Loan Agreement

(Additional Financing for the Integrated Nutrient Pollution Control Project)

between

ROMANIA

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated April 14, 2015
LOAN AGREEMENT

Agreement dated April 19, 2016 between ROMANIA ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") for the purpose of providing additional financing for activities related to the Original Project (as defined in the Appendix to this Agreement). The Borrower and the Bank 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 forty eight million Euro (€48,000,000), 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"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 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, 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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 January 1 and July 1 in each year.
2.07. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 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.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall carry out the Project through MEWF in accordance with the provisions of Article V of the General Conditions.

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

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Condition of Effectiveness consists of the following: namely that the Borrower, through MEWF has updated and adopted the Operational Manual with contents and in a manner acceptable to the Borrower and to the Bank.

4.02. The Effectiveness Deadline is the date one hundred eighty (180) days after the date of this Agreement.
ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower's Representative is its Minister of Public Finance.

5.02. The Borrower's Address is:

Ministry of Public Finance
17, Apolodor Street
Bucharest
Romania

Telex: 11239
Facsimile: 4021 312 6792

5.03. 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 the District of Columbia, United States of America, as of the day and year first above written.

ROMANIA

By

Authorized Representative

Name: ANCA DANKA DRAGU
Title: MINISTER OF PUBLIC FINANCE

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Authorized Representative

Name: CYRIL MULLER
Title: REGIONAL VICE PRESIDENT- ECA
SCHEDULE 1

Project Description

The objective of the Project is to support the Borrower towards meeting EU Nitrate Directive requirements at a national scale.

The Project consists of the Original Project. The following parts of the Project may be financed out of the proceeds of the Loan:

Part I: Investments in Local Communities to Reduce Nutrient Pollution.

Implementation of Sub-projects proposed by Beneficiaries in any of the areas set forth in the Operational Manual, including the following: (i) developing local community storage, composting and handling systems, packing/pelleting stations and biogas facilities, all to promote better management of livestock and household waste; (ii) planting of vegetative buffer strips, including tree planting and afforestation; (iii) sewage and wastewater treatment activities; and (iv) provision of equipment to upgrade the existing manure storage and/or composting facilities;

Part II: Institutional Strengthening and Capacity Building.

1. Providing support to:

   (a) ANAR to monitor and report to the MEWF and EU on the quality of surfacewater and groundwater under the EU Nitrates Directive and the EU Water Framework Directive, through *inter alia*:

      (i) the acquisition of equipment for groundwater wells;

      (ii) the construction of groundwater wells;

      (iii) the acquisition of laboratory equipment and related software; and

      (iv) the provision of technical assistance for, *inter alia*, the carrying out of studies and the development of software; and

   (b) institutions represented in the Inter-Ministerial Committee for Application of the EU Nitrates Directive (ICA).

2. Carrying out of a comprehensive training program for the staff of the relevant national, regional and county level agencies on monitoring, control and reporting under the EU Nitrates Directive and EU Water Framework Directive.
3. Improving the capacity building system able to support the scaling up, at the national level, of the implementation process of the EU Nitrate Directive and Water Framework Directive.

4. Providing technical assistance to: (i) update the Code of Good Agricultural Practices and revise action programs; and (ii) carry out activities to promote the adoption by the farmers of the improved nutrient management practices set forth in the Code of Good Agricultural Practices.

5. Developing knowledge and training activities (through providers), and supporting on-farm demonstrations to improve the adoption and compliance by farmers of the Code of Good Agricultural Practices.

Part III: Public Awareness and Information Support.

1. Carrying out of public awareness activities at the local, river basin, national and regional levels, including meetings, workshops, field trips, study tours and mass media events and products, to introduce the Project and its benefits, to promote improved rural sanitation and implementation of good agricultural practices.

2. Providing training and support to potential Beneficiaries during the preparation and implementation of Sub-projects.

Part IV: Project Management.

Supporting the PMU in connection with Project implementation, monitoring, reporting, evaluation and impact assessment through the provision of: (i) funds for Incremental Operating Costs and for the acquisition of goods (including cars); and (ii) non-consultant services and consultants’ services including, inter alia, audit and social surveys; and (iii) training.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional and Other Arrangements

1. The Borrower, through MEWF, shall assign the responsibility for overall oversight of the Project to the Inter-Ministerial Committee for Application of the Nitrates Directive (ICA), and shall maintain said committee during Project implementation.

2. The Borrower, through MEWF, shall operate and maintain the PMU during Project implementation with adequate staffing and resources satisfactory to the Bank, and the PMU shall have overall responsibility for day to day implementation and management of the Project, including, but not limited to: (i) preparation of semi-annual work programs and implementation plans for Project implementation; (ii) preparation of bidding and contract documents under the Project; (iii) maintenance of the Project financial records and accounts and arranging for the audit thereof; (iv) preparation of the Project Reports referred to in Section II.A.1 of this Schedule; and (v) supervision of progress of Project implementation.

3. The Borrower, through MEWF, shall ensure that appropriate budget allocations are made available yearly for the Project implementation purposes, throughout the Project life.

B. Operational Manual

1. The Borrower, through MEWF, shall:

   (a) update and thereafter adopt the Operational Manual in a manner satisfactory to the Bank, which updated version shall include, inter alia: (i) the detailed description of Project implementation activities and the detailed institutional arrangements of the Project; (ii) the criteria for selecting Beneficiaries and Sub-Projects; (iii) the Project administrative, accounting, auditing, reporting, financial (including cash flow aspects in relation thereto), procurement and disbursement procedures; (iv) the monitoring indicators for the Project; and (v) the EMP; and

   (b) carry out the Project in accordance with the Operational Manual.

2. Except as the Borrower and the Bank may otherwise agree in writing, the Borrower, through MEWF, shall not abrogate, amend, suspend, waive or otherwise fail to enforce the Operational Manual or any provision thereof.

3. In the event that any provision of the Operational Manual shall conflict with this Agreement, the terms of this Agreement shall prevail.
C. Sub-projects

1. For the purposes of implementation of Part I of the Project, the Borrower, through MEWF, shall:

   (a) select the Beneficiaries and Sub-projects based on the selection criteria set forth in the Operational Manual; and

   (b) enter into contractual arrangements with Beneficiaries under terms and conditions acceptable to the Bank including, inter alia: (i) the Borrower's obligation to implement the Sub-Project in compliance with the pertinent obligations set forth in this Schedule; (ii) the cost-sharing arrangements between the Beneficiaries and the Borrower; and (iii) the Beneficiaries' obligation to assist in the implementation of the Sub-Project in accordance with the pertinent obligations set forth in the Safeguards sections of this Schedule and the Operational Manual.

D. Anti-Corruption

The Borrower, through MEWF, shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

E. Safeguards

1. The Borrower, through MEWF, shall: (i) carry out the Project in accordance with the EMP; and (ii) ensure that adequate information on the implementation of the EMP is suitably included in the Project Reports referred to in Section II.A of this Schedule.

2. Before the carrying out of each Sub-project, the Borrower, through MEWF, shall cause the related Beneficiary to: (i) prepare a site specific environmental management plan; and (ii) carry out the Sub-project in accordance with said environmental management plan in a manner satisfactory to the Bank.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports and Mid-Term Review

1. The Borrower, through MEWF, shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators acceptable to the Bank. Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than forty-five (45) days after the end of the period covered by such report.

2. Not later than thirty (30) months after the Effective Date, the Borrower, through the MEWF, shall carry out jointly with the Bank, a midterm review of the progress made in carrying out the Project ("Midterm Review"), which Midterm Review shall cover, inter
alia: (a) progress made in meeting the Project’s objective; and (b) overall Project performance against the Project indicators referred to in Section II.A.1 of this Schedule.

3. The Borrower, through the MEWF, shall prepare, and at least four (4) weeks prior to the Midterm Review, furnish to the Bank, a separate report describing the status of implementation of each component of the Project and a summary report of Project implementation generally.

4. The Borrower, through the MEWF, shall, not later than two (2) weeks after the Midterm Review, prepare and submit to the Bank an action plan, acceptable to the Bank, for the further implementation of the Project having regard to the findings of the Midterm Review and, thereafter, implement such action plan in accordance with its terms and in a manner acceptable to the Bank.

B. Financial Management, Financial Reports and Audits

1. The Borrower, through MEWF, shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. The Borrower, through MEWF, shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar semester, interim unaudited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.

3. The Borrower, through MEWF, shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Goods, Works and Non-consulting Services. All goods, works and non-consulting services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. Consultants’ Services. All consultants’ services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

3. Definitions. The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the
B. Particular Methods of Procurement of Goods, Works and Non-consulting Services

1. **International Competitive Bidding.** Except as otherwise provided in paragraph 2 below, goods, works and non-consulting services shall be procured under contracts awarded on the basis of International Competitive Bidding.

2. **Other Methods of Procurement of Goods, Works and Non-consulting Services.** The following methods, other than International Competitive Bidding, may be used for procurement of goods, works and non-consulting services for those contracts specified in the Procurement Plan: (a) National Competitive Bidding; (b) Shopping; and (c) Direct Contracting.

C. Particular Methods of Procurement of Consultants’ Services

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following methods, other than Quality and Cost-based Selection, may be used for procurement of consultants’ services for those contracts which are specified in the Procurement Plan: (a) Quality-based Selection; (b) Selection under a Fixed Budget; (c) Least Cost Selection; (d) Selection based on Consultants’ Qualifications; (e) Single-source Selection of consulting firms; (f) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guidelines for the Selection of Individual Consultants; and (g) Single-source procedures for the Selection of Individual Consultants.

D. Review by the Bank of Procurement Decisions

The Procurement Plan shall set forth those contracts which shall be subject to the Bank’s Prior Review. All other contracts shall be subject to Post Review by the Bank.

Section IV. **Withdrawal of Loan Proceeds**

A. **General**

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Bank shall specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.
2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan ("Category"), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in Euro)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, consultants' services (including audits) Training and Incremental Operating Costs for the parts of the Project set forth in Schedule 1 to this Agreement.</td>
<td>48,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>48,000,000</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) from the Loan Account until the Bank has received payment in full of the Front-end Fee; and
   (b) for payments under any contract related to a Project activity or for Incremental Operating Costs which the Bank has financed or agreed to finance under the Original Loan Agreement or the GEF Grant Agreement.

2. The Closing Date is March 31, 2022.
SCHEDULE 3
Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share"). If the proceeds of the Loan 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 January 1 and July 1 Beginning July 1, 2021 through January 1, 2026</td>
<td>10%</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. "ANAR" means the National Administration "Apele Romane" of the Borrower, established pursuant to Government Emergency Ordinance No.107/2002, as amended as of the date of this Agreement, or any successor thereto.


3. "Beneficiary" means a local community or local community association, all in the Borrower's territory, eligible for a Sub-project in accordance with the eligibility criteria specified in the Operational Manual.

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

5. "Code of Good Agricultural Practices" means the Borrower's document elaborated according to the EU Nitrates Directive requirements and containing agricultural practices that would be implemented by farmers to prevent the pollution of waters by nitrates from agricultural sources, as said code may be amended and updated from time to time in a manner acceptable to the Bank.


7. "EMP" means the Borrower's Environmental Management Plan acceptable to the Bank and disclosed locally on December 3, 2015 and on Infoshop on December 3, 2015 which contains, inter alia, the guidelines for the carrying out of environmental assessments and for the preparation and implementation of site-specific environmental management plans, as well as the environmental protection measures in respect of the Project, including measures for identification of existing environmental conditions and potential direct and indirect environmental impacts from the carrying out of the Project, including Subprojects, recommendation of mitigation measures for each negative impact identified, as well as measures for enhancing each identified positive impact and parties responsible for monitoring of construction and operational impacts, as the same may be amended from time to time in a manner acceptable to the Bank.

8. "EU" means the European Union.


11. "GEF Grant Agreement" means the agreement entered into between the Borrower and the Bank acting as an Implementing Agency of the Global Environment Facility, dated December 28, 2007, as amended to the date of this agreement (Grant No. TF058040).

12. "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.

13. "ICA" means Inter-Ministerial Committee for Application of the EU Nitrates Directive established through the Inter-ministerial Order no.452/2001, as amended as of the date of this Agreement.

14. "Incremental Operating Costs" means the incremental operating costs incurred by the PMU on account of Project implementation, comprising: office rent, office maintenance (including utilities) and supplies; fuel and vehicle maintenance and insurance, staff travel (field trips, accommodation, per diem) and salaries for PMU staff; bid advertisements, translation costs and communications costs, banking charges, and other expenditures agreed between the Borrower and the Bank.

15. "MEWF" means the Ministry of Environment, Waters and Forests of the Borrower, or any successor thereto.

16. "Operational Manual" means the Borrower’s manual satisfactory to the Bank, set forth in Section I.B1(a) of Schedule 2 to this Agreement, as the same may be amended from time to time in a manner acceptable to the Bank.

17. "Original Loan Agreement" means the loan agreement entered into between the Borrower and the Bank, dated December 28, 2007 as amended (Loan 4873-RO).

18. "Original Project" means the Project described in Section I of Schedule 1 to the Original Loan Agreement.

19. "PMU" means the Project Management Unit implementing the Project within MEWF or any legal successor thereto satisfactory to the Bank.


21. "Procurement Plan" means the Borrower’s procurement plan for the Project, dated January 27, 2016 and referred to in paragraph 1.18 of the Procurement Guidelines and
paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

22. "Sub-project" means an activity or a group of activities referred to under Part I the Project.

23. "Training" means expenditures incurred on the account of the training activities under the Project and includes trainees fees, transportation costs for trainees and trainers, per diem and accommodation for trainees and trainers and cost for translation, interpretation, training materials and related supplies, rental of facilities and equipment and event logistics.

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. 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."

3. In the Appendix, Definitions, all relevant references to Section numbers and paragraphs are modified, as necessary, to reflect the modification set forth in paragraph 2 above.

4. The Appendix is modified by inserting a new paragraph 19 with the following definition of "Commitment Charge", and renumbering the subsequent paragraphs accordingly:

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

5. In the renumbered paragraph 49 (originally 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).
6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term “Loan Payment” is modified to read as follows:

“68. “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.”

7. In the renumbered paragraph 73 (originally 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”.