LOAN AGREEMENT

(Modernization and Upgrade of Transmission Substations Project)

between

REPUBLIC OF UZBEKISTAN

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated September 20, 2017
LOAN AGREEMENT

Agreement dated September 20, 2017, between REPUBLIC OF UZBEKISTAN ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

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

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of ninety two million Dollars ($92,000,000), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.08 of this Agreement ("Loan"), to assist in financing the project described in Schedule 1 to this Agreement ("Project").

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

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount. The Borrower shall pay the Front-end Fee not later than sixty (60) days after the Effective Date.

2.04. The Commitment Charge payable by the Borrower shall be equal to one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.

2.05. The interest payable by the Borrower for each Interest Period shall be at a rate equal to the Reference Rate for the Loan Currency plus the Variable Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the
Borrower shall instead be calculated as provided in Section 3.02 (e) of the General Conditions.

2.06. The Payment Dates are 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; (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 the Conversion Guidelines.

ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall cause the Project to be carried out by the Project Implementing Entity in accordance with the provisions of Article V of the General Conditions and the Project Agreement.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank 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:

The Project Implementing Entity’s Legislation has been amended, suspended, abrogated, repealed or waived so as to affect materially and adversely the ability of the Project Implementing Entity to perform any of its obligations under the Project Agreement.

4.02. The Additional Event of Acceleration consists of the following:

The event specified in Section 4.01 of this Agreement occurs and is continuing for a period of thirty (30) days after notice of the event has been given by the Bank to the Borrower.

ARTICLE V — EFFECTIVENESS; TERMINATION

5.01. The Additional Conditions of Effectiveness consist of the following:

(a) The Subsidiary Agreement has been executed on behalf of the Borrower and the Project Implementing Entity.

(b) The Project Implementing Entity has adopted the Project Operational Manual satisfactory to the Bank.

(c) The Financing Agreement has been executed and delivered and all conditions precedent to its effectiveness or to the right of the Borrower to make withdrawals under it (other than the effectiveness of this Agreement) have been fulfilled.

5.02. The Additional Legal Matter consists of the following:

The Subsidiary Agreement has been duly authorized or ratified by the Borrower and the Project Implementing Entity and is legally binding upon the Borrower and the Project Implementing Entity in accordance with its terms.

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

ARTICLE VI — REPRESENTATIVE; ADDRESSES

6.01. The Borrower’s Representative is its Minister of Finance.
6.02. The Borrower's Address is:

Ministry of Finance
Mustakilik Square 5
Tashkent 100008
Republic of Uzbekistan

Telex: Facsimile:

11 6360 IK BOL (998-71) 233-7073
(998-71) 239-1259

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: Facsimile:

248423(MCI) or 1-202-477-6391
64145(MCI)
AGREED at New York City, United States of America, as of the day and year first above written.

REPUBLIC OF UZBEKISTAN

By: [Signature]

Authorized Representative

Name: DJAMSHID KUCHKAROV

Title: DEPUTY PRIME MINISTER

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By: [Signature]

Authorized Representative

Name: LILIA BURUNCIUC

Title: COUNTRY DIRECTOR
EUROPE AND CENTRAL ASIA REGION
SCHEDULE 1

Project Description

The objective of the Project is to improve the technical efficiency and reliability of the power transmission networks in Uzbekistan.

The Project consists of the following parts:

Part 1: Electricity Transmission System Upgrade

(a) Rehabilitation and upgrade of not less than 22 high priority transmission substations.

(b) Establishment of an emergency outage management system through acquisition of one or two 110 kV/medium-voltage mobile substations and emergency restoration system for speedy repair of outages in high voltage transmission lines.

Part 2: Institutional Development and Technical Assistance

(a) Assistance with conducting key electricity sector studies, including feasibility studies for future investment projects in the sector and other key sectoral studies that might be identified during the Project implementation.

(b) Strengthening the Project Implementing Entity’s and other sector entities’ capacity in new technologies to facilitate modernization of the assets and practices in the sector, system planning and operations, certification on the International Financial Reporting Standards (IFRS) implementation, implementing emergency response, and in other areas as needed.

(c) Strengthening the Project Implementing Entity’s capacity in financial management and in its transition to the full IFRS across the company and for Project management, including carrying out the Project and the Project Implementing Entity audit.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

The Borrower shall cause the Project Implementing Entity:

(a) to maintain during the entire Project implementation period, the Project Management Unit for the purposes of day-to-day Project management, monitoring and evaluation with functions, terms of reference and resources acceptable to the Bank.

(b) (i) to prepare and adopt the Project Operational Manual, satisfactory to the Bank, and setting out, inter alia, the institutional, disbursement, procurement and financial management (including Project-related internal control, budgeting, external auditing, financial reporting and accounting policies and procedures) arrangements for the implementation of the Project; (ii) to carry out the Project in accordance with the Project Operational Manual; and (iii) not amend, suspend, repeal or waive any of the provisions of the Project Operational Manual without the Bank's prior written agreement. In case of any discrepancy between the provisions of the Project Operational Manual and those of this Agreement, the provisions of this Agreement shall prevail.

B. Subsidiary Agreement

1. To facilitate the carrying out of the Project, the Borrower shall make the proceeds of the Loan available to the Project Implementing Entity under a subsidiary agreement between the Borrower and the Project Implementing Entity ("Subsidiary Agreement"), under terms and conditions acceptable for the Bank, which shall include the following:

(a) the principal amount of the Loan made available under the Subsidiary Agreement ("Subsidiary Loan") shall be denominated in Dollars;

(b) a commitment charge shall be paid on the unwithdrawn amount of the Subsidiary Loan at a rate equal to the rate payable by the Borrower from time to time pursuant to Section 2.04 of this Agreement;

(c) an interest on the principal amount of the Subsidiary Loan withdrawn and outstanding from time to time shall be paid at the rate equal to the interest rate payable by the Borrower pursuant to Section 2.05 of this Agreement
plus an additional payment not to exceed 0.2% of the Subsidiary Loan withdrawn and outstanding from time to time, as may be agreed between the Borrower and the Project Implementing Entity upon prior approval by the Bank; and

(d) the Subsidiary Loan shall be repayable in semi-annual installments over a period not exceeding twenty-five (25) years from the date of the Subsidiary Agreement, inclusive of a grace period not exceeding five (5) years.

2. The Borrower shall exercise its rights and carry out its obligations under the Subsidiary 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 or waive the Subsidiary Agreement or any of its provisions.

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. The Borrower shall cause the Project Implementing Entity to implement the Project in accordance with the Environmental and Social Management Framework and, to that end, if any activity under the Project would require the adoption of an Environmental Management Plan, shall cause the Project Implementing Entity to:

   (a) (i) prepare such Environmental Management Plan in accordance with the ESMF; (ii) furnish such EMP to the Bank for review and approval; and (iii) thereafter adopt such EMP prior to implementation of the activity; and

   (b) thereafter take such measures as shall be necessary or appropriate to ensure full compliance with the requirements of such EMP.

2. Without limitation upon its other reporting obligations under this Agreement, the Borrower shall cause the Project Implementing Entity to regularly collect, compile and furnish to the Bank reports in form and substance satisfactory to the Bank on the status of compliance with the ESMF and EMPs, as part of the Project Reports, giving details of:

   (a) measures taken in furtherance of the ESMF and EMPs;
(b) conditions, if any, which interfere or threaten to interfere with the smooth implementation of the ESMF and EMPs; and

c) remedial measures taken or required to be taken to address such conditions.

3. In the event that any provision of the ESMF or an EMP shall conflict with any provision of this Agreement or the Project Agreement, the provisions of this Agreement or the Project Agreement shall prevail.

Section II. Project Monitoring Reporting and Evaluation

A. Project Reports

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

B. Financial Management, Financial Reports and Audits

1. The Borrower shall cause the Project Implementing Entity to maintain 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 shall cause the Project Implementing Entity to prepare and furnish to the Bank 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 Bank.

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

Section III. Procurement

A. General

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

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

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

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

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

**C. Particular Methods of Procurement of Consultants’ Services**

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

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

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

Section IV. Withdrawal of Loan Proceeds

A. General

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

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan (“Category”), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed (exclusive of Taxes other than Withheld Taxes)</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Goods, works, non-consulting services, and consultants’ services for the Project</td>
<td>92,000,000</td>
<td>100%</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>92,000,000</td>
<td></td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made:
   (a) from the Loan Account until the Bank has received payment in full of the Front-end Fee; or
   (b) for payments made prior to the date of this Agreement.

2. The Closing Date is December 31, 2022.
ANNEX TO SCHEDULE 2

The National Competitive Bidding procedures of the Recipient may be used for procurement under the Project provided that the following provisions are complied with:

1. (a) Bidding shall not be restricted to pre-registered firms.

   (b) Where registration is required, bidders: (i) shall be allowed a reasonable time to complete the registration process; and (ii) shall not be denied registration for reasons unrelated to their capability and resources to successfully perform the contract, which shall be verified through post-qualification.

   (c) Foreign bidders shall not be precluded from bidding. If a registration process is required, a foreign bidder declared the lowest evaluated bidder shall be given a reasonable opportunity to register.

2. Invitations to bid shall be advertised in at least one widely circulated national daily newspaper allowing a minimum of thirty (30) days for the preparation and submission of bids.

3. When pre-qualification shall be required for large or complex works, invitations to pre-qualify for bidding shall be advertised in at least one widely circulated national daily newspaper a minimum of thirty (30) days prior to the deadline for the submission of pre-qualification applications. Minimum experience, technical and financial requirements shall be explicitly stated in the pre-qualification documents.

4. Government-owned enterprises in the Republic of Uzbekistan 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 contracting authority. Furthermore, they will be subject to the same bid performance security requirements as other bidders.

5. Bidders shall use the appropriate standard bidding documents for the procurement of goods, works non-consulting services or consultants' services, acceptable to the Bank.

6. (a) Bids shall be opened in public, immediately after the deadline for submission of bids.

   (b) Evaluation of bids shall be made in strict adherence to the monetarily quantifiable criteria declared in the bidding documents.

   (c) Contracts shall be awarded to the qualified bidder having submitted the lowest evaluated substantially responsive bid and no negotiation shall take place.
(d) Price verification shall not be applied to Bank-financed contracts.

7. Civil works contracts of long duration (e.g. more than eighteen (18) months) shall contain an appropriate price adjustment clause acceptable to the Bank.

8. (a) All bids shall not be rejected and new bids solicited without the Bank’s prior concurrence.

(b) When the number of bids received is less than three (3), re-bidding shall not be carried out without the Bank’s prior concurrence.
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 eleventh (11th) Payment Date following the Maturity Fixing Date for the Disbursed Amount and the last installment to be payable on the fiftieth (50th) Payment Date following the Maturity Fixing Date for the Disbursed Amount. Each installment except for the last one shall be equal to one-fortieth (1/40) 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 September 15, 2047, 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


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


4. “Environmental and Social Management Framework” or “ESMF” means the Environmental and Social Management Framework prepared by the Project Implementing Entity for the purposes of the Project that outlines environmental assessment procedures and mitigation requirements to avoid, minimize or mitigate potential negative environmental and related social impacts caused by implementation of the Project disclosed by the Borrower on January 20, 2016, and at the Bank’s Infoshop on January 24, 2016, as may be updated as necessary during Project implementation with the Bank’s prior written approval.

5. “Environmental Management Plan” or “EMP” means a site specific environmental management plan as may be required pursuant to ESMF to avoid, minimize or mitigate potential negative environmental and related social impacts caused by implementation of the Project.

6. “Financing Agreement” means the agreement between the Borrower and the Association for the Project, of the same date as this Agreement, as such agreement may be amended from time to time. “Financing Agreement” includes all appendices, schedules and agreements supplemental to the Financing Agreement.

7. “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.


9. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated October 19, 2016 and referred to in paragraph 1.18 of the Procurement Guidelines.
and paragraph 1.25 of the Consultant Guidelines, as the same shall be updated from
time to time in accordance with the provisions of said paragraphs.

10. “Project Implementing Entity” means joint stock company UZBEKENERGO, a
legal entity responsible for implementing the Project established pursuant to the
Decree of the President of the Republic of Uzbekistan No. YII-2812 dated
February 22, 2001, and the Resolution of the Cabinet of Ministers of the Republic
of Uzbekistan No. 93 dated February 24, 2001, and existing under the laws of the
Republic of Uzbekistan, and includes its successors and permitted assignees.

11. “Project Implementing Entity’s Legislation” means the Decree of the President of
the Republic of Uzbekistan No. YII-2812 dated February 22, 2001 and the
Resolution of the Cabinet of Ministers of the Republic of Uzbekistan No. 93 dated
February 24, 2001, and associated documentation establishing, governing, or
otherwise regulating the Project Implementing Entity.

12. “Project Management Unit” or “PMU” means the Project Management Unit
established by the Project Implementing Entity for the purposes of day-to-day
Project management, monitoring and evaluation and referred to in Section I. A of
Schedule 2 to this Agreement.

13. “Project Operational Manual” or “POM” means the Project Operations Manual to
be adopted by the Project Implementing Entity for the purposes of the Project
pursuant to Section 5.01(b) of this Agreement, setting forth the operational and
administrative responsibilities, procedures and rules for the implementation of the
Project, data collection and reporting, and which includes a manual of financial
management procedures that sets out procedures for Project accounting, reporting
and audit, disbursements, flow of funds and management of the designated account
as the same may be amended from time to time with the agreement of the Bank.

14. “Subsidiary Agreement” means the agreement referred to in Section 1.B of
Schedule 2 to this Agreement pursuant to which the Borrower shall make the
proceeds of the Loan available to the Project Implementing Entity.

15. “Subsidiary Loan” means the principal amount of the Loan made available by the
Borrower to the Project Implementing Entity under the Subsidiary Agreement.

16. “Withheld Taxes” means the following taxes withheld at source: taxes for social
charges; income taxes for residents and non-residents; and custom registrations
duties withheld at the source.
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)."