Loan Agreement

(First Social Inclusion Development Policy Loan)

between

REPUBLIC OF PERU

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated April 21, 2013
LOAN AGREEMENT

Agreement dated April 21, 2013, entered into between REPUBLIC OF PERU ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank") for the purpose of providing financing in support of the Program (as defined in the Appendix to this Agreement). The Bank has decided to provide this financing on the basis, inter alia, of (a) the actions which the Borrower has already taken under the Program and which are described in Section I of Schedule 1 to this Agreement, and (b) the Borrower’s maintenance of an adequate macroeconomic policy framework. The Borrower and the Bank therefore hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

1.01. The General Conditions (as defined in the Appendix to this Agreement) constitute an integral part of this Agreement.

1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Appendix to this Agreement.

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of forty five million Dollars ($45,000,000) as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement ("Loan").

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

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

2.04. The 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 Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower shall instead be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.
2.05. The Payment Dates are March 15 and September 15 in each year.

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

2.07. (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 unwritten, to an Approved Currency; (ii) a change of the interest rate basis applicable to: (A) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate to a Fixed Rate, or vice versa; or (B) all or any portion of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Reference Rate and the Variable Spread to a Variable Rate based on a Fixed Reference Rate and the Variable Spread, or vice versa; or (C) all of the principal amount of the Loan withdrawn and outstanding from a Variable Rate based on a Variable Spread to a Variable Rate based on a Fixed Spread; and (iii) the setting of limits on the Variable Rate or the Reference Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate or the Reference Rate.

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

2.08. Without limitation upon the provisions of Section 5.08 of the General Conditions (renumbered as such pursuant to paragraph 3 of Section II of the Appendix to this Agreement and relating to Cooperation and Consultation), the Borrower shall promptly furnish to the Bank such information relating to the provisions of this Article II as the Bank may, from time to time, reasonably request.

ARTICLE III — PROGRAM

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

(a) the Borrower and the Bank shall from time to time, at the request of either party, exchange views on the Borrower’s macroeconomic policy framework and the progress achieved in carrying out the Program;
prior to each such exchange of views, the Borrower shall furnish to the
Bank for its review and comments a report on the progress achieved in
carrying out the Program, in such detail as the Bank shall reasonably
request; and

(c) without limitation upon the provisions of paragraphs (a) and (b) of this
Section, the Borrower shall promptly inform the Bank of any situation
that would have the effect of materially reversing the objectives of the
Program or any action taken under the Program including any action
specified in Section I of Schedule 1 to this Agreement.

ARTICLE IV — REMEDIES OF THE BANK

4.01. The Additional Events of Suspension consist of the following:

(a) that situation has arisen which shall make it improbable that the Program,
or a significant part of it, will be carried out.

(b) that an action has been taken or a policy has been adopted to reverse any
action or policy under the Program, including any action listed under
Section I of Schedule 1 to this Agreement, in a manner that would, in the
opinion of the Bank, adversely affect the achievement of the objectives
of the Program.

4.02. The Additional Event of Acceleration consists of the following, namely, that any
evend 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 Additional Condition of Effectiveness consists of the following, namely that
the Bank is satisfied with the progress achieved by the Borrower in carrying out
the Program and with the adequacy of the Borrower's macroeconomic policy
framework.

5.02. Without prejudice to the provisions of the General Conditions, the Effectiveness
Deadline is the date ninety (90) days after the date of this Agreement, but in no
case later than the eighteen (18) months after the Bank's approval of the Loan
which expire on June 13, 2014.
ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower’s representative is its Minister of Economy and Finance, provided that the Borrower’s Director of Indebtedness and Public Treasury may, by him or herself, represent the Borrower to sign amendments to this Agreement which are considered of an administrative and non-financial nature. The signing by such Director of an amendment shall constitute a representation by the Borrower that any such amendment is considered to be administrative and non-financial in nature.

6.02. The Borrower’s Address is:

Ministry of Economy and Finance
Jr. Junín 319
Lima, Peru
Facsimile: (511) 626-9921

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

Cable address: INTBAFRAD
Telex: 248423(MCI) or 64145(MCI)
Facsimile: 1-202-477-6391

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

REPUBLIC OF PERU

By

[Signature]

Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By

[Signature]

Authorized Representative
SCHEDULE 1

Program Actions; Availability of Loan Proceeds

Section I. Actions under the Program

Actions Taken Under the Program

The actions taken by the Borrower under the Program include the following:

1. The Borrower has approved the legal and institutional framework required for the stewardship of the social inclusion agenda under MIDIS, as evidenced by: (i) Law No. 29792, dated October 10, 2011, and published in the Borrower’s Official Gazette on October 20, 2011, which created MIDIS; (ii) Supreme Decree No. 001-2011-MIDIS, dated December 26, 2011, and published in the Borrower’s Official Gazette on December 27, 2011; (iii) Resolution of MIDIS General Secretariat No. 004-2011-MIDIS, dated December 31, 2011, and published on the MIDIS Webpage, which ascribed five social inclusion programs to MIDIS; and (iv) Supreme Decree No. 011-2012-MIDIS, dated September 4, 2012, and published in the Borrower’s Official Gazette on September 5, 2012, which approved the MIDIS’ rules of organization and operations.

2. The Borrower has approved the expansion of coverage of Juntos to the Borrower’s districts where SISFOH has carried out a socio-economic evaluation and where the poverty levels are between 40% and 50%, as evidenced by Supreme Decree No. 009-2012-MIDIS, dated July 5, 2012, and published in the Borrower’s Official Gazette on July 06, 2012.

3. The Borrower, through MIDIS, has launched the process to improve the quantity and quality of family support provided by Juntos, through the recruitment of one thousand new local promoters with enhanced terms of reference, as evidenced by Official Letter (Oficio) No. 120-2012 MIDIS/SG/OGCAI, dated October 25, 2012.

4. The Borrower has approved the expansion of the coverage of Pensión 65 nationwide, as evidenced by: (i) Supreme Decree No. 006-2012-MIDIS, dated May 5, 2012, and published in the Borrower’s Official Gazette on May 6, 2012, which defined the new scope of Pensión 65; and (ii) Supreme Decree No. 009-2012-MIDIS, dated July 5, 2012, and published in the Borrower’s Official Gazette on July 6, 2012, which approved Pensión 65’s geographical expansion nationwide.
5. The Borrower has created *Qali Warma*, to ensure food service delivery to children enrolled in public pre-schools and primary schools, as evidenced by Supreme Decree No. 008-2012-MIDIS, dated May 30, 2012, and published in the Borrower’s Official Gazette on May 31, 2012.

6. The Borrower has started to develop the institutional framework for SISFOH under MIDIS, as evidenced by: (i) Emergency Decree No. 001-2012, dated January 21, 2012, and published in the Borrower’s Official Gazette on January 22, 2012, which approved the transfer of SISFOH from the PCM to MIDIS until December 31, 2012; (ii) Budget Bill of Law No.1465/2012-PE, submitted to Congress on August 29, 2012, which transfers SISFOH to MIDIS permanently and approves the transfer of information complementing the general household registry to MIDIS.

7. The Borrower has taken measures to update the general household registry, as evidenced by: (i) Agreement (*Convenio*) between PCM and INEI, dated November 21, 2011, which instructed INEI to conduct a socio-economic census in 9 regions in the Borrower’s territory; (ii) Agreement (*Convenio*) between UCPS and INEI, dated February 9, 2012, which instructed INEI to continue the socio-economic census in 3 additional regions in the Borrower’s territory; (iii) Budget Bill of Law No.1465/2012-PE, submitted to Congress on August 29, 2012, which authorized MIDIS to transfer seventy million *Nuevos Soles* (S/.70,000,000) to INEI to continue the socio-economic census; and (iv) Ministerial Resolution No 143-2012-MIDIS, dated August 16, 2012, and published in the Borrower’s Official Gazette on August 17, 2012, which approved the technical guidelines to improve the information collection for the general household registry.

8. The Borrower, through MIDIS, has approved guidelines for the development of a monitoring and evaluation system for results-based policy formulation and management in the social inclusion sector, as evidenced by Ministerial Resolution No.192-2012-MIDIS, dated October 23, 2012, and published in the Borrower’s Official Gazette on October 25, 2012.

9. The Borrower, through MIDIS, has approved guidelines for inter-sectoral and inter-governmental coordination to reduce chronic malnutrition in the framework of development and social inclusion policies, identifying priority districts in the Borrower’s territory where effective interventions will be implemented, as evidenced by Ministerial Resolution N° 131-2012-MIDIS, dated July 23, 2012 and published in the Borrower’s Official Gazette on July 25, 2012.
Section II. **Availability of Loan Proceeds**

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

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

<table>
<thead>
<tr>
<th>Allocations</th>
<th>Amount of the Loan Tranche Allocated (expressed in Dollars)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Single Withdrawal Tranche</td>
<td>45,000,000</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>45,000,000</td>
</tr>
</tbody>
</table>

C. **Withdrawal Tranche Release Conditions.**

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

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

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

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

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

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

G. **Closing Date.** The Closing Date is December 31, 2013.
SCHEDULE 2

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each March 15 and September 15 Beginning March 15, 2018 through March 15, 2020</td>
<td>16.67%</td>
</tr>
<tr>
<td>On September 15, 2020</td>
<td>16.65%</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. "Congress" means Congreso de la República del Perú, the Borrower's legislative branch.

2. "Excluded Expenditure" means any expenditure:

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

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

<table>
<thead>
<tr>
<th>Group</th>
<th>Sub-group</th>
<th>Description of Item</th>
</tr>
</thead>
<tbody>
<tr>
<td>112</td>
<td></td>
<td>Alcoholic beverages</td>
</tr>
<tr>
<td>121</td>
<td></td>
<td>Tobacco, un-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>manufactured, tobacco</td>
</tr>
<tr>
<td></td>
<td></td>
<td>refuse</td>
</tr>
<tr>
<td>122</td>
<td></td>
<td>Tobacco, manufactured</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(whether or not containing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>tobacco substitutes)</td>
</tr>
<tr>
<td>525</td>
<td></td>
<td>Radioactive and associated</td>
</tr>
<tr>
<td></td>
<td></td>
<td>materials</td>
</tr>
<tr>
<td>667</td>
<td></td>
<td>Pearls, precious and</td>
</tr>
<tr>
<td></td>
<td></td>
<td>semiprecious stones,</td>
</tr>
<tr>
<td></td>
<td></td>
<td>unworked or worked</td>
</tr>
<tr>
<td>718</td>
<td>718.7</td>
<td>Nuclear reactors, and parts</td>
</tr>
<tr>
<td></td>
<td></td>
<td>thereof; fuel elements</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(cartridges), non-</td>
</tr>
<tr>
<td></td>
<td></td>
<td>irradiated, for nuclear</td>
</tr>
<tr>
<td></td>
<td></td>
<td>reactors</td>
</tr>
<tr>
<td>728</td>
<td>728.43</td>
<td>Tobacco processing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>machinery</td>
</tr>
<tr>
<td>897</td>
<td>897.3</td>
<td>Jewelry of gold, silver</td>
</tr>
<tr>
<td></td>
<td></td>
<td>or platinum group metals</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(except watches and watch</td>
</tr>
</tbody>
</table>
for goods intended for a military or paramilitary purpose or for luxury consumption;

(d) for environmentally hazardous goods, the manufacture, use or import of which is prohibited under the laws of the Borrower or international agreements to which the Borrower is a party, and any other goods designated as environmentally hazardous by agreement between the Borrower and the Bank;

(e) on account of any payment prohibited by a decision of the United Nations Security Council taken under Chapter VII of the Charter of the United Nations; and

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

3. “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.

4. “INEI” means Instituto Nacional de Estadísticas e Informática, the Borrower’s institute of statistics.

5. “Juntos” means Programa Nacional de Apoyo Directo a los Más Pobres, the Borrower’s national program to support the poorest, created pursuant to the Borrower’s Supreme Decree No 032-2005-PCM, dated April 6, 2005 and published in the Borrower’s Official Gazette on August 8, 2005, as amended to the date of this Agreement.


7. “MIDIS Webpage” means MIDIS’s web page accessible through the following URL http://www.midis.gob.pe/.
8. "Nuevo Sol" means the Borrower's lawful currency.

9. "PCM" means *Presidencia del Consejo de Ministros*, the Borrower's Presidency of the Ministers Cabinet.

10. "Pensión 65" means *Programa Nacional de Asistencia Solidaria*, the Borrower's national program of social assistance, created pursuant to the Borrower's Supreme Decree No. 081-2011-PCM, dated October 19, 2011, and published in the Borrower's Official Gazette on October 19, 2011, as amended to the date of this Agreement.

11. "Program" means the program of actions, objectives and policies designed to promote growth and achieve sustainable reductions in poverty and set forth or referred to in the letter dated October 23, 2012, from the Borrower to the Bank declaring the Borrower's commitment to the execution of the Program, and requesting assistance from the Bank in support of the Program during its execution.


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


15. "UCPS" means *Unidad de Coordinación de Préstamos Sectoriales*, the Borrower's Coordination Unit for Sectorial Loans within MEF, created pursuant to the Borrower's Legislative Decree N° 25535, dated June 5, 1992, or any other successor thereto.
Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

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

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

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

4. Paragraph (a) of Section 5.05 (renumbered as such pursuant to paragraph 3 above and relating to Use of Goods, Works and Services) is deleted in its entirety.

5. Paragraph (c) of Section 5.06 (renumbered as such pursuant to paragraph 3 above) is modified to read as follows:

   "Section 5.06. Plans; Documents; Records

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

6. Paragraph (c) of Section 5.07 (renumbered as such pursuant to paragraph 3 above) is modified to read as follows:

   Section 5.07. Program Monitoring and Evaluation

   ... (c) The Borrower shall prepare, or cause to be prepared, and furnish to the Bank not later than six months after the Closing Date, a report of such scope and in such detail as the Bank shall reasonably request, on the execution of the Program, the performance by the Loan Parties and the Bank of their respective obligations under the Legal Agreements and the accomplishment of the purposes of the Loan.
The following terms and definitions set forth in the Appendix are modified or deleted as follows, and the following new terms and definitions are added in alphabetical order to the Appendix as follows, with the terms being renumbered accordingly:

(a) The definition of the term “ Eligible Expenditure” is modified to read as follows:

“Eligible Expenditure’ means any use to which the Loan is put in support of the Program, other than to finance expenditures excluded pursuant to the Loan Agreement.”

(b) The term “ Financial Statements” and its definition are deleted in their entirety.

(c) The term “Project” is modified to read “Program” and its definition is modified to read as follows (and all references to “Project” throughout these General Conditions are deemed to be references to “Program”):

“Program’ means the program referred to in the Loan Agreement in support of which the Loan is made.”

(d) The definition of the term “ Loan Payment” is modified to read as follows:

“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, interest at the Default Interest Rate (if any), any stand-by fee, 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.”