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OFFICIAL DOCUMENTS

CREDIT NUMBER 960 CRG

Assignment Agreement

(Second Caribbean Development Bank Project)

between

CARIBBEAN DEVELOPMENT BANK

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated January 9, 1980

CREDIT NUMBER 960 CRG

ASSIGNMENT AGREEMENT

AGREEMENT, dated January 9, 1980 between CARIBBEAN DEVELOPMENT BANK (hereinafter called the Borrower) and INTERNATIONAL DEVELOPMENT ASSOCIATION (hereinafter called the Association).

WHEREAS (A) by an agreement of even date herewith between the Borrower and the Association (hereinafter called the Development Credit Agreement), the Association has agreed to make a credit to the Borrower in an aggregate principal amount of seven million dollars ($7,000,000) (hereinafter called the Development Credit);

(B) the Borrower intends to relend the proceeds of the Development Credit to several countries and territories under Sub-loans; and

(C) the Borrower has agreed to provide security for the payment of principal of and charges on the Development Credit by assigning to the Association all rights that it may exercise under such Sub-loans and for that purpose has agreed to execute this Assignment Agreement;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

Section 1.01. Wherever used in this Assignment Agreement, unless the context shall otherwise require, the several terms defined in the Preamble to this Assignment Agreement, in the General Conditions referred to in the Development Credit Agreement, and in the Development Credit Agreement have the respective meanings therein set forth and the following additional terms have the following meanings:

(a) "Development Credit amounts due and payable" as applied to any date means all amounts due and payable as of such date on account of service charges on the Development Credit and on account of principal thereof in accordance with the provisions of the Development Credit Agreement; provided, however, that if the Association shall by notice to the Borrower have declared the principal of the Development Credit then outstanding to be due and payable immediately together with the service charges thereon, then the term "Development Credit amounts due and payable" shall

also include such principal of, and accrued service charges on, the Development Credit;

(b) "assignment" means any assignment made in accordance with and subject to the provisions of this Assignment Agreement;

(c) "assigned agreement" means any agreement pursuant to which proceeds of the Development Credit are relent by the Borrower and which gives rise to rights that have been assigned in accordance with and subject to the provisions of this Assignment Agreement;

(d) "sub-borrower" means any party, other than the Borrower, to an assigned agreement; and

(e) "assignment benefit" means any amount paid or to be paid by a sub-borrower to the Association pursuant to the provisions of an assignment agreement and an assignment.

ARTICLE II

Section 2.01. (a) As security for the due payment of the principal of, and service charges on, the Development Credit, the Borrower shall assign to the Association any and all rights, contingent or otherwise, which it now has or may hereafter acquire under any agreement pursuant to which proceeds of the Development Credit are relent by the Borrower.

(b) Such assignments shall be made by the Borrower by issuing to the Association in respect of any agreement pursuant to which proceeds of the Development Credit are relent by the Borrower an indenture of assignment in form and substance according to the form of indenture of assignment set forth in the Schedule to this Assignment Agreement.

Section 2.02. (a) Each assignment of rights under an assigned agreement, when executed in accordance with the provisions of the preceding Section 2.01, shall cause the Association to accede to all rights hitherto vested in the Borrower pursuant to the assigned agreement so that the Association shall have full ownership of such rights, without restriction or reservation, and shall entitle the Association to exercise any and all rights which the Borrower would have been entitled to exercise pursuant to that agreement in the absence of such assignment.

(b) Each assigned agreement shall specify that the sub-borrower concerned agrees to the assignment by the Borrower to the Association of the Borrower's rights under that agreement in accordance with the provisions of this Assignment Agreement, and to the effects of such assignment specified in this Assignment Agreement.

Section 2.03. Without limitation upon the provisions of the preceding Section, the Association hereby authorizes the Borrower to exercise the rights so assigned under any assigned agreement, except for the right to amend, abrogate or waive any provision of the assigned agreement that relates to payment of principal of, or interest or other charges on, the Sub-loan made under that agreement, or to any contractual remedy which may be exercised in the event of a default of the sub-borrower in the carrying out of its obligations under that agreement; and the Borrower accepts such authorization and shall exercise such rights in accordance with the provisions of the Development Credit Agreement.

Section 2.04. Notwithstanding the foregoing, the Association agrees that it shall not exercise any of the rights under an assigned agreement whose exercise it has delegated to the Borrower under the preceding Section 2.03, unless either of the following events shall have occurred:

(a) a default shall have occurred in the payment by the Borrower of any Development Credit amount due and payable and such default is related in whole or in part to a corresponding default on the part of the sub-borrower in the payment of debt service pursuant to that assigned agreement; and

(b) a default shall have occurred in the payment by the Borrower of any Development Credit amount due and payable and such default is not related to a corresponding default on the part of any sub-borrower in the payment of debt service pursuant to its assigned agreement.

Section 2.05. The Borrower shall use its best efforts to assist the Association in the enforcement of the assignments and the rights assigned thereunder. To that end, the Borrower shall furnish to the Association all such information, documents and other evidence as the Association shall reasonably request from the Borrower for the purpose.

ARTICLE III

Section 3.01. All assignment benefits paid to or on the order of the Association shall pro tanto discharge:

(a) the sub-borrower concerned from its obligation to pay principal of, and interest or other charges on, its Sub-loan, but only if the Association has instructed the sub-borrower to make such payment to or on the order of the Association; and

(b) the Borrower from its obligation to pay service charges on, and principal of, the Development Credit, in that order; any assignment benefits received by the Association in excess of the Development Credit amounts then due and payable shall be applied to prepay the principal amount of the Development Credit in such order of maturities as shall be determined by the Association.

Section 3.02. As far as concerns discharge of the Borrower's obligations pursuant to the Development Credit Agreement that are not discharged by the receipt of assignment benefits by the Association, the Association reserves all its rights and remedies against the Borrower as provided by the Development Credit Agreement. In this regard, the parties hereto declare that no assignment shall in any way constitute a payment or represent a novation of the Borrower's obligations towards the Association.

ARTICLE IV

Section 4.01. The rights and obligations of the Borrower and the Association under this Assignment Agreement shall be governed by the provisions of Articles X and XI of the General Conditions, provided, however, that the term "Development Credit Agreement" wherever it appears in those Articles shall be replaced by a reference to this Assignment Agreement.

Section 4.02. The addresses specified in Section 6.02 of the Development Credit Agreement are incorporated into this Assignment Agreement for the purposes of Section 11.01 of the General Conditions.

Section 4.03. This Assignment Agreement shall become effective upon its signature by both parties.

Section 4.04. This Assignment Agreement shall terminate on the date on which the Development Credit Agreement shall terminate in accordance with its terms.

IN WITNESS WHEREOF the parties hereto, acting through their representatives thereunto duly authorized, 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.

CARIBBEAN DEVELOPMENT BANK

/s/ Neville Nicholls

By

Authorized Representative

INTERNATIONAL DEVELOPMENT ASSOCIATION

/s/ Nicolás Ardito Barletta

By

Regional Vice President
Latin America and the Carribean

SCHEDULE

[Form of Indenture of Assignment]

[Date]

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

Dear Sirs:

Re: Credit No. 960 CRG
(Second Caribbean Development Bank Project)
Assignment of Sub-loan

The Caribbean Development Bank (CDB) hereby grants, conveys, assigns and transfers unto International Development Association any and all rights which CDB now has or may hereafter acquire pursuant to the provisions of the Loan Agreement (Project) dated between CDB and , all in accordance with and subject to the provisions of the Assignment Agreement dated January 9, 1980 between CDB and International Development Association.

Very truly yours,

CARIBBEAN DEVELOPMENT BANK

By

Authorized Representative

International Development Association hereby agrees to and accepts the assignment described in the foregoing in accordance with and subject to the provisions of said Assignment Agreement.

INTERNATIONAL DEVELOPMENT ASSOCIATION

By

Dated:

INTERNATIONAL DEVELOPMENT ASSOCIATION

CERTIFICATE

I hereby certify that the foregoing is a true copy of the original in the archives of the International Development Association.

In witness whereof I have signed this Certificate and affixed the Seal of the Association thereunto the 9th day of Jan, 1960.

S. N. Ch.

FOR SECRETARY