



CERTIFICATION AND FINANCING PROPOSAL

EQUIPMENT FOR LANDFILL OPERATIONS IN ROMA, TEXAS

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CONTENTS

EXECUTIVE SUMMARY	1
1. PROJECT OVERVIEW AND EXPECTED OUTCOMES	2
2. ELIGIBILITY	2
2.1. Project Type	2
2.2. Project Location	2
2.3. Project Sponsor and Legal Authority	3
3. CERTIFICATION CRITERIA	3
3.1. Technical Criteria.....	3
3.1.1. General Community Profile.....	3
3.1.2. Project Scope	5
3.1.3. Technical Feasibility	5
3.1.4. Land Acquisition and Right-of-Way Requirements	6
3.1.5. Project Milestones	6
3.1.6. Management and Operation	6
3.2. Environmental Criteria.....	8
3.2.1. Environmental and Health Effects/Impacts	8
3.2.2. Compliance with Applicable Environmental Laws and Regulations	9
3.3. Financial Criteria.....	9
4. PUBLIC ACCESS TO INFORMATION	10
4.1. Public Consultation.....	10
4.2. Outreach Activities.....	10
5. RECOMMENDATION	11
ANNEX A: RESULT MATRIX	12
ANNEX B: PROPOSED CAP TERMS AND CONDITIONS	13

EXECUTIVE SUMMARY

EQUIPMENT FOR LANDFILL OPERATIONS IN ROMA, TEXAS

Project Summary

Project Name:	Equipment for Landfill Operations in Roma, Texas
Project Type (Sector):	Solid waste
Objective:	To achieve proper solid waste management in compliance with applicable laws and regulations by providing dependable and appropriately sized equipment to improve waste compaction and maintain the optimum life of the new landfill.
Expected Outcomes:	The Project is expected to generate environmental and human health benefits related to the following Project outcomes: <ul style="list-style-type: none">• Improve reliability and effectiveness of landfill operations for approximately 3,700 households;• Ensure landfill capacity for the disposal of up to 40 metric tons of solid waste per day; and• Maintain full compliance with applicable laws and regulations.
Population to Benefit: ¹	14,112 residents of Roma and Escobares, Texas.
Sponsor:	City of Roma, Texas.
Project Cost:	US\$500,000.

Financial Summary

Program:	Community Assistance Program (CAP).
Grant Amount:	US\$450,000 or up to 90% of the total project cost.
Other Funding Sources	US\$50,000 from the City of Roma.

¹ Source: United States Census Bureau (2020). 2020 Decennial Census.
<https://data.census.gov/cedsci/profile?g=1600000US4863020>
<https://data.census.gov/cedsci/all?q=escobares,%20tx>

CERTIFICATION AND FINANCING PROPOSAL

EQUIPMENT FOR LANDFILL OPERATIONS IN ROMA, TEXAS

1. PROJECT OVERVIEW AND EXPECTED OUTCOMES

The proposed project consists of the acquisition of solid waste management equipment to improve compacting and waste coverage operations at the landfill located in Roma, Texas (the "Project"). The purpose of the Project is to ensure the proper disposal of approximately 20 metric tons/day of waste in the Type I waste fill area and 20 metric tons/day of special waste in the Type IV waste fill area, in compliance with applicable laws and regulations, which will help maintain the optimum life of the new landfill.² Additionally, having access to proper waste disposal services will help minimize the potential for illegal dumping and the associated environmental and health risks.

2. ELIGIBILITY

2.1. Project Type

The Project falls within the eligible sector of solid waste.

2.2. Project Location

Roma is in the southeast region of the state of Texas, directly across the border from Miguel Aleman, Tamaulipas, and approximately 90 miles southeast of the city of Laredo, Texas. The landfill is approximately two miles (3.2 km) north of the U.S.-Mexico border and is roughly centered at the following coordinates: Latitude 26°26'20.40" North and Longitude 99°03'36.00West. Figure 1 shows the location of the city of Roma.

² The Type I waste fill area receives solid waste, including putrescible and household waste. The Type IV waste fill area receives special solid waste, which only consists of construction and demolition waste, brush and rubbish free from putrescible and household waste.

**Figure 1
PROJECT LOCATION MAP**



2.3. Project Sponsor and Legal Authority

The Project sponsor is the City of Roma, Texas (the “Sponsor” or the “City”). The City is incorporated as a home-rule municipality with the full powers of local self-government under Texas Local Government Code § 51.072 and § 26.001 et seq. The City is responsible for providing solid waste services and managing the landfill and related infrastructure, in accordance with Title 30, Part 1, Chapter 330, of the Texas Administrative Code.

3. CERTIFICATION CRITERIA

3.1. Technical Criteria

3.1.1. General Community Profile

The Project is expected to benefit residents in the cities of Roma and Escobares, Texas. According to the 2020 U.S. Census, the City of Roma, including Escobares, has a population of 14,122 people or about 3,700 households. The median household income for the City is US\$23,138. The median family income in Texas is US\$63,826. The poverty rate in Roma is 39.1% compared to the state poverty rate of 14.2%.³

The City of Roma provides water, wastewater and solid waste services within the city and to the neighboring community of Escobares. Table 1 shows the status of basic public services and infrastructure provided by the City.

**Table 1
BASIC PUBLIC SERVICES AND INFRASTRUCTURE IN ROMA, TX**

³ Source: <https://www.census.gov/quickfacts/fact/table/TX,romacitytexas/PST040221>

Water System	
Coverage	100%
Supply source	Rio Grande River
Number of connections	6,700
Wastewater Collection	
Coverage	95%
Number of connections	6,350
Wastewater Treatment	
Coverage	100% of collected wastewater
Treatment facilities	2-mgd wastewater treatment plant
Solid Waste	
Collection coverage	100%
Final disposal	Landfill
Capacity	20 tons/day of waste in the Type I waste fill area; and 20 tons/day of special waste in the Type IV waste fill area

Source: City of Roma Public Works Department.
 mgd = million gallons per day

Solid Waste Management System

The City currently provides waste collection services to more than 14,100 residents through its Department of Public Works. All households are required to participate in the City’s trash collection services and are issued a 96-gallon bin for household waste. The monthly fee is US\$21.00 and includes brush collection once a month. Commercial and institutional accounts may opt out of City service by providing a contract with a private garbage collection company.

In 2013, the City began the process of acquiring additional property adjacent to the previous landfill. The current facility was expanded and permitted in late 2020. The City has spent over US\$750,000 purchasing, designing, building and permitting the new facility over the last several years. The current landfill operation permit issued by the Texas Commission on Environmental Quality (TCEQ) authorizes the 184-acre property to receive an average of 20 tons of waste on a daily basis in each of the following waste fill areas:

- Type I, which includes putrescible and household waste; and
- Type IV, which only includes construction and demolition waste, brush and rubbish free from putrescible and household waste.

The design life of the landfill assumes that municipal solid waste will be compacted at an estimated compaction rate of 800 to 1,000 pounds per cubic yard. For the Type I waste area (the active landfill area), the solid waste disposal rate (at the maximum of 20 tons per day) would result in a fill volume of 18,250 cubic yards per year. For comparison, if not properly compacted, the same amount of waste would require 48,667 cubic yards per year, which is a net loss of 30,417 cubic yards of fill space per year. This difference translates into a loss of 1.5 years of useful life.⁴

⁴ Source: Correspondence from Project Sponsor’s consulting engineer, Luci A. Dunn, P.E., Enprotec, Hibbs and Todd.

The permit requires the use of a compactor as part of the Site Operating Plan to meet the daily compacting and waste spreading requirements. The City currently uses a 1982 Caterpillar landfill compactor, which has exceeded its useful life, is in poor condition and requires constant repair. The compactor cleats have been worn thin and provide minimal compaction. The inefficiencies at the site related to the performance of the existing equipment could lead to violations of the current landfill permit, a decrease of more than 50% of the potential landfill capacity over the time, and an associated loss in revenue generation.

3.1.2. Project Scope

The Project consists of the acquisition of a new compactor with the following specifications provided by the City Engineer:

- Performance per shift of 200 – 500 tons, with a peak load of 250 tons per hour for spread and compaction.
- Compactor shall include a straight blade bulldozer, striker bars with cleaner fingers, and no-spin front and rear axles.
- 12 month/unlimited hours standard warranty and 48 months/4,000 hours powertrain and hydraulic extended warranty.

Figure 2 shows the City’s current compactor and an example of the landfill compactor that may be purchased with the grant funding made available from NADBank’s Community Assistance Program (CAP).

Figure 2
EXISTING AND PROPOSED LANDFILL COMPACTOR



The purchased equipment, which is a requirement of the landfill permit, will be permanently located at the City’s landfill site. Existing landfill operations staff have the appropriate licensing and experience to operate the proposed compactor.

3.1.3. Technical Feasibility

The purpose of the proposed Project is to provide the equipment necessary to carry out landfill operations efficiently and in compliance with regulatory requirements. The new compactor is essential to provide the daily cover of the Type I waste fill areas and weekly cover of the Type IV waste fill areas. Moreover, during operation of the facility, measures must be taken to control runoff, erosion and sedimentation in disturbed areas, as well as to maintain the access roads and minimize the buildup of mud.

The landfill compactor specifications were defined based on landfill size, estimated waste volumes received, normal operating hours and local capacity to operate and maintain the equipment, in compliance with applicable regulations. The overall cost of the equipment and available warranty commitments will also be considered in the final selection of the compactor.

3.1.4. Land Acquisition and Right-of-Way Requirements

No land acquisition or rights-of-way are required for the Project. The City owns the landfill property.

3.1.5. Project Milestones

It is estimated that once the Project is approved and the grant funding agreement is executed, the City will initiate the procurement process. Equipment delivery is expected to take approximately six months.

3.1.6. Management and Operation

The Roma Public Works Department is responsible for the administration, operation and maintenance of all solid waste management services, including waste collection and landfill operations. The Roma Landfill operates seven days a week from 9:00 am to 5:00 pm. The landfill permit establishes its operating parameters, including the authorized volume and type of waste received; requirements for stormwater, leachate, landfill gas and vector controls; the management of potential contaminants; and required personnel and training mandates. Additionally, the permit requires a reserve fund to be established for future costs associated with proper landfill closure.⁵

The Operation and Maintenance (O&M) Manual for the landfill includes routine tasks, as well as procedures to address unexpected conditions and ensure the proper operation of the solid waste management system. The landfill compactor will include warranty and maintenance information that will be incorporated into the O&M manual. In addition, on-site training to review the correct method of managing waste in the landfill has been provided to City employees. Continuing education is provided to all employees to ensure proper waste management and safety protocols are followed.

The landfill is operated by five employees with the following duties and responsibilities:

⁵ During the Project evaluation process, NADBank verified that funds were budgeted for this purpose.

- Landfill manager (1): This person is responsible for performing technical and administrative tasks inherent to waste management, including overseeing landfill operations, vehicle maintenance and budget management, among other responsibilities.
- Equipment operators (2): These employees operate all heavy machinery and are responsible for following existing protocols on solid waste management. They work together digging cells, properly compacting and covering solid waste, and providing reports to administration.
- General laborer/scale operator (2): These employees support the manager and equipment operators and are responsible for maintaining a record of landfill operation and control information, including weighing vehicles and the materials deposited in the landfill. They monitor the premises and the road leading to the landfill to ensure any loose debris is collected and disposed of properly.

In the event that employees at the landfill need additional help, general laborers are temporarily reassigned from other City departments.

Only a small portion of the City's waste stream is brought to the landfill directly by the public. More typically, the trash is collected by the City's two garbage collection trucks along five residential routes, once a week. Preliminary compaction occurs in the packer trucks for final disposal at the landfill. Both collection vehicles are in good operating condition. However, the poor condition of the existing compactor creates a risk for regulatory compliance and a burden on the operating budget for the landfill.

While the revenue generated from collection services and landfill tipping fees are sufficient to cover associated operating expenses on a nearly break-even basis, the landfill/refuse collection budget has not been entirely managed as an enterprise account separate from the General Fund. During the preparation of this proposal, the City committed to restructuring their budgeting practice to correctly account for all operating expenses related to landfill/refuse collection services through the appropriate departmental budget to better manage and plan for funding needs, including future cell development and operation and maintenance, as well as repair and replacement reserves.

3.2. Environmental Criteria

3.2.1. Environmental and Health Effects/Impacts

A. Existing Conditions

Effective landfill compaction maximizes the amount of waste that can be placed in a minimal amount of space. Failure to maximize space shortens the lifespan of a landfill. Additionally, successful compaction helps to better contain leachate by eliminating low spots that collect water, prevents water from seeping through the cell and reduces fire risk by decreasing air pockets for the accumulation of gases. Improper waste management may also result in the proliferation of insects, rodents and other vectors, which may have direct health impacts to residents in the area.

While no violations of the Roma Landfill permit have been issued and recorded on the TCEQ website, the increased frequency of taking the compactor out of service for repairs and the inefficiency of compaction cleats of the current equipment, increase the risk of violations and, more importantly, adverse environmental and human health effects. Therefore, improving the reliability of the available landfill equipment to spread and compact waste effectively is crucial.

B. Project Impacts

The Project will result in reliable solid waste management by providing dependable and appropriately sized equipment to provide necessary compaction and cover to comply with applicable laws and regulations. Project implementation will allow solid waste materials to be properly processed in a confined structure while also preserving the useful life of the new landfill.

Specifically, the Project is expected to generate environmental and human health benefits related to the following Project outcomes:

- Improve reliability and effectiveness of landfill operations for approximately 3,700 households.
- Ensure landfill capacity for the disposal of up to 40 metric tons of solid waste per day.
- Maintain full compliance with applicable laws and regulations.

Additionally, by maintaining the optimum life of the new landfill, the Project will contribute to minimizing the potential for illegal dumping and the associated environmental and health risks.

C. Transboundary Impacts

No negative transboundary impacts are expected from the proposed Project. Improving solid waste management will reduce risks to the environment and health of City residents and surrounding areas, including the neighboring border city of Miguel Aleman, Tamaulipas.

3.2.2. Compliance with Applicable Environmental Laws and Regulations

The Roma Landfill operates under Municipal Solid Waste Management Facility Permit No. 954A issued on December 3, 2018 in accordance with the provisions of Chapter 361 of the Texas Health and Safety Code and is effective in accordance with Title 30, , Chapter 330, of the Texas Administrative Code (30 TAC). The permit includes all applicable regulatory requirements for storing, processing and disposing of waste in the State of Texas.

A. Environmental Clearance

No environmental studies or compliance activities are required for the acquisition of vehicles. For the expansion of the existing landfill, the City of Roma developed a study to identify environmental impacts related to the landfill construction and operation. As part of the permit review process, the TCEQ Municipal Solid Waste Permits Section determined that the information in the permit application demonstrated compliance with all regulatory requirements and was deemed technically complete.

B. Mitigation Measures

Although Project implementation will have no significant adverse impact on the environment, there may be minor impacts associated with the daily operation of heavy equipment, such as the emission of dust, air pollutants and noise. However, the use of best management practices and compliance with local ordinances will address those potential concerns. Typical mitigation measures to be implemented include:

- Provide regular vehicle maintenance to reduce emissions and noise, in compliance with manufacturer specifications and warranties; and
- Operate landfill services between 8 a.m. and 5 p.m. to prevent extended disturbances from noise.

When vehicles and site conditions are operated and maintained properly, the environmental benefits of the Project outweigh potential minor impacts. In fact, the landfill compactor purchased through the Project is considered a mitigation measure in and of itself, since it will be used to conduct activities that are required to mitigate potential environmental impacts related to the operation of a sanitary landfill.

C. Pending Environmental Tasks and Authorizations

There are no environmental authorizations pending.

3.3. Financial Criteria

The total estimated cost of the Project is US\$500,000. The City of Roma requested a \$450,000 CAP grant from NADBank to cover a portion of the cost of purchasing a new landfill compactor. Table 2 presents the total Project cost and proposed sources of funding.

Table 2
PROJECT INVESTMENT & FINANCING PLAN
 (USD)

Uses		Amount	%
Landfill compactor		\$ 500,000	100.0
TOTAL		\$ 500,000	100.0
Sources	Instrument	Amount	%
NADBank-CAP	Grant	\$ 450,000	90.0
City of Roma	Equity	50,000	10.0
TOTAL		\$ 500,000	100.0

The proposed Project complies with all CAP criteria. It is located within the U.S.-Mexico border region served by NADBank, is being sponsored by a public sector entity and is in an eligible environmental sector for NADBank financing. Furthermore, as a solid waste project, it is considered a priority under the CAP guidelines. The CAP grant is needed to maintain the stability of the Project Sponsor’s budget. However, to comply with CAP program requirements, the City of Roma will fund at least 10% of the total cost of the Project.

Finally, since there are no permits or authorizations required for the purchase of the compactor, the City of Roma is ready to initiate bidding once funding has been approved.

4. PUBLIC ACCESS TO INFORMATION

4.1. Public Consultation

On October 18, 2022, NADBank published the draft certification and financing proposal for a 14-day public comment period, which ended on November 1, 2022, with no comments received.

4.2. Outreach Activities

The Roma City Council discussed the need for acquiring the heavy equipment for landfill operations and the anticipated request to NADBank for CAP funding during its regular meetings on August 11, September 8 and October 13, 2021. The meetings were open to the public, and the opportunity for public comment was presented. No public comments about the Project or funding request were received during these meetings.

No articles were identified in a media search conducted to gauge public awareness of the Project. However, the landfill permitting process did require a public participation process, which included the publication of a Notice of Application in a local newspaper in 2018. Additionally, all Texas landfill permits and compliance information are available on the TCEQ website.

Upon review of the publicly available information, no public comments or complaints were found regarding the Roma Landfill.

5. RECOMMENDATION

Certification Criteria Compliance

The Project falls within the eligible sector of solid waste and is located within the border region, as required under the NADBank Charter. The 14-day public comment period ended on November 1, 2022, with no comments received. The project review performed by the NADBank Chief Environmental Officer confirms that the Project complies with all the certification requirements, and there are no pending activities required for compliance.

Funding Criteria Compliance

The Project Sponsor requested a grant from NADBank through its CAP program to complete the financing of the Project. The project complies with all CAP eligibility criteria; therefore, NADBank proposes providing a CAP grant for up to US\$450,000 to the City of Roma, Texas, in accordance with the terms and conditions proposed in Annex B.

Accordingly, based on the foregoing conclusions as supported and presented in detail in this certification and financing proposal, NADBank hereby recommends certification of the project and approval of the proposed CAP grant.

ANNEX A: RESULT MATRIX

EQUIPMENT FOR LANDFILL OPERATIONS IN ROMA, TEXAS

Projects Objective:			
To achieve proper solid waste management in compliance with applicable laws and regulations by providing dependable and appropriately sized equipment to improve waste compaction and maintain the optimum life of the new landfill.			
Results Measurement	Indicators and Targets	Baseline Value	Measurement Methodology
Outcomes: Access to, use of, and satisfaction with goods and services provided, building evidence of the achievement of the projects objective. These should be directly attributable to the projects and should describe an improvement in existing conditions related, whenever possible, to environmental and human health, financial, and sustainable development.			
1 Improved solid waste disposal capacity	Total new or improved solid waste management capacity (Target ≥ 40 metric tons/day)	2022 20 MT/day (average)	Reviewed by NADB at projects close-out based on estimated waste generation related to reports provided by the projects sponsor.
	Number of households with access to an improved solid waste management system (Target ≥ 3,700 households)	0	
2 Strengthen institutional capacity	Maintain full compliance with the applicable laws and regulations (Target = 100% compliance to related regulations)	In compliance	Reviewed by NADB at projects close-out based on reports detailing landfill operations provided by the projects sponsor.
Outputs: Goods and services that the projects will deliver.			
Technical:			
Landfill compactor (CAT 816 or similar)	1		
Financial:			
Net cash flow	≥\$0		
Implementation			
Inputs and Activities:			
Technical:			
<i>NADBANK Implementation Activities</i>			
Bidding and acquisition of equipment	1st -2nd quarter of 2023		
Projects closeout	1 year after project completion		
Financial:			
Inputs			
NADBANK CAP grant	US\$ 450,000		
Sponsor	US\$ 50,000		
Total	US\$ 500,000		
Activities			
Execution of CAP agreement NADBANK/Sponsor			
Proof of insurance for the equipment to be purchased			

ANNEX B:
PROPOSED CAP TERMS AND CONDITIONS
EQUIPMENT FOR LANDFILL OPERATIONS
IN ROMA, TEXAS

Project:	Equipment for Landfill Operations in Roma, Texas.
Sponsor:	City of Roma, Texas
Grant Recipient:	City of Roma, Texas
Grant Source:	North American Development Bank (NADBank), through its Community Assistance Program (CAP)
Project Cost:	US\$500,000.

GRANT TERMS

Grant Amount:	US\$450,000 or up to 90% of the total project cost.
Grant Uses:	Grant proceeds can be applied to the costs to acquire the landfill compactor.
Currency:	U.S. dollars
Grant Disbursements:	In accordance with NADBank policies and procedures, disbursements of the CAP Grant will be made directly to the vendor designated by Recipient or in reimbursement to the Recipient against invoices, receipts or other written documentation certified by Recipient's Project Manager.
Disbursement Period:	In accordance with the disbursement schedule to be agreed upon with the Recipient.
CAP Project Time Period:	The CAP Project time period shall be from the date of signature of the Grant agreement to the date one year after the date of project completion, as defined in the Grant Agreement.

GRANT CONDITIONS	
Procurement:	All contracts or purchases funded from the CAP Grant shall be awarded in accordance with NADBank's procurement policies and procedures.
Disbursement:	<p>Prior to the first disbursement of the CAP Grant:</p> <ul style="list-style-type: none">a) Recipient must provide, in terms satisfactory to NADBank, the procurement and disbursement schedules.b) The contract(s) relating to the first disbursement shall be in place, must have been bid according to NADBank's procurement policies and procedures; and its/their award must have been submitted for NADBank's no-objection.c) The following documents must have been submitted to NADB, in form and substance satisfactory to NADB:<ul style="list-style-type: none">1. An executed legal opinion from Recipient's chief legal officer indicating that the Grant Agreement has come into full force and effect and is valid and binding on Recipient;2. A letter of authorized signatories for submission of disbursement requests and any other Project authorizations;3. A copy of all permits and licenses necessary for the operation of the Project;4. Validation from the State of Texas that the landfill is operating in compliance with state environmental regulations;5. Documents providing NADBank with confirmation of the Project funding from Recipient; and6. Document evidencing proof of insurance on the equipment to be purchased.
Change Orders:	In the case of all change orders for any individual Project component or contract, NADBank assumes no commitment to fund such change orders from the CAP Grant. However, Recipient may submit them to NADBank for approval, so that the corresponding payment may be made, if applicable. In the event that NADBank does not approve payment of the change orders, Recipient agrees to fund them from its own resources.

COVENANTS	
Continued Provision of Service:	Recipient shall continue to construct, develop, own, operate, maintain, repair and improve the Roma Landfill, and provide solid waste disposal services to Roma and Escobares, Texas.
Project Completion:	Recipient shall cover any cost, exceeding the CAP Grant, to guarantee completion of the Project.
Project Supervisor:	<p>Recipient shall designate or hire a Project Supervisor to review the execution of the Project during the life of the Grant. The tasks to be performed by the Supervisor will be consistent with NADBank’s project supervision policy.</p> <p>If NADBank, based on its own or through the Supervisor’s review, determines that the Grant proceeds have been disbursed for ineligible expenditures, or actions have been taken that are not in accordance with the terms of the CAP Grant Agreement, NADBank will suspend future disbursements of its funds until the situation has been remedied.</p>
Compliance with Laws and Regulations:	Recipient must operate the Project in compliance with all the laws, rules, regulations, orders and directives applicable to the Project or Recipient, enacted by any legislative, executive, administrative or judicial body having lawful jurisdiction (whether federal, state or local).
Sale, Lease or Encumbrance:	Recipient may not sell, lease or encumber all or any part of the Project without the prior written authorization of NADBank.
Insurance:	The Recipient shall secure and maintain the insurance policies necessary for all the equipment purchased under the Project.
Operation Reports:	<p>1. Recipient will deliver to NADBank:</p> <ul style="list-style-type: none"> a) Prior to the commencement of the fiscal year, an annual operation and maintenance budget for the landfill, previously approved by Recipient. b) No later than ninety (90) calendar days following the end of the fiscal year, an annual operations report, including but not limited to, general landfill operation data, a budget performance report for the fiscal year ending, equipment maintenance records and proof of insurance for the fiscal year beginning. c) Promptly upon the occurrence of an event that is material to the financial condition or operating

	<p>effectiveness of the Project, notice of such event and its expected impact on the Project.</p> <p>d) Notice of any litigation or proceeding filed against the Recipient as well as any anomaly or circumstance which may compromise the operation of the Project.</p> <p>2. Recipient is required to report deviations from Project budget plans and request prior approvals from NADBank for budget plan revisions.</p> <p>3. Recipient shall request prior written approval from NADBank for the following:</p> <p>a) Any change in the scope or the objective of the Project (even if there is no associated budget revision requiring prior written approval).</p> <p>b) Budget revisions that result from changes in the scope or the objective of the Project.</p> <p>c) Any change of key Project-related personnel specified in the Agreement.</p>
<p>Audits of Project Operations:</p>	<p>Recipient shall deliver copies of all required audits to NADBank. NADBank reserves the right to conduct spot financial and technical audits of the Project.</p>

EVENTS OF GRANT SUSPENSION AND REMEDIES

<p>Events of Suspension:</p>	<p>The following situations shall constitute events of suspension:</p> <p>a) Any representation or warranty made by the Recipient in the Grant Agreement between the NADBank and the Recipient proves to have been incorrect or false in any material respect; or</p> <p>b) The validity of the Grant Agreement, or any material provision of the Agreement, shall be contested by Recipient, the State of Texas or any governmental authority thereof, or any of the Grant Agreement shall for any reason be invalid, ineffective or unenforceable; or</p> <p>c) Recipient shall default in the due observance or performance of any of its obligations under this Agreement, which failure remains unremedied for a period of thirty (30) days from the date Recipient receives notice of such failure; or</p>
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	<p>d) Significant adverse changes in the legal and financial position of the Recipient that endanger its capacity to fulfill its obligations under the Grant Agreement; or</p> <p>e) Any change in the charter or bylaws of Recipient that could prevent it from performing its obligations as agreed under the Grant Agreement.</p>
Remedies:	<p>Upon occurrence and continuance of an event of suspension, the NADBank may exercise any or all of the following remedies:</p> <p>a) Refuse to advance any funds to Recipient.</p> <p>b) Terminate the Grant.</p> <p>c) Exercise such other rights and remedies as may be available at law or equity.</p>
Waiver of an Event of Suspension:	<p>NADBank may waive any event of suspension and such waiver will not release the Recipient from any of its obligations under the terms of the Grant Agreement.</p>
Costs Incurred after Suspension or Termination:	<p>Costs to Recipient resulting from obligations incurred by Recipient during a suspension of disbursements or after termination of the Grant Agreement are not allowable unless NADBank expressly authorizes them in the notice of suspension or termination or subsequently.</p> <p>Other costs during suspension or after termination that are necessary and not reasonably avoidable are allowable if paragraphs a) and b) apply:</p> <p>a) the costs result from obligations that were properly incurred by Recipient before the effective date of suspension or termination, are not in anticipation of it, and, in the case of a termination, are non-cancellable; and</p> <p>b) the costs would be allowable if the award were not suspended or expired normally at the end of the funding period in which the termination takes effect.</p>
Applicable Law:	<p>To the extent not inconsistent with public international law applicable to NADB, this Agreement shall be governed by, and construed in accordance with, the laws of the State of Texas.</p>
Jurisdiction:	<p>The Recipient and NADBank will submit to the jurisdiction of the competent federal courts in the State of Texas, United States of America, for any action or proceeding arising out of, or relating to, the Grant, hereby waiving any other jurisdiction to which they may be entitled by reason of their present or future address.</p>

EFFECTIVE DATE OF THE PROPOSAL

Effective Date:

The terms and conditions of this Grant proposal will be valid upon approval by the Board of Directors of NADBank.