Financing Agreement

(E-health Project)

between

MONGOLIA

and

INTERNATIONAL DEVELOPMENT ASSOCIATION

Dated June 18, 2015
FINANCING AGREEMENT

AGREEMENT dated June 18, 2015, entered into between MONGOLIA ("Recipient") and INTERNATIONAL DEVELOPMENT ASSOCIATION ("Association"). The Recipient and the Association 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 — FINANCING

2.01. The Association agrees to extend to the Recipient, on the terms and conditions set forth or referred to in this Agreement, a credit in an amount equivalent to twelve million and seven hundred thousand Special Drawing Rights (SDR12,700,000) (variously, "Credit" and "Financing") to assist in financing the project described in Schedule 1 to this Agreement ("Project").

2.02. The Recipient may withdraw the proceeds of the Financing in accordance with Section IV of Schedule 2 to this Agreement.

2.03. The Maximum Commitment Charge Rate payable by the Recipient on the Unwithdrawn Financing Balance shall be one-half of one percent (1/2 of 1%) per annum.

2.04. The Service Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to three-fourths of one percent (3/4 of 1%) per annum.

2.05. The Interest Charge payable by the Recipient on the Withdrawn Credit Balance shall be equal to one and a quarter percent (1.25%) per annum.

2.06. The Payment Dates are March 1 and September 1 in each year.

2.07. The principal amount of the Credit shall be repaid in accordance with the repayment schedule set forth in Schedule 3 to this Agreement.

2.08. The Payment Currency is Dollars.
3.01. The Recipient declares its commitment to the objectives of the Project. To this end, the Recipient shall carry out the Project through the Ministry of Health and Sports in accordance with the provisions of Article IV of the General Conditions.

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

ARTICLE IV—TERMINATION

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

4.02. For purposes of Section 8.05(b) of the General Conditions, the date on which the obligations of the Recipient under this Agreement (other than those providing for payment obligations) shall terminate is twenty years after the date of this Agreement.

ARTICLE V—REPRESENTATIVE; ADDRESSES

5.01. The Recipient’s Representative is its Minister of Finance.

5.02. The Recipient’s Address is:

Ministry of Finance
Government Building II
United Nations Street 5/1
Ulaanbaatar 15015
Mongolia

Facsimile:
976-11-327914

5.03. The Association’s Address is:

International Development Association
1818 H Street, N.W.
Washington, D.C. 20433
United States of America
AGREED at Washington, D.C., as of the day and year first above written.

MONGOLIA

By [Signature]
Authorized Representative

Name: J. Erdenebat
Title: Minister of Finance

INTERNATIONAL DEVELOPMENT ASSOCIATION

By [Signature]
Authorized Representative

Name: James Anderson
Title: Country Manager
SCHEDULE 1

Project Description

The objective of the Project is to improve integration and utilization of health information and e-health solutions for better health service delivery in selected pilot sites.

The Project consists of the following parts:

Part 1 E-health Foundational Activities

1.1 Enterprise Architecture development

Adopting of a national enterprise architecture framework and developing a domain specific enterprise architecture adapted to the health sector, including analysis of the current business processes at health facilities and subsequent development of required elements of the enterprise information system.

1.2 Health data standards

Establishment of a suite of health data standards to form the common language required for the diverse computer systems in the Recipient’s health sector to interoperate, including subscription to use of major health data exchange standards.

Part 2 Clinical Data Collection, Access and Sharing

2.1 E-health portal and viewer

Development of a basis for standardized data exchange between healthcare providers and data access for users, including development of: (a) the computer architecture; (b) a web portal application and links that would enable the electronic health information system to become fully functional over time; and (c) security infrastructure for the portal to assure appropriate levels of privacy and confidentiality.

2.2 Health Information Exchange Platform

Development of a health information exchange platform (HIEP) to (a) facilitate messaging, enhanced continuity-of-care and referrals; and (b) enable information exchange with other services, notably those related to health insurance and health services utilization reporting and epidemiology.
2.3 Analysis and Implementation of Picture Archiving and Communication System (PACS)

Development of a central archiving and communication environment for digital medical images, upgrade of selected facilities to enable use of digitally acquired imagery (mini PACS), and upgrade of local networks to be able to share digital imagery.

2.4 IT infrastructure, maintenance and support and Pilot Tests

(a) Acquisition and installation of the servers required for the HIEP and for pilot testing the clinical and imaging data exchange mechanisms developed under Parts 2.1 and 2.2 of the Project.

(b) Carrying out pilot tests of the clinical and imaging data exchange mechanisms developed under Parts 2.1 and 2.2 of the Project.

Part 3 National Health Information Center

3.1 NHIC standards and applications

Establishment and operation of a national health information center to oversee e-health including:

(a) defining, disseminating and enforcing health data standards; and

(b) supporting the design and creation of specialized e-health applications.

3.2 Health data statistics

Establishment and initial operation of the health information dashboard, including acquisition and installation of computer hardware, database management software, and analysis tools for a health data warehouse system.

Part 4 Institutional Strengthening and Capacity Building

Carrying out training and capacity building activities as follows:

(a) Provision of user training to improve the computer literacy of health service providers; and

(b) Provision of information technology technical training to improve the information technology skills and competencies of staff of NHIC.
Part 5 Project Management

Provision of support for Project implementation, supervision, monitoring and evaluation, including provision of technical assistance and training.
SCHEDULE 2

Project Execution

Section I.  Implementation Arrangements

A.  Institutional Arrangements.

1.  For purposes of Project implementation, the Recipient shall establish within MOHS, and thereafter maintain for the duration of the Project, a Project Implementation Unit having adequate resources, including sufficient staff hired in accordance with Section III of this Schedule 2, including but not limited to a Project coordinator, a procurement specialist, a financial management specialist, an enterprise architecture specialist, a clinician, and a change management specialist. The PIU shall be responsible for Project implementation, including overall Project management, financial management, monitoring and evaluation and Project reporting.

2.  For purposes of providing oversight and strategic policy advice and guidance to the Project, the Recipient shall establish and thereafter maintain for the duration of the Project, a Project steering committee, chaired by the Minister of Health and Sports, and having composition, including representatives from the central public administration organizations in charge of economic development and of finance, acceptable to the Association. The Project steering committee shall be responsible, among other things, for ensuring synergies between the Project and other related Recipient activities and projects.

3.  The Recipient shall:

(a)  No later than six (6) months after the Effective Date, prepare terms of reference acceptable to the Association for the key technical staff positions for NHIC; and

(b)  By January 1, 2017 establish and thereafter maintain for the duration of the Project the technical staff positions referred to in the preceding subparagraph and fill such positions with staff having qualifications and terms of reference acceptable to the Association.

B.  Project Implementation Manual

1.  The Recipient shall prepare and adopt a Project Implementation Manual (PIM) setting out the PIU’s division of responsibilities, operational systems and procedures, including the PIU’s organizational structure, office operations and procedures, finance and accounting procedures (including funds flow and disbursement arrangements), and procurement procedures.
2. The Recipient shall carry out the Project in accordance with the Project Implementation Manual and shall not amend or revise such Manual without the prior written approval of the Association. In the event of any inconsistency between the PIM and the provisions of this Agreement, the provisions of this Agreement shall prevail.

C. Anti-Corruption

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

Section II. Project Monitoring, Reporting and Evaluation

A. Project Reports

1. The Recipient shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 4.08 of the General Conditions and on the basis of indicators acceptable to the Association and set out in the Project Implementation Manual. Each Project Report shall cover the period of one (1) calendar semester, and shall be furnished to the Association not later than one (1) month after the end of the period covered by such report.

B. Financial Management, Financial Reports and Audits

1. The Recipient shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 4.09 of the General Conditions.

2. Without limitation of the provisions of Part A of this Section, the Recipient shall prepare and furnish to the Association as part of the Project Report not later than forty-five (45) days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Association.

3. The Recipient shall have its Financial Statements audited in accordance with the provisions of Section 4.09(b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one (1) fiscal year of the Recipient. The audited Financial Statements for each such period shall be furnished to the Association not later than six (6) months after the end of such period.

Section III. Procurement

A. General

1. Goods and Non-consulting Services. All goods and non-consulting services required for the Project and to be financed out of the proceeds of the Financing
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 Financing 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 Association of particular contracts, refer to the corresponding method described in Sections II and III of the Procurement Guidelines, or Sections II, III, IV and V of the Consultant Guidelines, as the case may be.

B. **Particular Methods of Procurement of Goods and Non-consulting Services**

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

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

<table>
<thead>
<tr>
<th>Additional Procedures for National Competitive Bidding</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) <strong>Applicable Procurement Procedure</strong></td>
</tr>
<tr>
<td>Bidding shall be conducted in accordance with the Open Bidding Procedure, as defined in Chapter Two of the Public Procurement Law of Mongolia enacted on December 1, 2005 (as amended through June 16, 2011) and related provisions, subject to the following:</td>
</tr>
<tr>
<td>(b) <strong>Participation in Bidding and Preferences</strong></td>
</tr>
<tr>
<td>(i) Government-owned enterprises in Mongolia shall be eligible to participate in bidding only if they can establish that they are legally and financially autonomous, operate under commercial law and are not a dependent agency of the Recipient.</td>
</tr>
</tbody>
</table>
| (ii) A bidder declared ineligible by the World Bank, based on a determination by the World Bank that the bidder has engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for or in executing a World Bank-
financed contract, shall be ineligible to be awarded a World Bank-financed contract during the period of time determined by the World Bank.

(iii) A firm which has been engaged by the Recipient to provide consulting services for the preparation or implementation of a project, and any of its affiliates, shall be disqualified from subsequently providing goods or works resulting from or directly related to the firm's consulting services for such preparation or implementation. This provision does not apply to the various firms which together are performing the contractor's obligations under a turnkey or design and build contract.

(iv) Prospective bidders shall be permitted to request bidding documents either in person or by mail upon submission of a written application. Bidding documents shall be sold to anyone who is willing to pay the required fee for the bidding documents which shall not exceed the cost of reproduction and delivery of such documents.

(v) Interested foreign bidders from eligible countries shall be allowed to participate without being required to associate or form joint ventures with local bidders. Foreign bidders shall be eligible to participate in bidding under the same conditions as local bidders. Mongolian bidders and goods of Mongolian origin shall be given no preference over foreign bidders, either in the bidding process or in the evaluation of bids.

(vi) Prior registration shall not be a requirement for any bidder to participate in bidding.

(vii) Pre-qualification of contractors shall not be required, except in the case of large or complex works and with the prior written concurrence of the World Bank.

(c) Advertising. Time for Bid Preparation

Invitations to bid shall be advertised in at least one widely circulated national newspaper, allowing sufficient time, normally a minimum of 30 days, for the preparation and submission of bids. Bidding documents may be distributed electronically provided that the World Bank is satisfied with the adequacy of such electronic system.
(d) **Standard Bidding Documents**

Standard bidding documents, acceptable to the World Bank, shall be used. The bidding documents shall provide clear instructions on how bids should be submitted, how prices should be offered, and the place and time for submission and opening of bids. Bidders shall be allowed to submit bids by hand, by mail or by courier.

(e) **Assessment of Bidder's Qualification**

Qualification criteria shall be clearly specified in the bidding documents, and all criteria so specified, and only criteria so specified, shall be used to determine whether a bidder is qualified. The evaluation of the bidder's qualifications shall be conducted separately from the technical and commercial evaluation of the bid. When post qualification is applied, the assessment of bidder's qualifications shall be carried out only after the preliminary and detailed evaluation of bids has been completed by the Recipient and, in doing so, the qualifications of the bidder who has submitted the lowest evaluated substantially responsive bid shall be assessed first. The evaluation of a bidder's qualifications shall only take into account the bidder's capacity and resources to perform the contract, specifically its experience and past performance on similar contracts, capabilities with respect to personnel, equipment and construction or manufacturing facilities and financial capacity. In carrying out the post-qualification assessment, the Recipient shall exercise reasonable judgment in requesting, in writing, from a bidder only missing factual or historical supporting information related to the bidder's qualifications and shall provide a reasonable time period (that is, a minimum of seven days) to the bidder to provide his response.

(f) **Evaluation Criteria**

Evaluation criteria to be used in the evaluation of bids shall be clearly specified in the bidding documents, and evaluation criteria other than price shall be quantified in monetary terms. Merit points shall not be used in bid evaluation. The evaluation of bids shall be done in strict adherence to the criteria specified in the bidding documents, and contracts shall be awarded to the qualified bidder offering the lowest evaluated and substantially responsive bid.

(g) **Bid Opening and Bid Evaluation**

(i) **Bid Opening** shall be opened in public, immediately upon the stipulated deadline for submission of bids. Bidder's representatives and the project's beneficiaries from the concerned local community
who choose to attend shall be allowed to attend. The name of the bidder and total amount of each bid, including discounts, shall be read aloud and recorded in the Bid Opening Record. Bids received after the deadline for bid submission shall be rejected and returned to the bidders unopened. Immediately after completion of the bid opening proceedings, a copy of the Bid Opening Record shall be posted at a prominent location, accessible to the public, outside the office of the concerned procuring entity and shall be retained at the same location until the award of contract has been notified. A copy of the Bid Opening Record shall be promptly provided to all bidders who submitted bids. With respect to all contracts which are subject to the World Bank’s prior review, the Recipient shall provide the World Bank a copy of the Bid Opening Record.

(ii) All bids shall not be rejected or new bids invited without the World Bank’s prior written concurrence.

(iii) No bid shall be rejected merely on the basis of a comparison with the owner’s estimated cost or budget ceiling without the World Bank’s prior written concurrence.

(iv) A bid containing material deviations from or reservations to the terms, conditions or specifications of the bidding documents shall be rejected as not substantially responsive. A bidder shall not be permitted to withdraw material deviations or reservations once bids have been opened. Bidders shall not be eliminated from detailed evaluation on the basis of non-material, minor deviations or reservations.

(v) Bidders shall be requested to extend the validity of their bids only under exceptional circumstances and, in all such cases, the Recipient shall communicate such request in writing to all bidders before the date of expiry of their bids. In such a case, bidders shall not be requested or permitted to amend the price or any other condition of their bid. Bidders shall have the right to refuse to grant such an extension of the validity of their bids without forfeiting their bid securities, but bidders granting such extension shall be required to provide a corresponding extension of their bid security.

(vi) In the case of contracts of more than eighteen (18) months’ duration, the bidding documents and the resultant contract shall provide for price adjustment, based on a formula acceptable to
the World Bank, which shall be disclosed to the bidders in the bidding documents.

(vii) The bid of a bidder which refuses to accept arithmetical corrections made by the Evaluation Committee during the evaluation of its bid shall be rejected.

(viii) A bidder shall not be required, as a condition for award, to undertake obligations not specified in the bidding documents or otherwise to modify its bid as originally submitted.

(ix) There shall be no post-bidding negotiations with the lowest evaluated bidder or any other bidder. No bidder shall be required, as a condition for the award of contract, to change his bid price or otherwise materially alter his bid after it has been submitted.

(h) Suppliers, Contractors and Subcontractors

(i) The World Bank shall declare a firm ineligible, either indefinitely or for a stated period, to be awarded a contract financed by the World Bank, if it at any time determines that the firm has, directly or through an agent, engaged in corrupt, fraudulent, collusive, coercive or obstructive practices in competing for, or in executing, a contract financed by the World Bank.

(ii) Bidding documents and contracts under national competitive bidding procedures financed by the World Bank shall include a provision requiring suppliers, contractors and subcontractors to permit the World Bank to inspect their accounts and records relating to the bid submission and the performance of the contract by the suppliers, contractors and/or subcontractors as the case may be, and to have them audited by auditors appointed by the World Bank, if so required by the World Bank. The deliberate and material violation by the suppliers, contractors or subcontractors of such provision may amount to obstructive practice which is subject to sanctions under the Guidelines.

(i) Publication of Award of Contract

The Recipient shall publish the following information on contract award on an accessible website when it becomes operational or on another means of publication acceptable to the World Bank: (a) name of each bidder who submitted a bid; (b) bid prices as read out at bid opening;
Complaints by Bidders and Handling of Complaints

The provisions of Chapter Seven of the Public Procurement Law of Mongolia on the settlement of disputes shall apply to all World Bank-financed contracts awarded under national competitive bidding procedures.

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) Least Cost Selection; (c) Selection based on Consultants’ Qualifications; (d) Single-source Selection of consulting firms; (e) Procedures set forth in paragraphs 5.2 and 5.3 of the Consultant Guideline for the Selection of Individual Consultants; and (f) Sole-source procedures for the Selection of Individual Consultants.

D. Review by the Association of Procurement Decisions

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

Section IV. Withdrawal of the Proceeds of the Financing

A. General

1. The Recipient may withdraw the proceeds of the Financing in accordance with the provisions of Article II of the General Conditions, this Section, and such additional instructions as the Association shall specify by notice to the Recipient (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Association 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 Financing ("Category"), the allocations of the amounts of the Financing 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 Financing Allocated (expressed in SDR)</th>
<th>Percentage of Expenditures to be Financed (inclusive of Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, non consulting services, consultants services, and Incremental Operating Costs for Part 5 of the Project</td>
<td>750,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, non consulting services and consultants services for Parts 1, 2, 3 and 4 of the Project</td>
<td>11,950,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>12,700,000</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) for payments made prior to the date of this Agreement; and

   (b) for payments under Category (2) until and unless the Project Implementation Unit has been established in a manner acceptable to the Association and in accordance with Schedule 2, Section I, Part A to this Agreement, and a Project Implementation Manual acceptable to the Association has been adopted by the Recipient.

2. The Closing Date is September 30, 2020.
<table>
<thead>
<tr>
<th>Date Payment Due</th>
<th>Principal Amount of the Credit repayable (expressed as a percentage)*</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each March 1 and September 1:</td>
<td></td>
</tr>
<tr>
<td>commencing September 1, 2019 to and including March 1, 2029</td>
<td>1.65%</td>
</tr>
<tr>
<td>commencing September 1, 2029 to and including March 1, 2039</td>
<td>3.35%</td>
</tr>
</tbody>
</table>

* The percentages represent the percentage of the principal amount of the Credit to be repaid, except as the Association may otherwise specify pursuant to Section 3.03(b) of the General Conditions.
APPENDIX

Section I. Definitions


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


4. “General Conditions” means the “International Development Association General Conditions for Credit and Grants”, dated July 31, 2010, with the modifications set forth in Section II of this Appendix.

5. “HIEP” means the health information enterprise platform to be developed under Part 2.2 of the Project.

6. “Incremental Operating Costs” means reasonable expenditures directly related to the Project (which expenditures would not have been incurred absent the Project), based on an annual budget for such costs approved ex-ante in writing by the Association, including expenditures for consumable materials, office supplies, communications services (including postage handling, telephone and internet costs), publication services, translation services, office space rental and utilities, maintenance of office equipment and operation, and but excluding salaries, bonuses, fees and honoraria of members of the Recipient’s civil service.

7. “Ministry of Finance” means the Recipient’s Ministry of Finance, or any successor thereto.

8. “Ministry of Health and Sports” and the acronym “MOHS” mean the Recipient’s Ministry of Health and Sports, or any successor thereto.

9. “NHIC” means the national health information center to be established and maintained under Part 3 of the Project.


11. “Procurement Plan” means the Recipient’s procurement plan for the Project, dated May 1, 2014 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.

12. "Project Implementation Manual" and the acronym "PIM" mean the manual to be adopted by the Recipient as provided for in Schedule 2, Section I, Part B.1 to this Agreement, setting out the PIU's division of responsibilities, operational systems and procedures, including the PIU's organizational structure, office operations and procedures, finance and accounting procedures (including funds flow and disbursement arrangements), and procurement procedures.

13. "Project Implementation Unit" means the unit to be established and maintained by the Recipient for purposes of Project implementation and management, as provided for in Schedule 2, Section I, Part A.1 to this Agreement.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Section 3.02 is modified to read as follows:

   "Section 3.02. Service Charge and Interest Charge

   (a) Service Charge. The Recipient shall pay the Association a service charge on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. The Service Charge shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Service Charges shall be computed on the basis of a 360-day year of twelve 30-day months.

   (b) Interest Charge. The Recipient shall pay the Association interest on the Withdrawn Credit Balance at the rate specified in the Financing Agreement. Interest shall accrue from the respective dates on which amounts of the Credit are withdrawn and shall be payable semi-annually in arrears on each Payment Date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months."

2. Paragraph 28 of the Appendix ("Financing Payment") is modified by inserting the words "the Interest Charge" between the words "the Service Charge" and "the Commitment Charge".

3. The Appendix is modified by inserting a new paragraph 32 with the following definition of "Interest Charge", and renumbering the remaining paragraphs accordingly:

   "32. "Interest Charge" means the interest charge specified in the Financing
Agreement for the purpose of Section 3.02(b)."

4. Renumbered paragraph 37 (originally paragraph 36) of the Appendix ("Payment Date") is modified by inserting the words "Interest Charges" between the words "Service Charges" and "Commitment Charges".

5. Renumbered paragraph 50 (originally paragraph 49) of the Appendix ("Service Charge") is modified by replacing the reference to Section 3.02 with Section 3.02 (a).