Loan Agreement

(Metropolitan Buenos Aires Urban Transformation Project - Province of Buenos Aires)

between

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

and

PROVINCE OF BUENOS AIRES

Dated December 21, 2014
LOAN AGREEMENT

Agreement dated December 2, 2017 between INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") and PROVINCE OF BUENOS AIRES ("Borrower" or "PBA").

WHEREAS the CABA intends to contract from the Bank a loan in the amount of one hundred seventy million Dollars ($170,000,000) to assist in financing the activities to be carried out by CABA and described in Schedule 1 to the agreement to be entered into between the Bank and the CABA (the CABA Loan Agreement) on the terms and conditions set forth therein, which activities, jointly with the activities described in Schedule 1 to this Agreement, constitute the Project for purposes of paragraph 75 of the Appendix of the General Conditions (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 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 thirty million Dollars ($30,000,000), 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 activities described in Schedule 1 to this Agreement, and identified, for purposes of this Agreement, as Parts 1 and 2 of the 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 January 15 and July 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 objectives of the Project. To this end, the Borrower, through MoI and MoE, shall carry out: (a) Part 1 of the Project with the assistance of IVBA and the Participating Municipality; and (b) Part 2 of the Project, all 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 CABA shall have failed to comply with any of its obligations under the CABA Loan Agreement in such a manner so as to affect, materially and adversely, in the opinion of the Bank, the ability of the CABA to achieve the objectives of the Project.

4.02. The Additional Event of Acceleration consists of the following, namely, that the event specified in Section 4.01 of this Agreement occurs and is continuing for a period of 60 days after notice of the event has been given by the Bank to the Borrower.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. 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

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

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By

Jesko Hentschel

Title: Country Director

PROVINCE OF BUENOS AIRES

By

Jorge Roberto Hernán Lacunza

Title: Ministro de Economía
SCHEDULE 1

Project Description

The objectives of the Project are to improve housing conditions and access to selected basic services and infrastructure in selected disadvantaged neighborhoods in the Buenos Aires Metropolitan Area (AMBA), and strengthen the institutional capacity for urban management at the metropolitan level.

For purposes of this Agreement, the parts of the Project which the Borrower has agreed to carry out are the following:

Part 1: Habitat Improvement of Disadvantaged Neighborhoods in Greater Buenos Aires

1.1 Carrying out of diagnostic studies and the preparation of related investment plans for selected disadvantaged neighborhoods located in Greater Buenos Aires.

1.2 Carrying out of the investments mentioned in Part 1.1 above, including, *inter alia*: the carrying out of: (i) housing improvements and related land titling formalization, and construction of public buildings; (ii) investments in basic infrastructure; (iii) small works for the improvement of public spaces and accessibility; and (iv) social and violence prevention programs.

1.3 If applicable, provision of land and compensation in connection with Resettlement under Part 1.2 above, as provided in Section IV.B.2 of Schedule 2 to this Agreement.

Part 2: Project Management and Monitoring (PBA)

Provision of support for Project management activities performed by PBA, including: (i) the carrying out of audits; (ii) the carrying out of monitoring and evaluation activities; (iii) capacity strengthening of the PBA staff; (iv) provision of technical assistance; (v) financing of Operating Costs; (vi) collection of relevant data at Specific Stages of Project Implementation; and (vii) the definition of baselines for the periodic monitoring and evaluation of the Project’s results.
SCHEDULE 2
Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. (a) Upon selection of a disadvantaged neighborhood under Part 1 of the Project and prior to the carrying out of any Project activity in said disadvantaged neighborhood, the Borrower, through MoI, shall enter into an agreement with the Participating Municipality (the Municipality Agreement), under terms and conditions acceptable to the Bank, including, inter alia, the Participating Municipality’s obligation to: (i) carry out the procurement of works under Part 1 of the Project in accordance with the provisions of Section III of this Schedule; (ii) comply with the Anti-Corruption Guidelines; and (iii) if applicable, comply with the provisions of the ESMF and the RPF.

(b) (i) The Borrower, through MoI, shall exercise its rights and carry out its obligations under each Municipality Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan; and (ii) except as the Bank shall otherwise agree, the Borrower, through MoI, shall not assign, amend, abrogate, terminate, waive or fail to enforce any Municipality Agreement or any provision thereof.

B. Operational Manual

1. Without limitation to the provisions of Section 3.01 of this Agreement, the Borrower, through MoI and MoE, shall carry out: (a) Part 1 of the Project with the assistance of IVBA and the Participating Municipality; and (b) Part 2 of the Project, all 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 Parts 1 and 2 of the Project; (ii) the organizational structure of Parts 1 and 2 of the Project, including the functions and responsibilities of MoI, MoE, IVBA and Participating Municipalities; (iii) the Project procurement and financial management requirements and procedures; (iv) the ESMF and the RPF; (v) the standard environmental provisions to be included in the bidding documents for investments to be carried out under Part 1 of the Project; (vi) the chart of accounts and internal controls for Parts 1 and 2 of the Project; and (g) 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 Parts 1 and 2 of the Project are carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. **Safeguards**

1. The Borrower, through Mol, shall implement: (a) Part 1 of the Project, with the assistance of IVBA and the relevant Participating Municipality; and (b) Part 2 of the Project, all in accordance with the Environmental and Social Management Framework (ESMF) and the Resettlement Policy Framework (RPF).

2. Upon the definition of detailed technical designs in respect of each investment (involving works) under Part 1 of the Project, and prior to the carrying out of each said works, the Borrower, through Mol, shall: (a) carry out and/or cause to be carried out an environmental/social assessment of the pertinent works, and based on the results of said assessment as determined by the Bank, approve and/or cause to be approved an environmental/social management plan, acceptable to the Bank, for each said works (which plan shall be based on the results of the environmental/social assessment mentioned herein, and the Bank’s comments on the results of said assessment, if any), all in accordance with the provisions of the Environmental and Social Management Framework; and (b) immediately after said approval, implement and/or cause to be implemented (as the case may be) the corresponding environmental/social management plan in accordance with its terms, and in a manner acceptable to the Bank.

3. Without limitation to paragraphs 1 and 2 of this Section, upon the definition of detailed technical designs and precise sitting alignments in respect of each investment (involving works) under Part 1 of the Project, if it is determined by the Bank that Resettlement will be involved, the Borrower shall: (a) prior to the carrying out of each said works, prepare and furnish to the Bank, a resettlement plan, acceptable to the Bank (which plan shall be consistent with the pertinent provisions of the Resettlement Policy Framework); and (b) immediately thereafter, implement and/or cause to be implemented (as the case may be) said resettlement plan in accordance with its terms and in a manner acceptable to the Bank.

4. The Borrower, through Mol, shall ensure that the terms of reference for any consultancies related to the technical assistance provided under Part 1 and 2 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.
Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

1. The Borrower, through MoE, shall monitor and evaluate the progress of Parts 1 and 2 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 45 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 as part of the Project Report not later than 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 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 “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 USD)</th>
<th>Percentage of Expenditures to be financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) (a) Goods, works, non-consulting services, consulting services, Training, Operating Costs for Part 1 of the Project; and (b) land acquisition and compensation related to the implementation of the Resettlement Policy Framework for Part 1 of the Project up to an amount of $1,500,000, as provided in paragraph B.2 of this Section</td>
<td>29,025,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, non-consulting services, consulting services, Training and Operating Costs for Part 2 of the Project</td>
<td>900,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Front-end Fee</td>
<td>75,000</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>(4) 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>30,000,000</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 $6,000,000 may be made for payments made prior to this date but on or after January 16, 2017, for Eligible Expenditures (but in no case after more than one year before the date of this Agreement).

2. Without limitation to the provisions of Section 2.08 of the General Conditions, and upon written request from the Borrower to the Bank to finance with the proceeds of the Loan the
Eligible Expenditures under Category (1) (b), the Bank may reallocate from Category (1) (a) and/or (2) to Category (1) (b) an amount of the Loan not to exceed $1,500,000.

3. The Closing Date is June 30, 2023.
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 January 15 and July 15, the first installment to be payable on the ninth (9th) Payment Date following the Maturity Fixing Date for the Disbursed Amount and the last installment to be payable on the fifty sixth - (56th) Payment Date following the Maturity Fixing Date for the Disbursed Amount. Each installment except for the last one shall be equal to one/forty eighth (1/48) 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 January 15, 2049, 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. “AMBA” means the Buenos Aires Metropolitan Area which includes the CABA’s territory and the surrounding municipalities within the jurisdiction of PBA (as defined below), including, inter alia: (i) Almirante Brown; (ii) Avellaneda; (iii) Berazategui; (iv) Berisso; (v) Brandsen; (vi) Campana; (vii) Cañuelas; (viii) Ensenada; (ix) Escobar; (x) Esteban Echeverría; (xi) Exaltación de la Cruz; (xii) Ezeiza; (xiii) Florencio Varela; (xiv) General Rodriguez; (xv) General San Martín; (xvi) General Las Heras; (xvii) Hurlingham; (xviii) Ituzaingó; (xix) José C. Paz; (xx) La Matanza; (xxi) La Plata; (xxii) Lanús; (xxiii) Lomas de Zamora; (xxiv) Luján; (xxv) Malvinas Argentinas; (xxvi) Marcos Paz; (xxvii) Merlo; (xxviii) Moreno; (xxix) Morón; (xxx) Pilar; (xxxi) Presidente Perón; (xxxi) Quilmes; (xxxii) San Fernando; (xxxiv) San Isidro; (xxxv) San Miguel; (xxxvi) San Vicente; (xxxvii) Tigre; (xxxviii) Tres de Febrero; (xxxix) Vicente López; and (xl) Zárate.


4. “CABA” means the Autonomous City of Buenos Aires.

5. “CABA Loan Agreement” means the loan agreement referred to in the Whereas Clause of this Agreement.

6. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

7. “Environmental and Social Management Framework” or “ESMF” means the Borrower’s framework, dated December 2016, published in the Bank’s external website on December 13, 2016 and in the Borrower’s website on December 13, 2016 which sets forth, inter alia: (a) the guidelines for carrying out the environmental/social assessments under Part 1 of the Project and preparation and implementation of pertinent environmental management plans; (b) the generic description of the type of environmental/social assessments which may affect the activities under Part 1 of the Project and the actions to mitigate any negative impacts that may occur as a result of their implementation; (c) the guidelines to be followed in connection with the finding of cultural property; (d) the guidelines to be followed to prevent natural habitat conversion or degradation; (e) the guidelines to be followed for pest management; (f) the guidelines for public consultation; (g) the procedures and technical specifications to be followed by eligible contractors in the carrying out of the works under Part 1 of the Project; and (h) the Resettlement Policy Framework, as said framework may be updated and/or amended from time to time with the agreement of the Bank.
8. "Greater Buenos Aires" means the following municipalities under the jurisdiction of PBA: (i) Almirante Brown; (ii) Avellaneda; (iii) Berazategui; (iv) Esteban Echeverría; (v) Ezeiza; (vi) Florencio Varela; (vii) General San Martin; (viii) Hurlingham; (ix) Ituzaingó; (x) José C. Paz; (xi) La Matanza; (xii) Lanús; (xiii) Lomas de Zamora; (xiv) Malvinas Argentinas; (xv) Merlo; (xvi) Moreno; (xvii) Morón; (xviii) Quilmes; (xix) San Fernando; (xx) San Isidro; (xxi) San Miguel; (xxii) Tigre; (xxiii) Tres de Febrero; and (xxiv) Vicente López.


10. "IVBA" means Instituto de la Vivienda de la Provincia de Buenos Aires, the Borrower’s Housing Institute within Mol.

11. "MoE" means Ministerio de Economía, the Borrower’s Ministry of Economy, or any successor thereto acceptable to the Bank.

12. "Mol" means Ministerio de Infraestructura y Servicios Públicos, the Borrower’s Ministry of Infrastructure and Public Services, or any successor thereto acceptable to the Bank.

13. "Municipality Agreement" means the agreement referred to in Section I.A.1 of this Agreement.

14. "Operating Costs" means reasonable incremental recurrent expenditures that would not have been incurred by the Borrower absent the Project, for Project administration costs (including office rent), operation and maintenance of office equipment, banking fees, non-durable goods and salaries of civil servants assigned to carry out administrative responsibilities under Parts 1 and/or 2 of the Project.

15. "Operational Manual" means the Borrower’s manual, dated January 16, 2017, acceptable to the Bank, and 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.

16. "Participating Municipality" means any municipality within the Borrower’s jurisdiction where the selected disadvantaged neighborhoods referred to in Part 1.1 of the Project are located.

17. "Procurement Plan" means the Borrower’s procurement plan for the Project, dated January 13, 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.

19. “Resettlement” means the impact of an involuntary taking of land under Part 1 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.

20. “Resettlement Policy Framework” or “RPF” means the Borrower’s framework, dated December 2016, published in the Bank’s external website on December 13, 2016 and in the Borrower’s website on December 14, 2016, acceptable to the Bank (included as an annex to the ESMF), which sets forth, inter alia, the principles and objectives governing Resettlement preparation and implementation, a description of the applicable legal framework and the process for preparing and approving resettlement plans under Section D.3 of Schedule 2 to this Agreement.

21. “Specific Stages of Project Implementation” means: (i) the first three months after the Effective Date; and (ii) six months prior to the Closing Date of the Project.

22. “Training” means expenditures (other than those for consulting services) incurred by the Borrower, through MoI, 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 Parts 1 and/or 2 of the Project.

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”. 