Loan Agreement
(Second Development Policy Loan)

between

REPUBLIC OF MOLDOVA

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated December 17, 2016
AGREEMENT dated December 17, 2016, entered into between REPUBLIC OF MOLDOVA ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Bank has decided to provide this financing on the basis, inter alia, of (i) the actions which the Borrower has already taken under the Program and which are described in Section I.A of Schedule 1 to this Agreement, and (ii) the Borrower’s maintenance of an adequate macroeconomic policy framework. The Borrower and the Bank therefore 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 — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of twenty-seventh million two hundred thousand United States Dollars (US$27,200,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement ("Loan").

2.02. The Borrower may withdraw the proceeds of the Loan in support of the Program in accordance with Section II of Schedule 1 to this Agreement.

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%), of the Loan amount. The Borrower shall pay the Front-end Fee not later than sixty days after the Effective Date.

2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, however, that the interest payable shall in no event be less than zero percent (0%) per annum; and provided furthermore that, upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of
thirty (30) days, then the interest payable by the Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

2.06. The Payment Dates are May 15 and November 15 in each year.

2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 2 to this Agreement.

2.08. (a) The Borrower may at any time request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwithdrawn, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

2.09. Without limitation upon the provisions of Section 5.08 of the General Conditions (renumbered as such pursuant to paragraph 5 of Section II of the Appendix to this Agreement and relating to Cooperation and Consultation), the Borrower shall promptly furnish to the Bank such information relating to the provisions of this Article II as the Bank may, from time to time, reasonably request.

ARTICLE III — PROGRAM

3.01. The Borrower declares its commitment to the Program and its implementation. To this end, and further to Section 5.08 of the General Conditions:

(a) the Borrower and the Bank shall from time to time, at the request of either party, exchange views on the Borrower’s macroeconomic policy framework and the progress achieved in carrying out the Program;

(b) prior to each such exchange of views, the Borrower shall furnish to the Bank for its review and comment a report on the progress achieved in carrying out the Program, in such detail as the Bank shall reasonably request; and

(c) without limitation upon the provisions of paragraphs (a) and (b) of this Section, the Borrower shall promptly inform the Bank of any situation that would have the
effect of materially reversing the objectives of the Program or any action taken under the Program including any action specified in Section I of Schedule I to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Event of Suspension consists of the following, namely, that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:
   
   (a) The Bank is satisfied with the progress achieved by the Borrower in carrying out the Program and with the adequacy of the Borrower’s macroeconomic policy framework; and

   (b) The Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Borrower to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

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

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower’s Representative is its Minister of Finance.

6.02. The Borrower’s Address is:

   Ministry of Finance
   Constantin Tănase Street, 7
   MD-2005 Chisinau
   Republic of Moldova

   Facsimile: (37322) 221307

6.03. The Bank’s Address is:

   International Bank for Reconstruction and Development
   1818 H Street, N.W.
   Washington, D.C. 20433
   United States of America

   Telex: 248423(MCI) or 64145(MCI)
   Facsimile: 1-202-477-6391
AGREED at Chisinau, Republic of Moldova, as of the day and year first above written.

REPUBLIC OF MOLDOVA

By [Signature]
Authorized Representative
Name: Octavian Armagu
Title: Minister of Finance

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By [Signature]
Authorized Representative
Name: Alexander Kremer
Title: Country Manager
SCHEDULE 1

Program Actions; Availability of Loan Proceeds

Section I. Actions under the Program

A. Actions Taken Under the Program. The actions taken by the Borrower under the Program include the following:

Pillar A: Strengthen the regulatory framework to improve predictability of the business environment, facilitate competition and reduce regulatory compliance costs


2. The Borrower has issued a decree establishing an institutional mechanism for information collection on all state aid under the Law on State Aid (Law No. 139 dated June 15, 2012 and published in the Official Gazette No. 166-169a/565 on August 16, 2012) and state aid secondary legislation, as evidenced by Decision No. 378 on Approving the Concept of Automated Information System: State Aid Register, dated May 27, 2014 and published in the Official Gazette No. 142-146/427 on June 3, 2014.

Pillar B: Strengthen financial sector stability, promote transparency of shareholding and ease conditions for access to finance


4. The Borrower has enacted legislative amendments to strengthen the independence of financial market supervisors by: (i) strengthening the framework for contesting acts of the National Bank of Moldova related to banking regulation and supervision; (ii) providing legal protection to all employees of the National Bank of Moldova and of the National Commission for Financial Markets in case of lawsuits for actions taken in good faith; and (iii) removing the Ministry of Justice’s power to amend the content of National Bank of Moldova and National Commission for Financial Markets regulations, as evidenced by the enactment of:

(a) Law No. 108 on Approving of Amendments and Completion of Some Legislative Acts dated June 19, 2014 and published in the Official Gazette No. 238-246/539 on August 15, 2014; and
5. The National Bank of Moldova has withdrawn the licenses from Banca de Economii S.A., Banca Sociala, S.A. and Unibank, S.A. and initiated the liquidation of said banks, as evidenced by:


(b) Decision No. 63 of the National Bank of Moldova on Approving the Withdrawal of the License for Conducting Financial Activities and Initiation of the Liquidation Process of JS Banca Sociala, dated October 16, 2015 and published in the Official Gazette No. 291-295/2178 on October 23, 2015; and


6. The National Bank of Moldova has issued an order on launching special audits (diagnostic studies) for Moldova’s three largest Banks (Victoriabank S.A., Moldindconbank S.A., and Moldova Agroindbank S.A.), as evidenced by:

(a) Decision No. 156 of the National Bank of Moldova on Establishment of Special Surveillance at Moldindconbank S.A. adopted on June 11, 2015;

(b) Decision No. 157 of the National Bank of Moldova on Establishment of Special Surveillance at Victoriabank S.A. adopted on June 11, 2015; and

(c) Decision No. 158 of the National Bank of Moldova on Establishment of Special Surveillance at Moldova Agroindbank S.A. adopted on June 11, 2015.

7. The Borrower has enacted amendments to the Law on Pledge (Law No. 449-XV dated July 30, 2001 and published in the Official Gazette No. 120/863 on October 2, 2001 and republished in the Official Gazette No. 345-351/655 on November 21, 2014) to facilitate the use of movable assets as collateral, as evidenced by the enactment of Law No. 173 on approving of Amendments and Completion of Some Legislative Acts dated July 25, 2014 and published in the Official Gazette No. 231-237/531 on August 8, 2014.

8. The Borrower has approved a policy requiring the State Treasury within the Ministry of Finance, and fully or majority state-owned companies, to conduct price-based public tenders for banking services which incorporate at least the regulatory minimum required capital adequacy and liquidity ratios, as evidenced by:

(a) Government Decision No. 387 on Approving the Regulation on the Procurement of Financial Services by the State and Municipal Enterprises and Trading Companies with Integral or Majority Public Capital, dated
May 28, 2014 and published in the Official Gazette No. 142-146/431 on June 3, 2014; and


**Pillar C: Improve the public investment management framework, make investment subsidies in agriculture more efficient and equitable and improve the coverage well-targeted social assistance programs**

9. The Borrower has strengthened the regulatory framework for public investment management by: (i) enacting provisions of the Law on Public Finance and Fiscal Budgetary Responsibility (defined in paragraph (a) below) on the principles of the public investment management system and public investment financing; (ii) amending the Regulation on Public Capital Investment (Government Decision No. 1029 on Approving the Principles of Public Capital Investment dated December 19, 2013 and published in the Official Gazette No. 311/1157 on December 27, 2013) to expand its coverage; and (iii) adopting guidelines for the project preparation cycle, as evidenced by:

   (a) Law No.181 on Approving of Public Finance and Fiscal Budgetary Responsibility dated July 25, 2014 and published in Official Gazette No. 223-230/519 on August 8, 2014;

   (b) Government Decision No.1181 on Approving the Amendments to Appendix 3 to the Government Decision No.1029 dated December 19, 2013, adopted on October 26, 2016 and published in Official Gazette No. 369-378 /1276 on October 28, 2016; and


10. The Borrower has adopted the regulation on the agricultural support fund for agricultural producers for 2016, which: (i) narrows the scope of the largest investment subsidy program; and (ii) caps, or reduces the caps of, subsidy sizes allowed for each beneficiary, as evidenced by Government Decision No. 910 dated July 25, 2016 and published in the Official Gazette No. 247-255/996 on August 5, 2016.

11. The Borrower has adjusted the parameters of the *Ajutor Social* benefit program by increasing the eligibility threshold to Moldovan Lei 900 Guaranteed Minimum Income (GMI) in the amendments to the 2015 Budget Law (Law No. 72 on State Budget for 2015 dated April 12, 2015 and published in the Official Gazette No. 102-104/172 on April 28, 2015), as evidenced by Law No. 200 on Amendments to the State Budget for 2015 dated November 20, 2015 and published in the Official Gazette No. 330-331/629 on December 8, 2015.
Section II. Availability of Loan Proceeds

A. General. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of this Section and such additional instructions as the Bank may specify by notice to the Borrower.

B. Allocation of Loan Amounts. The Loan is allocated in a single withdrawal tranche, from which the Borrower may make withdrawals of the Loan proceeds. The allocation of the amounts of the Loan to this end is set out in the table below:

<table>
<thead>
<tr>
<th>Allocations</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Single Withdrawal Tranche</td>
<td>27,200,000</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>27,200,000</td>
</tr>
</tbody>
</table>

C. Payment of Front-end Fee. No withdrawal shall be made from the Loan Account until the Bank has received payment in full of the Front-end Fee.

D. Withdrawal Tranche Release Conditions. No withdrawal shall be made of the Single Withdrawal Tranche unless the Bank is satisfied: (a) with the Program being carried out by the Borrower; and (b) with the adequacy of the Borrower’s macroeconomic policy framework.

E. Deposits of Loan Amounts. Except as the Bank may otherwise agree:

1. all withdrawals from the Loan Account shall be deposited by the Bank into an account designated by the Borrower and acceptable to the Bank; and

2. the Borrower shall ensure that upon each deposit of an amount of the Loan into this account, an equivalent amount is accounted for in the Borrower’s budget management system, in a manner acceptable to the Bank.

F. Excluded Expenditures. The Borrower undertakes that the proceeds of the Loan shall not be used to finance Excluded Expenditures. If the Bank determines at any time that an amount of the Loan was used to make a payment for an Excluded Expenditure, the Borrower shall, promptly upon notice from the Bank, refund an amount equal to the amount of such payment to the Bank. Amounts refunded to the Bank upon such request shall be cancelled.

G. Closing Date. The Closing Date is September 30, 2017.
SCHEDULE 2
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 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) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each May 15 and November 15</td>
<td>2%</td>
</tr>
<tr>
<td>Beginning May 15, 2022 through November 15, 2046</td>
<td></td>
</tr>
</tbody>
</table>

2. If the proceeds of the Loan have not 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 have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

(b) Any amount withdrawn 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 is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable 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) Amounts of the Loan withdrawn 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, if at any
time the Bank adopts 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 Loan Balance to an Approved Currency,
the amount so converted in the Approved Currency that is 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 the
Conversion by either: (i) the exchange rate that reflects the amounts of principal in the
Approved Currency payable by the Bank under the Currency Hedge Transaction relating
to the 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 Withdrawn Loan Balance is 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.
APPENDIX

Section I. Definitions

1. "Ajutor Social" means the Borrower’s social benefit program which aims to ensure a minimum monthly income guaranteed to disadvantaged families by granting welfare payments determined in accordance with the average monthly income of each family and the need for social assistance, as set forth in Law No. 133 dated June 13, 2008 and published in the Official Gazette No. 179/625 on September 30, 2008.

2. “Excluded Expenditure” means any expenditure:

   (a) for goods or services supplied under a contract which any national or international financing institution or agency other than the Bank or the Association has financed or agreed to finance, or which the Bank or the Association has financed or agreed to finance under another loan, credit, or grant;

   (b) for goods included in the following groups or sub-groups of the Standard International Trade Classification, Revision 3 (SITC, Rev.3), published by the United Nations in Statistical Papers, Series M, No. 34/Rev.3 (1986) (the SITC), or any successor groups or subgroups under future revisions to the SITC, as designated by the Bank by notice to the Borrower:

<table>
<thead>
<tr>
<th>Group</th>
<th>Sub-group</th>
<th>Description of Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>112</td>
<td></td>
<td>Alcoholic beverages</td>
</tr>
<tr>
<td>121</td>
<td></td>
<td>Tobacco, un-manufactured, tobacco refuse</td>
</tr>
<tr>
<td>122</td>
<td></td>
<td>Tobacco, manufactured (whether or not containing tobacco substitutes)</td>
</tr>
<tr>
<td>525</td>
<td></td>
<td>Radioactive and associated materials</td>
</tr>
<tr>
<td>667</td>
<td></td>
<td>Pearls, precious and semiprecious stones, unworked or worked</td>
</tr>
<tr>
<td>718</td>
<td>718.7</td>
<td>Nuclear reactors, and parts thereof; fuel elements (cartridges), non-irradiated, for nuclear reactors</td>
</tr>
<tr>
<td>728</td>
<td>728.43</td>
<td>Tobacco processing machinery</td>
</tr>
<tr>
<td>897</td>
<td>897.3</td>
<td>Jewelry of gold, silver or platinum group metals (except watches and watch cases) and goldsmiths’ or silversmiths’ wares (including set gems)</td>
</tr>
<tr>
<td>971</td>
<td></td>
<td>Gold, non-monetary (excluding gold ores and concentrates)</td>
</tr>
</tbody>
</table>

   (c) for goods intended for a military or paramilitary purpose or for luxury consumption;

   (d) for environmentally hazardous goods, the manufacture, use or import of which is prohibited under the laws of the Borrower or international agreements to which the Borrower is a party;
(e) on account of any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and

(f) with respect to which the Bank determines that corrupt, fraudulent, collusive or coercive practices were engaged in by representatives of the Borrower or other recipient of the Loan proceeds, without the Borrower (or other such recipient) having taken timely and appropriate action satisfactory to the Bank to address such practices when they occur.

3. “Financing Agreement” means the agreement between the Borrower and the Association in support of the Program, of the same date as this Agreement, as such agreement may be amended from time to time. “Financing Agreement” includes all appendices, schedules and agreements supplemental to the Financing Agreement.

4. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated March 12, 2012, with the modifications set forth in Section II of this Appendix.

5. “Program” means the program of actions, objectives and policies designed to promote growth and achieve sustainable reductions in poverty and set forth or referred to in the letter dated November 8, 2016 from the Borrower to the Bank declaring the Borrower’s commitment to the execution of the Program, and requesting assistance from the Bank in support of the Program during its execution, as well as the actions listed in Section I.A of Schedule 1 to this Agreement.

6. “Single Withdrawal Tranche” means the amount of the Loan allocated to the category entitled “Single Withdrawal Tranche” in the table set forth in Part B of Section II of Schedule 1 to this Agreement.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. 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.

2. The last sentence of paragraph (a) of Section 2.03 (relating to Applications for Withdrawal) is deleted in its entirety.

3. Sections 2.04 (Designated Accounts) and 2.05 (Eligible Expenditures) are deleted in their entirety, and the remaining Sections in Article II are renumbered accordingly.

4. Section 3.01. (Front-end Fee) is modified to read as follows:

“Section 3.01. Front-end Fee; Commitment Charge

(a) The Borrower shall pay the Bank a front-end fee on the Loan amount at the rate specified in the Loan Agreement (the “Front-end Fee”).
(b) The Borrower shall pay the Bank a commitment charge on the Unwithdrawn Loan Balance at the rate specified in the Loan Agreement (the "Commitment Charge"). The Commitment Charge shall accrue from a date sixty days after the date of the Loan Agreement to the respective dates on which amounts are withdrawn by the Borrower from the Loan Account or cancelled. The Commitment Charge shall be payable semi-annually in arrears on each Payment Date."

5. Sections 5.01 (Project Execution Generally) and 5.09 (Financial Management; Financial Statements; Audits) are deleted in their entirety, and the subsequent Sections in Article V are renumbered accordingly.

6. Paragraph (a) of Section 5.05 (renumbered as such pursuant to paragraph 5 above and relating to Use of Goods, Works and Services) is deleted in its entirety.

7. Paragraph (c) of Section 5.06 (renumbered as such pursuant to paragraph 5 above) is modified to read as follows:

"Section 5.06. Plans; Documents; Records

... (c) The Borrower shall retain all records (contracts, orders, invoices, bills, receipts and other documents) evidencing expenditures under the Loan until two years after the Closing Date. The Borrower shall enable the Bank’s representatives to examine such records."

8. Paragraph (c) of Section 5.07 (renumbered as such pursuant to paragraph 5 above) is modified to read as follows:

"Section 5.07. Program Monitoring and Evaluation

... (c) The Borrower shall prepare, or cause to be prepared, and furnish to the Bank not later than six months after the Closing Date, a report of such scope and in such detail as the Bank shall reasonably request, on the execution of the Program, the performance by the Loan Parties and the Bank of their respective obligations under the Legal Agreements and the accomplishment of the purposes of the Loan."

9. In the Appendix, Definitions, all references to Section numbers and paragraphs are modified, as necessary, to reflect the modifications set forth above.

10. The Appendix is modified by inserting a new paragraph 19 with the following definition of “Commitment Charge”, and renumbering the remaining paragraphs accordingly:

"19. “Commitment Charge” means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b)."

11. Renumbered paragraph 37 (originally paragraph 36) of the Appendix ("Eligible Expenditure") is modified to read as follows:

"37. “Eligible Expenditure” means any use to which the Loan is put in support of the Program, other than to finance expenditures excluded pursuant to the Loan Agreement."
12. Renumbered paragraph 44 (originally paragraph 43) of the Appendix ("Financial Statements") is deleted in its entirety.

13. In paragraph 48 of the Appendix, the definition of "Front-end Fee" is modified by replacing the reference to Section 3.01 with Section 3.01 (a).

14. In paragraph 67 of the Appendix, the definition of the term "Loan Payment" is modified to read as follows:

"67. "Loan Payment" means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower."

15. In paragraph 72 of the Appendix, the definition of "Payment Date" is modified by deleting the word "is" and inserting the words "and Commitment Charge are" after the word "interest".

16. The defined term "Project" in paragraph 75 of the Appendix is modified to read "Program" and its definition is modified to read as follows (and all references to "Project" throughout these General Conditions are deemed to be references to "Program"): "75. "Program" means the program referred to in the Loan Agreement in support of which the Loan is made."