

SCHEDULE 1

Withdrawal of the Proceeds of the Loan

A. General

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

<u>Category</u>	<u>Amount of the Loan Allocated (Expressed in Dollars)</u>	<u>% of Expenditures to be financed</u>
(1) Works:		
(a) under DNV Subprojects	5,200,000)	70%
(b) under CVU Subprojects	17,000,000)	
(c) under DNH Subprojects	5,320,000)	
(d) under CREMA Subprojects	15,230,000)	
(e) under Annual Departmental Road Rehabilitation and Maintenance Subprojects	12,760,000)	
(f) under Road Safety Subprojects	1,500,000)	
(2) Goods under Road Safety Subprojects	850,000	70%
(3) Consultants' services	3,910,000	70%
(4) Front-end fee	350,000	Amount due under Section 2.04 of this Agreement

<u>Category</u>	<u>Amount of the Loan Allocated (Expressed in Dollars)</u>	<u>% of Expenditures to be financed</u>
(5) Premia for Interest Rate Caps and Interest Rate Collars	0	Amount due under Section 2.09 (c) of this Agreement
(6) Unallocated	<u>7,880,000</u>	
TOTAL	<u>70,000,000</u>	

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 exceeding \$14,000,000, may be made in respect of Categories (1) through (3) set forth in the table in paragraph A.1 of this Schedule on account of payments made for expenditures within one year before that date but after June 1, 2004.

3. The Bank may require withdrawals from the Loan Account to be made on the basis of statements of expenditure for expenditures under contracts for: (a) goods costing less than \$200,000 equivalent per contract with the exception of: (i) the first three contracts to be procured under Part B.1 (a) of Section II of Schedule 4 to this Agreement; and (ii) any other contract for goods to be subject to Prior Review as provided in Section IV (c) of Schedule 4 to this Agreement; (b) works costing less than \$4,000,000 equivalent per contract with the exception of: (i) the first three contracts to be procured under Part B.1 (b) of Section II of Schedule 4 to this Agreement (which shall include within those three contracts at least one contract for works under a CREMA Subproject); and (ii) any other contract for works to be subject to Prior Review as provided in Section IV (c) of Schedule 4 to this Agreement; (c) services of individual consultants costing less than \$50,000 equivalent per contract with the exception of those contracts for services of individuals consultants selected on a sole source basis; and (d) services of consulting firms under contracts costing less than \$100,000 equivalent per contract with the exception of those contracts for services of consulting firms selected on a sole source basis, all under such terms and conditions as the Bank shall specify by notice to the Borrower.

4. The Borrower may request withdrawals from the Loan Account to be made on the basis of reports to be submitted to the Bank in form and substance satisfactory to the Bank, such reports to include the FMR and any other information as the Bank shall specify by notice to the Borrower (Report-based Disbursements). In the case of the first such request submitted to the Bank before any withdrawal has been made from the Loan

Account, the Borrower shall submit to the Bank only a statement with the projected sources and applications of funds for the Project for the six-month period following the date of such request.

B. Special Account

1. The Borrower may open and maintain in Dollars a special deposit account in BCU, on terms and conditions satisfactory to the Bank.

2. After the Bank has received evidence satisfactory to it that the Special Account has been opened, withdrawals from the Loan Account of amounts to be deposited into the Special Account shall be made as follows:

(a) if the Borrower is not making Report-based Disbursements, withdrawals shall be made in accordance with the provisions of Annex A to this Schedule 1; and

(b) if the Borrower is making Report-based Disbursements, withdrawals shall be made in accordance with the provisions of Annex B to this Schedule 1.

3. Payments out of the Special Account shall be made exclusively for Eligible Expenditures. For each payment made by the Borrower out of the Special Account, the Borrower shall, at such time as the Bank shall reasonably request, furnish to the Bank such documents and other evidence showing that such payment was made exclusively for Eligible Expenditures.

4. Notwithstanding the provisions of Part B.2 of this Schedule, the Bank shall not be required to make further deposits into the Special Account:

(a) if the Bank, at any time, is not satisfied that the reports referred to in Part A.4 of this Schedule 1 adequately provide the information required for Report-based Disbursements;

(b) if the Bank determines at any time that all further withdrawals for payment of Eligible Expenditures should be made by the Borrower directly from the Loan Account; or

(c) if the Borrower shall have failed to furnish to the Bank, 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 Bank pursuant to said Section in respect of the audit of: (A) the records and accounts for the Special Account; or (B) the records and accounts reflecting expenditures with respect to which withdrawals were Report-based

Disbursements or were made on the basis of statements of expenditure, as the case may be.

5. The Bank shall not be required to make further deposits into the Special Account in accordance with the provisions of Part B.2 of this Schedule if, at any time, the Bank 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 Loan Account pursuant to Section 6.02 of the General Conditions. Upon such notification, the Bank shall determine, in its sole discretion, whether further deposits into the Special Account may be made and what procedures should be followed for making such deposits, and shall notify the Borrower of its determination.

6. (a) If the Bank determines at any time that any payment out of the Special Account was made for an expenditure which is not an Eligible Expenditure, or was not justified by the evidence furnished to the Bank, the Borrower shall, promptly upon notice from the Bank, provide such additional evidence as the Bank may request, or deposit into the Special Account (or, if the Bank shall so request, refund to the Bank) an amount equal to the amount of such payment. Unless the Bank shall otherwise agree, no further deposit by the Bank 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 Bank determines at any time that any amount outstanding in the Special Account will not be required to cover payments for Eligible Expenditures during the six-month period following such determination, the Borrower shall, promptly upon notice from the Bank, refund to the Bank such outstanding amount.

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

(d) Refunds to the Bank made pursuant to subparagraph (a), (b) or (c) of this paragraph 6 shall be credited to the Loan Account for subsequent withdrawal or for cancellation in accordance with the provisions of the Loan Agreement.

Annex A

to

SCHEDULE 1

**Operation of Special Account
When Withdrawals Are Not
Report-based Disbursements**

1. For the purposes of this Annex, the term "Authorized Allocation" means the amount of \$5,000,000 to be withdrawn from the Loan Account and deposited into the Special Account pursuant to paragraph 2 of this Annex.

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

(b) For replenishment of the Special Account, the Borrower shall furnish to the Bank requests for deposit into the Special Account at such intervals as the Bank shall specify. Prior to or at the time of each such request, the Borrower shall furnish to the Bank the documents and other evidence required pursuant to Part B.3 of Schedule 1 to this Agreement for the payment or payments in respect of which replenishment is requested. On the basis of each such request, the Bank shall, on behalf of the Borrower, withdraw from the Loan 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. Each such deposit into the Special Account shall be withdrawn by the Bank from the Loan Account under one or more of the Eligible Categories.

3. The Bank shall not be required to make further deposits into the Special Account, once the total unwithdrawn amount of the Loan minus the total amount of all outstanding special commitments entered into by the Bank pursuant to Section 5.02 of the General Conditions shall equal the equivalent of twice the amount of the Authorized Allocation. Thereafter, withdrawal from the Loan Account of the remaining unwithdrawn amount of the Loan shall follow such procedures as the Bank shall specify by notice to the Borrower. Such further withdrawals shall be made only after and to the extent that the

Bank 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.

Annex B

to

SCHEDULE 1

**Operation of Special Account
When Withdrawals Are
Report-based Disbursements**

1. Withdrawals from the Loan Account shall be deposited by the Bank into the Special Account in accordance with the provisions of Schedule 1 to this Agreement. Each such deposit into the Special Account shall be withdrawn by the Bank from the Loan Account under one or more of the Eligible Categories.

2. Upon receipt of each application for withdrawal of an amount of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and deposit into the Special Account an amount equal to the lesser of: (a) the amount so requested; and (b) the amount which the Bank has determined, based on the reports referred to in Part A.4 of this Schedule 1 applicable to such withdrawal application, is required to be deposited in order to finance Eligible Expenditures during the six-month period following the date of such reports.

SCHEDULE 2

Description of the Project

The objective of the Project is to upgrade the Borrower's transport infrastructure to a condition which facilitates the transportation of freight and passengers at a cost-efficient level of service.

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

Part A: Transport Infrastructure Rehabilitation

1. Carrying out of rehabilitation works (within the existing right of way) which consist of reinforcing the pavement structures for:

(a) approximately 15 kilometers of the section between the kilometer in which the Borrower's former national route 3 started and kilometer 594.1 on the Borrower's national route 3; and

(b) approximately 20 kilometers of the Río Tacuarí and Cañada Santos section on the Borrower's national Route 18, all as listed in the Implementation Letter.

2. (a) Carrying out of rehabilitation works which consist of reinforcing the pavement structures for: (i) approximately 5 kilometers of the section located between kilometer 144 on the Borrower's national route 1 and the area which links said route with the Borrower's national route 22; (ii) approximately 16 kilometers (within the existing right of way) of the section located between kilometer 144 on the Borrower's national route 1 and the area which links said route with the Borrower's national route 2; and (iii) approximately 3 kilometers (within the existing right of way) of the *La Planta Urbana de Young* section on the Borrower's national route 3; and

(b) carrying out of bridge restoration works (within the existing right of way) which consist of strengthening, widening and/or replacing the existing structures of approximately 20 bridges located on the Borrower's national routes 1, 5, 6, 7, 8, 21, 26, 28, 30 and 200, and on the access to the city of Montevideo (all under the Mega-Concession), as said rehabilitation and bridge restoration works are listed in the Implementation Letter.

3. Carrying out of minor rehabilitation works in selected transfer terminals listed in the Implementation Letter.

Part B: Road Rehabilitation and Maintenance Contracting

Carrying out, under the terms of six (6) CREMA Contracts, of rehabilitation works (such as base reconstruction, resurfacing, or asphalt concrete overlaying, all within the existing right of way) and/or maintenance works for approximately 981 kilometers on the Borrower's national roads, as listed in the Implementation Letter.

Part C: Departmental Road Rehabilitation and Maintenance

Carrying out of annual rehabilitation/periodic maintenance road programs (which meet the criteria set forth in the Implementation Letter) in Participating *Departamentos* each year of Project implementation (which annual programs consist of resurfacing, asphalt concrete overlaying or reconstruction of the existing structure over a recycled base course, and providing periodic maintenance for approximately 9,000 kilometers of gravel roads (in the aggregate), as well as annual rehabilitation/periodic maintenance of bridges), all located within the territorial jurisdiction of the pertinent Participating *Departamento*.

Part D: Transport Infrastructure Safety

Carrying out of a national road safety program, which program consists of, *inter alia*:

- (a) the illumination of selected national route sections in which a high number of accidents occur during nighttime;
- (b) the improvement of pavement markings and road signs in selected national routes;
- (c) the construction of foot/bike paths (within the existing right of way) to segregate and protect pedestrian and non-motorized traffic on selected national routes; and
- (d) the acquisition of road signals and barriers, as said investments and routes are listed in the Implementation Letter.

Part E: Transport Sector Management and Institutional Building

1. Design of MTOP's transport infrastructure plan for the years 2005-2009, including the carrying out of engineering and economic studies, as needed, for the completion of said design.
2. Gradual implementation of the HDM-4 Model in DNV, including the provision of training to DNV's personnel required therefor.
3. Strengthening of the Borrower's planning capacity to develop:
 - (a) a plan to improve road maintenance practices in the Participating *Departamentos*;
 - (b) a plan to establish future interior ports in Uruguay;
 - (c) a master port plan for the *Nueva Palmira* port; and
 - (d) individual plans for other ports within the Borrower's territory, as approved by the Bank.
4. Design of an urban transport master plan for the city of Montevideo.
5. Preparation of a proposed Montevideo ring-road project, including but not limited to the carrying out of feasibility studies, environmental and social assessments and detailed designs of investments to be carried out under the proposed project, all as approved by the Bank.

* * *

The Project is expected to be completed by January 31, 2011.

SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date (Installment Share). If the proceeds of the Loan shall have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying:

(a) the total principal amount of the Loan withdrawn and outstanding as of the first Principal Payment Date; by

(b) the Installment Share for each Principal Payment Date, such repayment amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<u>Payment Date</u>	<u>Installment Share</u> <u>(Expressed as a %)</u>
On each April 15 and October 15 Beginning October 15, 2010 through April 15, 2020	5%

2. If the proceeds of the Loan shall not have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

(a) To the extent that any proceeds of the Loan shall have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the amount withdrawn and outstanding as of such date in accordance with paragraph 1 of this Schedule.

(b) Any withdrawal made after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which shall be the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (the Original Installment Share) and the denominator of which shall be the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such repayment amounts to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Withdrawals made within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph 3, if at any time the Bank shall adopt a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the withdrawn principal amount of the Loan to an Approved Currency, the amount so converted in said Approved Currency that shall be repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to said Conversion by either: (i) the exchange rate that reflects the amounts of principal in said Approved Currency payable by the Bank under the Currency Hedge Transaction relating to said Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the principal amount of the Loan withdrawn and outstanding from time to time shall be denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.

SCHEDULE 4

Procurement

Section I. General

A. All goods, works and services (other than consultants' services) shall be procured in accordance with the provisions of Section I of the "Guidelines: Procurement under IBRD Loans and IDA Credits" dated May 2004 (the Procurement Guidelines), and with the provisions of this Schedule.

B. All consultants' services shall be procured in accordance with Sections I and IV of the "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004 (the Consultant Guidelines), and with the provisions of this Schedule.

C. Without limitation to the provisions in Parts A and B of this Section the following additional provisions shall govern the procurement of goods, works and consultants' services under the Project (as the case may be):

1. The lowest evaluated bid shall be selected for contract award.
2. Foreign bidders shall be allowed to participate in national competitive bidding.
3. Foreign bidders may be required as a prerequisite for bidding to be registered with local authorities, provided, however, that the information to be requested from such bidders is of such nature that it will not discourage their participation.
4. There shall be no prescribed minimum number of bids to be submitted in order for a contract to be subsequently awarded.
5. After the public opening of bids, information relating to the examination, clarification and evaluation of bids and proposals and recommendations concerning awards shall not be disclosed to bidders or consultants or other persons not officially concerned with this process until the publication of contract award (except as provided in paragraphs 2.20 and 2.27 of the Consultant Guidelines).
6. Foreign bidders shall not be required to authenticate (*legalizar*) their bidding documents or any documentation related to such bidding documents with Uruguayan authorities as a prerequisite for bidding.

7. There shall be no preference for domestic contractors.
 8. The prices of contracts for consultants' services over one year duration may be adjusted.
 9. Foreign consultants shall not be required to authenticate (*legalizar*) their proposals or any documentation related to such proposals with Uruguayan authorities as a prerequisite for participating in the selection procedure.
 10. The invitations to bid, bidding documents, minutes of bid openings, requests for expressions of interest, the evaluation reports of bids and proposals, and contract awards of all goods, works, and consultants' services, as the case may be, shall be published in a web page acceptable to the Bank, and in a manner acceptable to the Bank.
- D. The capitalized terms used below in this Schedule to describe particular procurement methods or methods of review by the Bank of particular contracts, have the meanings ascribed to them in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

Section II. Particular Methods of Procurement of Goods, Works and Services (other than Consultants' Services)

A. International Competitive Bidding. Except as otherwise provided in Part B of this Section, contracts shall be awarded on the basis of International Competitive Bidding. The provisions of paragraphs 2.55 and 2.56 of the Procurement Guidelines, providing for domestic preference in the evaluation of bids, shall apply to goods manufactured in the territory of the Borrower.

B. Other Procurement Procedures

1. National Competitive Bidding.

(a) Goods estimated to cost less than \$200,000 equivalent per contract; and
(b) works (other than those works under Annual Departmental Road Rehabilitation and Maintenance Subprojects) estimated to cost less than \$4,000,000 equivalent per contract, all may be procured under contracts awarded on the basis of National Competitive Bidding.

(b) Procurement of goods and works under this Part shall be carried out using standard bidding documents acceptable to the Bank.

2. Shopping. (a) Goods estimated to cost less than \$2,000 equivalent per contract; and (b) works (other than those works under Annual Departmental Road Rehabilitation and Maintenance Subprojects) estimated to cost less than \$10,000 equivalent per contract, may be procured under contracts awarded on the basis of Shopping.

3. Force Account. Works under Annual Departmental Road Rehabilitation and Maintenance Subprojects which the Bank agrees meet the requirements for Force Account may be carried out in accordance with the provisions of said procurement method.

Section III. Particular Methods of Procurement of Consultants' Services

A. Quality- and Cost-based Selection. Except as otherwise provided in Part B of this Section, consultants' services shall be procured under contracts awarded on the basis of Quality- and Cost-based Selection. For purposes of paragraph 2.7 of the Consultant Guidelines, the short list of consultants for services estimated to cost less than \$300,000 equivalent per contract may comprise entirely national consultants.

B. Other Procedures

1. Quality-based Selection. Consultants' services for assignments which the Bank agrees meet the requirements set forth in paragraph 3.2 of the Consultant Guidelines may be procured under contracts awarded on the basis of Quality-based Selection in accordance with the provisions of paragraphs 3.1 through 3.4 of the Consultant Guidelines.

2. Single Source Selection. Consultants' services for tasks in circumstances which meet the requirements of paragraph 3.10 of the Consultant Guidelines for Single Source Selection, may, with the Bank's prior agreement, be procured in accordance with the provisions of paragraphs 3.9 through 3.13 of the Consultant Guidelines.

3. Individual Consultants. Consultants' services for assignments that meet the requirements set forth in the first sentence of paragraph 5.1 of the Consultant Guidelines may be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.2 through 5.3 of the Consultant Guidelines. Under the circumstances described in paragraph 5.4 of the Consultant Guidelines, such contracts may be awarded to individual consultants on a sole-source basis, subject to prior approval of the Bank.

Section IV. Review by the Bank of Procurement Decisions

Except as the Bank shall otherwise determine by notice to the Borrower, the following contracts shall be subject to Prior Review by the Bank:

(a) each contract for goods and works to be procured under Part A of Section II of this Schedule;

(b) the first three contracts for goods to be procured under Part B.1 (a) of Section II of this Schedule;

(c) the first three contracts for works (which shall include within those three contracts at least one contract for works under a CREMA Subproject) to be procured under Part B.1 (b) of Section of this Schedule;

(d) the first two contracts to be procured under Part B.2 of Section II of this Schedule irrespective if said contracts are for goods only or for works only, or a combination of the two types of contracts in the aggregate; and

(e) each contract for consultants' services provided by a firm estimated to cost the equivalent of \$100,000 or more or selected on a sole source basis. In addition, with respect to each contract for the employment of individual consultants estimated to cost the equivalent of \$50,000 or more, the report on the qualifications and experience of all evaluated candidates, the terms of reference and the terms of employment of the consultants shall be subject to prior approval by the Bank. All other contracts shall be subject to Post Review by the Bank.

SCHEDULE 5

Terms and Conditions of the Subsidiary Agreement

The Subsidiary Agreement shall contain, *inter alia*, the following provisions:

(a) the obligation of the Borrower to promptly provide the necessary funds to CVU to enable CVU to carry out Part A.2 of the Project as provided in Section 3.01 (b) of this Agreement; and

(b) the obligation of CVU:

(i) to carry out Part A.2 of the Project in accordance with the pertinent provisions of this Agreement;

(ii) to comply with the obligations referred to 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) in respect of Part A.2 of the Project;

(iii) to take or permit to be taken all action to enable the Borrower to comply with its obligations under Sections 3.04 (a) and (b), 3.06 (a) (ii), 3.07 (a), 3.09, 3.14, 4.01, 4.02 and 5.01 of this Agreement;

(iv) to participate in the reviews referred to in Section 3.12 (c) of this Agreement; and

(v) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Subsidiary Agreement or any provision thereof.

SCHEDULE 6

Terms and Conditions of the Annual Arrangements

Each Annual Arrangement shall contain, *inter alia*, the following provisions:

- (a) (i) the obligation of the Borrower to promptly provide the necessary funds to each Participating *Departamento* to enable the same to carry out their respective Annual Departmental Road Rehabilitation and Maintenance Subproject as provided in Section 3.01 (c) of this Agreement; and
- (ii) the right of the Borrower to take remedial action against any Participating *Departamento* which fails to comply with any of the provisions of its respective Annual Arrangement (which actions may include but not limited to the suspension of Loan disbursements against the defaulting Participating *Departamento*); and
- (b) the obligation of each Participating *Departamento*:
 - (i) to carry out their respective Annual Departmental Road Rehabilitation and Maintenance Subprojects in accordance with the pertinent provisions of this Agreement;
 - (ii) to comply with the obligations referred to 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) in respect of each Annual Departmental Road Rehabilitation and Maintenance Subproject;
 - (iii) to take or permit to be taken all action to enable the Borrower to comply with its obligations under Sections 3.06 (a) (ii), 3.07 (a), 3.10, 3.14, 4.01 and 4.02 of this Agreement;
 - (iv) to participate in the reviews referred to in Section 3.12 (c) of this Agreement; and

- (v) not to assign, amend, terminate, abrogate, repeal, waive or fail to enforce the Annual Arrangement Agreement or any provision thereof.