OFFICIAL DOCUMENTS

CREDIT NUMBER 5962-RW

Financing Agreement
(Additional Financing for the Transformation of Agriculture Sector Program Phase 3)

between

REPUBLIC OF RWANDA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated March 9, 2017
FINANCING AGREEMENT

AGREEMENT dated March 9, 2017, entered into between REPUBLIC OF RWANDA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association") for the purpose of providing additional financing for activities related to the Original Program (as defined in the Appendix to this Agreement). The Recipient and the Association hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to thirty four million three hundred thousand Special Drawing Rights (SDR 34,300,000) (variously, "Credit" and "Financing"), to assist in financing the program described in Schedule 1 to this Agreement ("Program").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement. All withdrawals from the Financing Account shall be deposited by the Association into an account specified by the Recipient and acceptable to the Association.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Payment Dates are February 15 and August 15 in each year.

2.06. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.07. The Payment Currency is Dollar.
ARTICLE III — PROGRAM

3.01. The Recipient declares its commitment to the objective of the Program. To this end, the Recipient shall carry out the Program through the Ministry of Agriculture and Animal resources (MINAGRI) in accordance with the provisions of Article IV of the General Conditions.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Recipient and the Association shall otherwise agree, the Recipient shall ensure that the Program is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — REMEDIES OF THE ASSOCIATION

4.01. The Additional Event of Suspension consists of the following, namely that, the amendment letter to the MDTF Grant Agreement providing for the Additional MDTF Grant from the Rwanda Agriculture Program-For-Results Multi-Donor Trust Fund has failed to enter into effect by March 31, 2018.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Effectiveness Deadline is the date ninety (90) days after the date of this Agreement.

5.02. For purposes of Section 8.05 (b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty (20) years after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Recipient’s Representative is its minister responsible for finance.

6.02. The Recipient’s Address is:

Ministry of Finance and Economic Planning
P. O. Box 158
Kigali
Rwanda
Facsimile:

250-25257-75-81
6.03. The Association’s Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America
Cable: INDEVAS
Telex: 248423 (MCI)
Facsimile: 1-202-477-6391
Washington, D.C.

AGREED at Kigali, Rwanda, as of the day and year first above written.

REPUBLIC OF RWANDA

By

[Signature]

Name: 

Title: Minister of Finance & Economic Planning

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

[Signature]

Name: Yasser El-Gammal

Title: Country Manager
SCHEDULE 1

Program Description

The objective of the Program is to increase and intensify the productivity of the Rwandan agricultural and livestock sectors and expand the development of value chains.

The Program consists of the following, namely, the carrying out by the Recipient of a program of activities to implement the Transformation of Agriculture Sector Program 2013-2018 Phase 3 (PSTA 3) from July 1, 2013 to June 30, 2018.
SCHEDULE 2

Program Execution

Section I. Implementation Arrangements

A. Program Fiduciary, Environmental and Social Systems

Without limitation upon the provisions of Article IV of the General Conditions, the Recipient shall carry out the Program, or cause the Program to be carried out, in accordance with financial management, procurement and environmental and social management systems acceptable to the Association ("Program Fiduciary, Environmental and Social Systems") which are designed to ensure that:

1. the Financing proceeds are used for their intended purposes, with due attention to the principles of economy, efficiency, effectiveness, transparency, and accountability; and

2. the actual and potential adverse environmental and social impacts of the Program are identified, avoided, minimized, or mitigated, as the case may be, all through an informed decision-making process.

B. Anti-Corruption

Without limitation upon the provisions of Part A of this Section, the Recipient shall carry out the Program, or cause the Program to be carried out, in accordance with the provisions of the Anti-Corruption Guidelines.

C. Other Program Institutional and Implementation Arrangements

1. Program Institutions

Without limitation on the generality of Part A of this Section I, the Recipient shall, maintain, throughout the implementation of the Program, the offices, units and departments within MINAGRI, RAB, NAEB, Districts and other relevant ministries, agencies and departments, and ensure that they are assigned with technical, social and environmental safeguards, fiduciary and other responsibilities for implementing the Program, all with powers, functions, institutional capacity and staffing acceptable to the Association and with resources adequate to fulfill their respective functions under the Program.
2. **Program Action Plan**

(a) The Recipient shall carry out the Program in accordance with the Program Action Plan, and shall not amend, abrogate or suspend, or permit to be amended, abrogated or suspended any provision of the Program Action Plan without the prior written agreement of the Association.

(b) Notwithstanding the foregoing, if any provision of any of said action plan is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail.

3. **Annual Work Program**

The Recipient shall, for each Fiscal Year, develop an Annual Work Program detailing the Program activities to be carried in the said FY and furnish said plan to the Association not later than May 30 of each FY.

4. **Environmental and Social Implementation Manual**

(a) The Recipient shall: (i) carry out the Program in accordance with the Environmental and Social Implementation Manual; and (ii) not amend, abrogate or suspend, or permit to be amended, abrogated or suspended any provision of the Environmental and Social Implementation Manual, without the prior written agreement of the Association.

(b) Notwithstanding the foregoing, if any provision of said manuals is inconsistent with the provisions of this Agreement, the provisions of this Agreement shall prevail.

**Section II. Excluded Activities**

The Recipient shall ensure that the Program shall include no activities which:

A. in the opinion of the Association, are likely to have significant adverse impacts that are sensitive, diverse, or unprecedented on the environment and/or affected people; or

B. involve procurement of: (1) works, estimated to cost $50 million equivalent or more per contract; (2) goods, estimated to cost $30 million equivalent or more per contract; (3) information technology system and non-consulting services, estimated to cost $20 million equivalent or more per contract; or (4) consultants’ services, estimated to cost $15 million equivalent or more per contract.
Section III.  Program Monitoring, Reporting and Evaluation; Audits

A. Program Reports

The Recipient shall monitor and evaluate the progress of the Program and prepare Program Reports in accordance with the provisions of Section 4.08 of the General Conditions. Each Program Report shall cover the period of six (6) months, and shall be furnished to the Association not later than thirty (30) days after the end of the period covered by such report.

B. Program Financial Audits

Without limitation on the generality of Section I.A of this Schedule 2 and Section 4.09 of the General Conditions, the Recipient shall have the Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Unless otherwise agreed by the Association, each audit of the Financial Statements shall cover the period of one fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than nine (9) months after the end of such period.

C. Verification of Program Results

Without limitation on the provisions of Part A of this Section III, the Recipient shall, prior to each payment under the Program:

1. carry out in accordance with the Verification Protocol, an assessment to determine the extent to which the Disbursement Linked Results (“DLR”) in respect of which payment is requested has been achieved; and

2. furnish said assessment to the Association for review.

Section IV.  Withdrawal of Financing Proceeds

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association may specify from time to time by notice to the Recipient to finance the results (“Disbursement Linked Results” or “DLRs”) achieved by the Recipient, as measured against specific indicators (“Disbursement Linked Indicators” or “DLIs”); all as set forth in the table in paragraph 2 of this Part A.

2. The following table specifies each category of withdrawal of the proceeds of the Financing (including the Disbursement Linked Indicators as applicable)
("Category"), the Disbursement Linked Results for each Category (as applicable), and the allocation of the amounts of the Financing to each Category:

<table>
<thead>
<tr>
<th>Category (including Disbursement Linked Indicator as applicable)</th>
<th>Disbursement Linked Result (as applicable)</th>
<th>Amount of the Financing Allocated (expressed in SDR)</th>
<th>Disbursement Calculation Formula</th>
</tr>
</thead>
</table>
| (1) DLI #1: Extent to which land is protected against soil erosion according to agreed technical standards (baseline is 69,640 Hectares ("Ha") for radical standards and 903,240 Ha for progressive standards) | DLR #1.1: The area of land protected against soil erosion using radical terracing techniques has increased to 103,918 Ha.  
DLR #1.2: The area of land protected against soil erosion using progressive terracing techniques has increased to 919,561 Ha. | 6,850,000 | DLR #1.1: SDR 3,430,000 of which an amount of SDR 100.06 is allocated for each additional Ha. of land protected against soil erosion using radical terracing techniques.  
DLR #1.2: An amount of SDR 3,430,000 of which an amount of SDR 210.16 for each additional Ha. of land protected against soil erosion using progressive terracing techniques. |
| (2) DLI #2: Extent to which land on hillsides and marshlands is irrigated according to agreed technical standards (baseline is 6,075 Ha for hillsides and 30,121 Ha for marshlands). | DLR#2.1: The area of land in hillsides irrigated according to agreed technical standards has increased to 8,500 Ha.  
DLR#2.2: The area of land in marshlands irrigated according to agreed technical standards has increased to 36,000 Ha. | 3,430,000 | DLR#2.1: SDR 1,720,000 of which an amount of SDR 709.28 is allocated for each additional Ha. of land on hillsides irrigated using agreed techniques.  
DLR#2.2: SDR 1,720,000 of which an amount of SDR 292.57 is allocated for each additional Ha. of land on marshlands irrigated using agreed techniques. |
| (3) DLI #3: Extent to which the average crop yield for cassava and coffee, and the average daily yields of milk per cow improves (baseline is avg. 18 MT/Ha for cassava and avg. 1.7 MT/Ha for cow) | DLR#3.1: The average crop yield per Ha. for cassava is increased to 19 MT.  
DLR#3.2: The average yield of coffee per tree per year is increased to 32 Kg.  
DLR#3.3: The average daily yield of milk per cow is increased to 35 L. | 5,140,000 | DLR#3.1: SDR 1,720,000 for which an amount of SDR 1,720,000 is allocated for each additional average MT of cassava per Ha.  
DLR#3.2: SDR 1,720,000 for which an amount of SDR 8,600 is allocated for each additional MT of coffee per tree.  
DLR#3.3: SDR 1,720,000 for which an amount of SDR 1,720,000 is allocated for each additional average L of milk per cow. |
| DLI #7: Extent to which agricultural technologies are developed and released to farmers. | DLR #7.4: The percentage of farmers adopting enhanced agricultural technology increases (baseline is 15% of technologies). The number of technologies developed and released to farmers has increased to 26.

DLR #4.2: The number of additional agricultural technologies developed and released to farmers per year has increased to 6.2 liters. |
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>6,850,000</td>
<td>DLR #4: Extent to which the number of enhanced agricultural technologies is increased. (Baseline is enhanced agricultural technologies developed and released to farmers.)</td>
</tr>
<tr>
<td>3,430,000</td>
<td>DLR #4.4: The percentage of farmers adopting enhanced agricultural technology increases (baseline is 15% of technologies). The number of technologies developed and released to farmers has increased to 26.</td>
</tr>
<tr>
<td>1,720,000</td>
<td>DLR #3: The average daily yield of milk per cow has increased to 2,457.14 liters per day.</td>
</tr>
<tr>
<td>114,333.33</td>
<td>DLR #6: The gender-sensitive management information system has been implemented in 30 Districts. The information system is producing regular District-wise reports.</td>
</tr>
<tr>
<td>6,850,000</td>
<td>DLR #7: Extent to which agricultural Recipient has aligned the approved budget.</td>
</tr>
</tbody>
</table>

| DLI #5: Extent to which the percentage of lending to the agricultural sector for agricultural sector for percentage of lending increases (baseline has increased. 7% of total lending). |
|---|---|
| 5,140,000 | DLR #5: The percentage of lending to the agricultural sector for agricultural sector for percentage of lending increases (baseline has increased. 7% of total lending). |

| DLI #6: Extent to which the number of additional grain allocated for each additional grain of average yield of coffee per tree per year. |
|---|---|
| 3,430,000 | DLR #6.4: The average daily yield of milk per cow has increased to 2,457.14 liters per day. |

| DLI #4: Extent to which the number of enhanced agricultural technologies is increased. (Baseline is enhanced agricultural technologies developed and released to farmers.) |
|---|---|
| 1,720,000 | DLR #4.4: The percentage of farmers adopting enhanced agricultural technology increases (baseline is 15% of technologies). The number of technologies developed and released to farmers has increased to 26. |
| 1,720,000 | DLR #4.4: The percentage of farmers adopting enhanced agricultural technology increases (baseline is 15% of technologies). The number of technologies developed and released to farmers has increased to 26. |
| 1,720,000 | DLR #4.4: The percentage of farmers adopting enhanced agricultural technology increases (baseline is 15% of technologies). The number of technologies developed and released to farmers has increased to 26. |
policy reforms are implemented.  
(a) seeds;  
(b) fertilizer; and  
(c) agriculture finance policies to the updated National Agricultural Policy and revised its implementation plans and all three policies are implemented.

<table>
<thead>
<tr>
<th>(8) DLI #8: Extent to which an updated National Agricultural Policy has been approved.</th>
<th>DLR #8: The Recipient has approved an updated National Agricultural Policy.</th>
<th>3,460,000</th>
<th>DLR #8: SDR 3,460,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>34,300,000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:

   (a) for purposes of Section 2.03 of the General Conditions (renumbered as such pursuant to paragraph 6 of Section II of the Appendix to this Agreement and relating to Program Expenditures), for any DLRs achieved prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed SDR 8,600,000 may be made for such DLRs achieved prior to this date but on or after September 23, 2016.

   (b) for any DLR until and unless the Recipient has furnished evidence satisfactory to the Association that said DLR has been achieved, including verification reports from the Verification Agent in accordance with procedures and arrangements and verification protocols satisfactory to the Association.

2. Notwithstanding the provisions of Part B.1(b) of this Section, the Recipient may withdraw an amount not to exceed SDR 8,600,000 as an advance; provided, however, that if the DLRs in the opinion of the Association, are not achieved (or only partially achieved) by the Closing Date, the Recipient shall refund such advance (or portion of such advance as determined by the Association in accordance with the Disbursement Calculation Formula for said Categories) to the Association promptly upon notice thereof by the Association. Except as otherwise agreed with the Recipient, the Association shall cancel the amount so refunded. Any further withdrawals requested as an advance under any Category shall be
permitted only on such terms and conditions as the Association shall specify by notice to the Recipient.

3. Notwithstanding the provisions of Part B.1(b) of this Section, if any of the DLRs under any of the Categories has not been achieved by the date by which the said DLR is set to be achieved, the Association may, by notice to the Recipient: (a) authorize the withdrawal of such lesser amount of the unwithdrawn proceeds of the Financing then allocated to said Category which, in the opinion of the Association, corresponds to the extent of achievement of said DLR, said lesser amount to be calculated in accordance with the Disbursement Calculation Formula set out in column 3 of the table above; (b) reallocate all or a portion of the proceeds of the Financing then allocated to said DLR to any other DLR; and/or (c) cancel all or a portion of the proceeds of the Financing then allocated to said DLR.

4. The Closing Date is September 30, 2018.

5. Notwithstanding the foregoing provisions of this Section IV, if at any time after the Closing Date the Recipient has failed to provide evidence satisfactory to the Association that the Withdrawn Financing Balance does not exceed the total amount of Program Expenditures, the Recipient shall, promptly upon notice from the Association, refund to the Association such excess amount of the Withdrawn Financing Balance. The Association shall cancel the refunded amount of the Withdrawn Financing Balance.
**SCHEDULE 3**

**Repayment Schedule**

<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each February 15 and August 15, commencing August 15, 2023 to and including February 15, 2055</td>
<td>1.5625%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03 (b) of the General Conditions.
APPENDIX

Section I. Definitions

1. "Additional MDTF Grant" means, the funds to be provided by the Association, acting as administrator funds provided under the Rwanda agriculture program-for-results multi-donor trust fund, to assist in financing the Program.

2. "Annual Work Program" means the Recipient’s plan of Program activities to be implemented in the Fiscal Year and budget and referenced to in Section I.C.3 of Schedule 2 to this Agreement, as the same may be revised from time to time.


4. "Category" means a category set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.

5. "Disbursement Linked Indicator" or "DLI" means in respect of a given Category, the indicator related to said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement.

6. "Disbursement Linked Result" or "DLR" means in respect of a given Category, the result under said Category as set forth in the table in Section IV.A.2 of Schedule 2 to this Agreement, on the basis of the achievement of which, the amount of the Financing allocated to said result may be withdrawn in accordance with the provisions of said Section IV.

7. "District" means an administrative area of the Recipient, established pursuant to the Recipient’s Law No.29/2005 of December 31, 2005, representing a designated area and population within the territory of the Recipient.

8. "Environmental and Social Implementation Manual" means the environmental and social implementation manual acceptable to the Association dated June 2016, as the same may be amended in accordance with the provisions of said Section.

9. "Fiscal Year" or "FY" means the financial year of the Recipient commencing July 1 of every calendar year and ending June 30 of the subsequent year.

10. "General Conditions" means the “International Development Association General Conditions for Credits and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.

11. "Hectare" or "Ha." means an area of land equivalent to 10,000 sq. meters.
12. "MDTF Grant Agreement" means the agreement dated March 6, 2015, entered into between the Recipient and the Association, acting as administrator of the Rwanda agriculture program-for-results multi-donor trust fund, to be amended, pursuant to Section 4.01 of this Agreement, to provide for the Additional MDTF Grant.

13. "Metric Ton" or "MT" means 1,000 kilograms.

14. "MINAGRI" or "Ministry of Agriculture and Animal Resources" means the Recipient’s ministry at the time responsible for agriculture and animal resources, or any successor thereto.

15. "National Agricultural Exports Development Board" or "NAEB" means the Recipient’s agency established and operating under the Recipient’s Law No 39/2010 of 25/11/210 and charged with the responsibility of developing and promoting exports in agricultural and livestock products, or its legal successor thereto.

16. "National Agricultural Policy" means the Recipient’s updated national agriculture policy that responds to the changes facing agriculture and the food system nationally, regionally and globally.

17. "Original Financing Agreement" means the financing agreement for a Transformation of Agriculture Sector Program Phase 3 between the Recipient and the Association, dated November 11, 2014, as amended to the date of this Agreement (Credit No.5548-RW).

18. "Original Program" means the Program described in Schedule 1 to the Original Financing Agreement.

19. "Program Action Plan" means the Recipient’s plan dated September 11, 2014, updated on December 21, 2016, and referred to in Section I.B.2 of Schedule 2 to this Agreement, as may be amended from time to time with the agreement of the Association.

20. "Program Fiduciary, Environmental and Social Systems" means the Recipient’s systems for the Program referred to in Section I.A of Schedule 2 to this Agreement.

21. "Rwanda Agricultural Board" or "RAB" means the Recipient’s agency established under the Recipient’s Law No. 38/2010 of 25/11/2010 with the mandate of developing agriculture and animal husbandry through their reform, and using modern methods in crop and animal production, research, agricultural extension, education and training of farmers in new technologies, or its legal successor thereto.

23. "Verification Agent" means the Recipient’s Office of the Prime Minister or any of the independent/credible entities to be engaged by the Recipient for the purposes of certifying the achievement of the DLRs as referred to in Section IV.B.1 of Schedule II to this Agreement.

24. "Verification Protocol" means the Recipient’s protocol entitled ‘DLI Verification Protocol Table’ dated September 11, 2014 and updated December 21, 2016 detailing the means by which the fulfillment of the Disbursement Linked Results will be verified under the Program.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. Wherever used throughout the General Conditions, the term “the Project” is modified to read “the Program”, the term “the Project Agreement” is modified to read “the Program Agreement”, the term “Project Implementing Entity” is modified to read “the Program Implementing Entity”, the term “Project Report” is modified to read “Program Report”; and the term “Eligible Expenditures” is modified to read “Program Expenditures”.

2. In the Table of Contents, the references to Sections, Section names and Section numbers are modified to reflect the modifications set forth in the paragraphs below.

3. Section 2.02, Special Commitment by the Association, is deleted in its entirety, and the subsequent Sections in Article II are renumbered accordingly.

4. In Section 2.02 (originally numbered as Section 2.03), the heading “Applications for Withdrawal or for Special Commitment” is replaced with “Applications for Withdrawal”, and the phrase “or to request the Association to enter into a Special Commitment” is deleted.

5. The section originally numbered as Section 2.04, Designated Accounts, is deleted in its entirety, and the subsequent Sections in Article II are renumbered accordingly.

6. Paragraph (a) of Section 2.03 (originally numbered as Section 2.05), Eligible Expenditures (renamed “Program Expenditures” in accordance with paragraph 1 of this Section II), is modified to read: “(a) the payment is for the financing of the reasonable cost of expenditures required for the Program and to be financed out of
the proceeds of the Financing in accordance with the provisions of the Legal Agreements;”.

7. The last sentence of Section 2.04 (originally numbered as Section 2.06), Financing Taxes, is modified to read: “To that end, if the Association at any time determines that the amount of any such Tax is excessive, or that such Tax is discriminatory or otherwise unreasonable, the Association may, by notice to the Recipient, exclude such amount or such Tax from the Program Expenditures to be financed out of the proceeds of the Financing, as required to ensure consistency with such policy of the Association.”

8. Section 2.06 (originally numbered as Section 2.08), Reallocation, is modified to read: “Notwithstanding any allocation of an amount of the Financing to a withdrawal category under the Financing Agreement, the Association may, by notice to the Recipient, reallocate any other amount of the Financing to such category if the Association reasonably determines at any time that such reallocation is appropriate for the purposes of the Program.”

9. Section 6.01, Cancellation by the Recipient, is modified to read: “The Recipient may, by notice to the Association, cancel any amount of the Unwithdrawn Financing Balance.”

10. Paragraph (d) of Section 6.03, Cancellation by the Association, entitled “Misprocurement”, is deleted, and subsequent paragraphs are relettered accordingly.

11. Section 6.04, Amounts Subject to Special Commitment not Affected by Cancellation or Suspension by the Association, is deleted in its entirety, and subsequent Sections in Article VI and references to such Sections are renumbered accordingly.

12. In the Appendix, Definitions, the definition of the term “Special Commitment” set forth in paragraph 50 is deleted in its entirety, and all subsequent paragraphs are renumbered accordingly.