisions of the Project Agreement all the obligations of JMBA 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 JMBA to perform such obligations, and shall not take or permit to be taken any action which would prevent or interfere with such performance.

(b) Without limitation upon any of its obligations under Section 3.01 (a) of this Agreement, the Borrower's financial and other contribution towards the cost of the Project shall be passed on to JMBA as a grant. Such contribution shall be made at such intervals, satisfactory to the Association, as shall be necessary or required to enable JMBA to carry out the Project in accordance with the provisions of the Project Agreement.

(c) The Borrower shall relend the proceeds of the Credit to JMBA under a subsidiary loan agreement to be entered into between the Borrower and JMBA, under terms and conditions which shall have been approved by the Association, which shall include, inter alia, that:

(i) the proceeds of the Credit shall be relent at an interest rate of not less than three-fourths of one percent (3/4 of 1%) per annum, for a term of forty years, including a grace period not exceeding ten years;

(ii) the Borrower shall bear the foreign exchange risk; and

(iii) interest will be capitalized for payments to begin fully or partially at such time to be determined in accordance with the provisions of Section 3.05 (b) (ii) of the Project Agreement, provided, however, that such capitalization shall not continue beyond ten years after the completion of construction of the Jamuna Bridge.

(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 works and consultants' services 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. The Borrower and the Association hereby agree that the obligations set forth in Sections 9.03, 9.04, 9.05, 9.06, 9.07 and 9.08 of the General Conditions (relating to insurance, use of goods and services, plans and schedules, records and reports, maintenance and land acquisition, respectively) shall be carried out by JMBA pursuant to Section 2.03 of the Project Agreement.

Section 3.04. The Borrower shall:

(a) not later than December 31, 1995, review with the Association programs for the training of JMBA staff in all aspects of bridge operation; and

(b) thereafter take appropriate measures to implement the agreed training program.

Section 3.05. The Borrower shall utilize the recommendations and results of the Bangladesh Transport Sector Study in formulating its transport investment plan.

Section 3.06. For purposes of assisting JMBA in carrying out Part A of the

Project, the Borrower shall, no later than February 28, 1995, take appropriate action, including enactment of legislation, to control and monitor construction activities and other land uses in the vicinity of the Jamuna bridge that may interfere with its construction, operation, and maintenance, and to ensure the safety of persons employed in the Project or using the Project facilities.

Section 3.07. The Borrower shall participate with JMBA and the Association in carrying out the mid-term review of the Project in accordance with Section 2.08 of the Project Agreement.

ARTICLE IV

Financial Covenants

Section 4.01. (a) For all expenditures with respect to which withdrawals from the Credit Account were made on the basis of statements of expenditure, the Borrower shall:

- (i) maintain or cause to be maintained in accordance with sound accounting practices, records and accounts reflecting such expenditures;
- (ii) ensure that all records (contracts, orders, invoices, bills, receipts and other documents) evidencing such expenditures are retained until at least one year after the Association has received the audit report for the fiscal year in which the last withdrawal from the Credit Account was made; and
- (iii) enable the Association's representatives to examine such records.

(b) The Borrower shall:

- (i) have the records and accounts referred to in paragraph (a) (i) of this Section and those for the Special Account for each fiscal year audited, in accordance with appropriate auditing principles consistently applied, by independent auditors acceptable to the Association;
- (ii) 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, including 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; and
- (iii) 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.

Section 4.02. Without limitation upon any of its obligations under Section 3.01 of this Agreement, the Borrower shall:

(a) by February 28, 1995 take all appropriate measures, including enactment of legislation, to: (i) give legal authority to JMBA to operate and maintain the Jamuna bridge after its completion; (ii) enable JMBA to levy and collect tolls, and operate as a financially viable organization; and (iii) give legal authority to JMBA to implement the Bridge-end Facilities Land Use Plan in a manner satisfactory to the Association; and

(b) allocate adequate funds to enable JMBA to operate and maintain the Jamuna bridge for a period of one year after its completion.

Section 4.03. Without limitation upon any of its obligations under Section 3.01 of this Agreement, the Borrower shall:

(a) not later than start of civil works under Part A.3 of the Project, cause JMBA to open and maintain in a commercial bank, under terms and conditions satisfactory to the Association, a Bridge Emergency Fund of at least \$10,000,000 equivalent which shall be used by JMBA to finance expenditures of an emergency nature

during construction of the Jamuna bridge; and

(b) in consultation with the Association, cause JMBA to replenish the Bridge Emergency Fund referred to in paragraph (a) above as and when required to meet the required expenditures.

ARTICLE V

Remedies of the Association

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

(a) JMBA 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 JMBA will be able to perform its obligations under the Project Agreement.

(c) Ordinance No. LV OF 1985, as amended to date, shall have been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of JMBA to perform any of its obligations under the Project Agreement.

(d) The Borrower or any other authority having jurisdiction shall have taken any action for the dissolution or disestablishment of JMBA or for the suspension of its operations.

(e) (i) Subject to subparagraph (ii) of this paragraph:

(A) The right of the Borrower to withdraw the proceeds of any loan or grant made to the Borrower for the financing of the Project shall have been suspended, cancelled or terminated in whole or in part, pursuant to the terms thereof, or

(B) any such loan shall have become due and payable prior to the agreed maturity thereof.

(ii) Subparagraph (i) of this paragraph shall not apply if the Borrower establishes to the satisfaction of the Association that: (A) such suspension, cancellation, termination or prematuring is not caused by the failure of the Borrower to perform any of its obligations under such agreement; and (B) adequate funds for the Project are available to the Borrower from other sources on terms and conditions consistent with the obligations of the Borrower under this Agreement.

Section 5.02. Pursuant to Section 7.01 (d) of the General Conditions, the following additional events are specified:

(a) any event specified in paragraph (a) of Section 5.01 of this Agreement shall occur and shall continue for a period of sixty days after notice thereof shall have been given by the Association to the Borrower; and

(b) any event specified in paragraph (c) 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 Subsidiary Loan Agreement has been executed on behalf of the Borrower and JMBA;

(b) all conditions precedent to the effectiveness of the ADB Loan Agreement and the OECF Loan Agreement have been fulfilled, other than those related to the effectiveness of this Agreement;

(c) the contract(s) for construction supervision and for Project management and monitoring and evaluation of the implementation of the Resettlement and Environmental Action Plans have been signed and become effective;

(d) at least 50 percent of the Project Affected People to be displaced by April 1, 1994, determined in accordance with methodology satisfactory to the Association, shall have completed the purchase of replacement homestead land in accordance with the procedures set forth in the Resettlement Action Plan; and

(e) all necessary governmental action required for implementing or causing to be implemented the Resettlement Action Plan and the Environmental Action Plan have been taken.

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 JMBA, and is legally binding upon JMBA in accordance with its terms;

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

(c) that JMBA is legally authorized to carry out the Project; and

(d) that all necessary governmental action required for implementing or causing to be implemented the Resettlement Action Plan and the Environmental Action Plan have been taken.

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

Representatives of the Borrower; Addresses

Section 7.01. Except as provided in Section 2.09 of this Agreement, the Secretary or the Additional Secretary, or any Joint Secretary, Deputy Secretary or Senior Assistant Secretary or Assistant Secretary of the Economic Relations Division of the Ministry 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:

Economic Relations Division
Ministry of Finance
Government of the Peoples Republic
of Bangladesh
Dhaka, Bangladesh

Cable address:

SETU/BJ
Dhaka

Telex:

642226B3

Facsimile:

8802813088

For the Association:

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

Cable address:

Telex:

INDEVAS
Washington, D.C.

248423 (RCA)
82987 (FTCC)
64145 (WUI) or
197688 (TRT)

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

PEOPLE'S REPUBLIC OF BANGLADESH

By /s/ K. M. Ejazul Huq

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

By /s/ Gobind T. Nankani

Acting Regional Vice President
South Asia

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:

Category	Amount of the Credit Allocated (Expressed in SDR Equivalent)	% of Expenditures to be Financed
(1) Civil Works	136,600,000	30.7%
(2) Consultant Services and Training	7,000,000	33.3%
TOTAL	143,600,000	

2. 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 to exceed SDR 14,350,000, may be made on account of payments made for expenditures before that date but after September 30, 1993.

3. The Association may require withdrawals from the Credit Account to be made on the basis of statements of expenditure for expenditures under contracts (for works and services) not exceeding \$50,000 equivalent under such terms and conditions as the Association shall specify by notice to the Borrower.

SCHEDULE 2

Description of the Project

The objectives of the Project is to connect the eastern and western part of the country through the construction, operation and maintenance of a bridge over the Jamuna River, thereby stimulating economic growth by facilitating cross-river transport of passengers, freight and transmission of power.

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: Civil Works

1. Construction of a bridge, about 4.8 km long, 18.5 meters wide across the Jamuna River, with a foundation to carry a railway and capable of supporting an electric interconnector, a gas pipeline and telecommunications facilities.
2. Construction of viaducts, about 128 meters each connecting the bridge to the approach roads.
3. Construction of two guide bunds, of about 2.2 km each and a flood protection bund on the east bank to regulate the river at the bridge construction site.
4. Construction of two approach roads.

Part B: Resettlement and Environment

1. Implementation and monitoring of resettlement and rehabilitation of about 77,000 project affected people in accordance with the Resettlement Action Plan, including establishment and operation of a management information system for monitoring and evaluating the implementation of such resettlement and rehabilitation.
2. Implementation and monitoring of the Environmental Action Plan including implementation of mitigation measures for the effects of closure of the northern intake of the Dhaleshwari river.

Part C: Technical Assistance and Training

Provision of technical assistance and training required for purposes of implementing Parts A and B hereof, including, inter alia, in the areas of project management, construction supervision, institution building, and training of JMBA staff in operations and maintenance.

* * *

The Project is expected to be completed by June 30, 1998.

SCHEDULE 3

Special Account

1. For the purposes of this Schedule:

(a) the term "eligible Categories" means 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 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 in 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 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 a deposit or deposits 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 in 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 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; or

(b) once the total unwithdrawn amount of the Credit allocated to the eligible Categories, less the amount of any outstanding special commitment 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.



