Loan Agreement

(Salado Integrated River Basin Management Support Project)

between

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

and

PROVINCE OF BUENOS AIRES

Dated December 24, 2017
LOAN AGREEMENT

Agreement dated December 24, 2017 INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and PROVINCE OF BUENOS AIRES ("Borrower"). The Bank and the Borrower 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 three hundred million Dollars, (300,000,000), 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.

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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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 March 15 and September 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 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; and (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.

(c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.05 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower, through MoI, MoE, ADA and DPOH, with the assistance of the Collaboration Entities for Part 1 of the Project, shall carry out the Project 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 — REMEDIES OF THE BANK

4.01. The Additional Event of Suspension consists of the following, namely, that the Water Law has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely, in the opinion of the Bank, the ability of the Borrower to perform any of its obligations under this Agreement.

4.02. The Additional Event of Acceleration consists of the following, namely, that any event specified in Section 4.01 of this Agreement occurs.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Condition of Effectiveness consists of the following, namely that the Operational Manual has been adopted in a manner acceptable to the Bank.

5.02. The Effectiveness Deadline is the date one hundred and twenty (120) days after the date of this Agreement.

ARTICLE VI — REPRESENTATIVE; ADDRESSES

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

6.02. The Borrower’s Address is:

Calle 8 entre 45 y 46
B1900TGR, La Plata
Province of Buenos Aires
Argentine Republic

Facsimile:
(+54) 221 429 4503

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 Buenos Aires, Argentina, as of the day and year first above written.

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

Name: Jesko Hentschel
Title: Country Director

PROVINCE OF BUENOS AIRES

By

Name: Jorge Roberto Hernán Lacunza
Title: Ministro de Economía
SCHEDULE 1

Project Description

The objective of the Project is to enhance flood protection and strengthen the capacity of the institutions responsible for integrated water resources monitoring and management in the Salado River Basin.

The Project consists of the following parts:


1.1. Operationalize the PMI, through the preparation of a complementary, participatory, updated and short-term water resources management plan.

1.2. Provision of support to strengthen ADA’s, DPOH’s, OPDS’ and the Borrower’s Ministry of Agroindustry’s capacity for environmental management in the SRB, through, inter alia: (i) provision of technical assistance to improve water quality control and environmental services for water resources management; and (ii) the development of an environmental and wetlands management plan for the SRB.

1.3. Strengthen the capacity of ADA, river basin committees and DPOH, through, inter alia: (i) the carrying out of a review of cost recovery mechanisms for ADA; (ii) the carrying out of communications campaigns among water users; (iii) the issuance of improved regulations governing river basin committees and drainage associations; and (iv) the provision of technical assistance and training to strengthen DPOH’s management and technical capacity.

1.4. (i) Development of a hydrometeorological monitoring network for the SRB; (ii) provision of support to the Borrower to improve its capacity to manage the hydrometeorological monitoring network mentioned in (i) herein; and (iii) the development of decision-making tools for risk management, including the development of operational manuals, risk prevention and contingency plans.

Part 2: River Training Works and Upgrading Associated Infrastructure

2.1. Carrying out of river training works on approximately 34 km in Section IV-1-B of the Salado River to augment its cross section.

2.2. (i) Carrying out of works to adapt seven existing bridges to the augmented river cross-section mentioned in Part 2 of the Project to enhance their hydraulic capacity and increase their resilience to extreme floods; and (ii) the setting up of two recreational beach areas (balnearios) in the Borrower’s municipalities of Roque Perez and Villanueva.
Part 3: Project Implementation, Supervision and Communication

3.1. Provision of support to: (i) the UCEPO, to strengthen its Project management’s capacity, including the carrying out of the Project audits; and (ii) DPOH to increase its capacity to supervise the river works referred to in Part 2 of the Project.

3.2. Carrying out of communication activities and provision of technical assistance to support the Users Oversight Committee and the development of a grievance redress mechanism for the Project.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower, through Mol, shall operate and maintain, at all times during Project implementation, a Project implementation unit ("UCEPO"), with the structure, functions and responsibilities set forth in the Operational Manual.

2. The Borrower, through Mol, shall ensure that UCEPO is, at all times during Project implementation, assisted by professional staff (including, inter alia, a Project coordinator, a procurement specialist, a technical specialist, an environmental specialist, a social specialist and a monitoring and evaluation specialist) and administrative staff, all in numbers and with terms of reference, and qualifications and experience, acceptable to the Bank.

3. Prior to the carrying out of any given activity under Part 1 of the Project which requires the participation of any Collaboration Entity, the Borrower, through UCEPO, shall enter into an agreement (the Collaboration Agreement) with the corresponding Collaborating Entity, all under terms and conditions acceptable to the Bank, which shall include, inter alia, the responsibilities of the pertinent Collaboration Entity for assisting the Borrower in the implementation of Part 1 of the Project.

4. The Borrower, through UCEPO, shall exercise its rights and carry out its obligations under each Collaboration Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, terminate, waive or fail to enforce any Collaboration Agreement or any of its provisions.

B. Operational Manual

1. Without limitation to the provisions of Section 3.01 of this Agreement, the Borrower shall carry out the Project, in accordance with the provisions of a manual (the Operational Manual), acceptable to the Bank, which shall include, inter alia: (i) the procedures for the carrying out, monitoring and evaluation of the Project; (ii) the organizational structure of the Project, including the functions and responsibilities of Mol, MoE, ADA, DPOH and the Collaboration Entities; (iii) the Project procurement and financial management requirements and procedures; (iv) the ESIA, the ESMP and the IPPF; (v) the environmental and social provisions to be included in the bidding documents for the investments to be carried out under the Project; (vi) the chart of accounts and internal controls for the Project; (vii) the model form for the Collaboration Agreements; (viii) the Action Plan; and (ix) the Project monitoring indicators.
2. Except as the Bank shall otherwise agree, the Borrower shall not amend, terminate or waive the Operational Manual or any of its provisions. In case of any conflict among the terms of the Operational Manual and those of this Agreement, the terms of this Agreement shall prevail.

C. Anti-Corruption

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

D. Safeguards

1. Without limitation to the provisions of Section 3.01 of this Agreement, the Borrower, shall carry out the Project in accordance with the Environmental and Social Impact Assessment (ESIA), Environmental and Social Management Plan (ESMP) and the Indigenous Peoples Planning Framework (IPPF).

2. With respect to the carrying out of any activities under Part 1 of the Project, and when so determined by the Bank as set forth in the IPPF, the Borrower, through MoL, MoE, ADA and DPOH, shall: (a) prior to the carrying out of any said activity, prepare and/or cause to be prepared and furnish to the Bank, an indigenous peoples’ plan, acceptable to the Bank (which plan shall be consistent with the pertinent provisions of the IPPF); and (b) thereafter, adopt and implement (and/or cause to be adopted and implemented) said indigenous peoples’ plan in accordance with its terms and in a manner acceptable to the Bank.

3. The Borrower, through MoL, MoE, ADA and DPOH, shall ensure that the terms of reference for any consultancies related to the technical assistance provided under Part 1 of the Project, shall be acceptable to the Bank following its review thereof and, to that end, such terms of reference shall duly incorporate the requirement of the Bank’s Safeguard Policies then in force, as applied to the advice conveyed through such technical assistance.

4. (a) Without limitation to the provisions of Section I.D.1 above, and for purposes of carrying out the physical works under Part 2 of the Project as determined by the Bank, the Borrower shall, or shall cause the contractor of the works (as the case may be) to, prior to the initiation of any physical works within any given area of the Salado River, enter into an agreement (the Voluntary Agreement) with the relevant landowner of the property adjacent to said area, on terms and conditions acceptable to the Bank, and as detailed in the ESMP.

(b) The Borrower shall exercise its rights and carry out its obligations under each Voluntary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, terminate, waive or fail to enforce any Voluntary Agreement or any of its provisions.
5. The Borrower shall ensure that any works under Part 2 of the Project do not involve any Resettlement.

E. Other Undertakings

1. The Borrower, through MoI (through UCEPO), shall comply with the provisions of the Action Plan, in a manner acceptable to the Bank.

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Borrower 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 days after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Borrower, through MoE, 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. Without limitation on the provisions of Part A of this Section, the Borrower, through MoE, shall prepare and furnish to the Bank not later than forty five 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 MoE, 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 months after the end of such period.

Section III. Procurement

All goods, works, non-consulting services and 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 the Procurement Regulations and the provisions of the Procurement Plan.
Section IV. Withdrawal of Loan Proceeds

A. General

1. The Borrower, through MoE, 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 “Disbursement Guidelines for Investment Project Financing” dated February 2017, 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 USD)</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, Training and Operating Costs for the Project</td>
<td>299,250,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Front-end Fee</td>
<td>750,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(3) Interest Rate Cap or Interest Rate Collar premium</td>
<td>0</td>
<td>Amount due pursuant to Section 2.08(c) of this Agreement</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>300,000,000</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 for payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $60,000,000 may be made for payments made prior to this date but on or after March 3, 2017, for Eligible Expenditures (but in no case after more than one year before the date of this Agreement).

2. The Closing Date is December 30, 2022.
SCHEDULE 3
Amortization Schedule

1. Subject to the provisions of paragraph 2 of this Schedule, the Borrower shall repay each Disbursed Amount in semiannual installments payable on each March 15 and September 15, the first installment to be payable on the twelfth (12th) Payment Date following the Maturity Fixing Date for the Disbursed Amount and the last installment to be payable on the fifty-fifth - (55th) Payment Date following the Maturity Fixing Date for the Disbursed Amount. Each installment except for the last one shall be equal to one-forty fourth (1/44th) of the Disbursed Amount. The last installment shall be equal to the remaining outstanding amount of the Disbursed Amount.

2. If any one or more installments of principal of the Disbursed Amount would, pursuant to the provisions of paragraph 1 of this Schedule, be payable after March 15, 2050, the Borrower shall also pay on such date the aggregate amount of all such installments.

3. The Bank shall notify the Loan Parties of the amortization schedule for each Disbursed Amount promptly after the Maturity Fixing Date for the Disbursed Amount.

4. Notwithstanding the provisions of paragraphs 1 through 3 of this Schedule, in the event of a Currency Conversion of all or any portion of a Disbursed Amount 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.
APPENDIX

Section I. Definitions

1. "Action Plan" means a Borrower’s plan, dated March 3, 2017, acceptable to the Bank, for the implementation of key activities under Part 1 of the Project, as said plan may be amended from time to time with the agreement of the Bank.

2. "ADA" means Autoridad del Agua, the Borrower’s Water Authority, established pursuant to the Water Law (as defined below), or any successor thereto acceptable to the Bank.


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

6. "Collaboration Agreement" means any of the agreements referred to in Section I.A.3 of Schedule 2 to this Agreement.

7. "Collaboration Entities" means any entity that will provide technical support to the Borrower in the carrying out of Part 1 of the Project, including: (i) the National Meteorological Service (Servicio Meteorológico Nacional); (ii) the National Institute of Agricultural Technology (Instituto Nacional de Tecnología Agropecuaria); (iii) the National Water Institute (Instituto Nacional del Agua); (iv) the Borrower’s Agency for Sustainable Development (Organismo Provincial para el Desarrollo Sostenible); (v) the Borrower’s Ministry of Agroindustry; and (vi) any other private or public entity acceptable to the Bank.

8. "DPOH" means Dirección Provincial de Obra Hidráulica, the Borrower’s Provincial Department of Hydraulic Works, or any successor thereto acceptable to the Bank.

9. "Environmental and Social Impact Assessment" or "ESIA", means the Borrower’s environmental and social impact assessment, including its respective environmental and social management plan ("ESMP"), dated February 2017 and disclosed on the Borrower’s website on February 15, 2017 and in the Bank’s website on February 21, 2017, which describes the Borrower’s actions to be undertaken, or cause to be undertaken, in order to address any adverse environmental or social impact resulting from the carrying out of the works under the Project, as said documents may be amended from time to time with the agreement of the Bank, and which include, inter alia: (a) the estimated environmental and social impacts of the river training works to be financed under Part 2 of the Project; (b) the
environmental and social responsibilities of DPOH and the contractors to be hired to carry out the river training works and those on upgrading associated infrastructure under Part 2 of the Project; and (c) the basic alignments of the environmental and wetlands management plan for the SRB to be prepared under Part 1 of the Project.

10. “ESMP” means the environmental and social management plan for the Project, which is an annex of the ESIA (defined above), which sets forth *inter alia*, the environmental and social responsibilities of DPOH and the contractors to be hired to carry out the river training works under Part 2 of the Project, including a voluntary agreements protocol which specifies the necessary agreements that the Borrower shall enter into with the land owners affected by the works under Part 2 of the Project, as the same may be amended from time to time.

11. “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.

12. “Indigenous Peoples Planning Framework” or “IPPF” means the Borrower’s framework, acceptable to the Bank, dated February 2017, disclosed on the Borrower’s website on February 15, 2017, and in the Bank’s website on February 21, 2017, setting forth the indigenous peoples policy framework applicable to all the activities to be carried out under Part 1 of the Project and the basis and procedures to prepare specific indigenous peoples’ plans during Project implementation, as the same may be amended from time to time.


15. “OPDS” means *Organismo Provincial para el Desarrollo Sostenible*, the Borrower’s Entity for Sustainable Development, established pursuant to the Borrower’s Decree No. 23/07, dated December 12, 2007.

16. “Operating Costs” means reasonable incremental recurrent expenditures that would not have been incurred by the Borrower and/or the Collaboration Entities absent the Project, for Project administration costs (including office rent), operation and maintenance of office equipment, banking fees, travel costs, salaries and per diems of civil servants and or employees of the Collaboration Entities assigned to carry out activities under the Project.

17. “Operational Manual” means the Borrower’s manual acceptable to the Bank referred to in Section I.B.1 of Schedule 2 to this Agreement, as said manual may be amended from time to time with the agreement of the Bank.

19. "Procurement Plan" means the Borrower’s procurement plan for the Project, dated February 24, 2017 and provided for under Section IV of the Procurement Regulations, as the same may be updated from time to time in agreement with the Bank.


21. “Resettlement” means the impact of an involuntary taking of land under Part 2 of the Project, which taking causes affected persons to have their: (i) standard of living adversely affected; or (ii) right, title or interest in any house, land (including premises, agricultural and grazing land) or any other fixed or movable asset acquired or possessed, temporarily or permanently; or (iii) access to productive assets adversely affected, temporarily or permanently; or (iv) business, occupation, work or place of residence or habitat adversely affected, temporarily or permanently.

22. “Salado River” means Rio Salado, a tributary river to the La Plata river, which runs from west to east and that ends in the Samborombon Bay, which is part of the Rio de la Plata’s estuary.

23. “Salado River Basin” or “SRB” means, for purposes of the Project, the portion of approximately 170,000 square kilometers of the drainage area of the Salado River, which is located within the territorial jurisdiction of the Borrower and defined in the PMI.

24. “Section IV-1-B” means the distance of the Salado River between reference points 311.76 and 346.40.

25. “Training” means expenditures (other than those for consulting services) incurred by the Borrower, through MoE, Mol, ADA and DPOH, to finance reasonable transportation costs and per diem of trainees and trainers, training registration fees, training materials, and rental of training facilities and equipment under Part 1 of the Project.

26. “UCEPO” means the unit referred to in Section I.A.1 of Schedule 2 to this Agreement.

27. “Users Oversight Committee” means a committee representing landowners whose land is located in the Section IV-1-B, to be established pursuant to the provisions of the Borrower’s Decree No. 148, dated December 30, 2003.

28. “Voluntary Agreement” means any of the agreements referred to in Section I.D.4(a) of Schedule 2 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. 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".