

**OFFICIAL  
DOCUMENTS**

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**LOAN NUMBER 8537-UA**

**Loan Agreement**

**(Second Programmatic Financial Sector Development Policy Loan)**

**between**

**UKRAINE**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

Dated *September 16, 2015*

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**LOAN AGREEMENT**

Agreement dated ~~September 16~~, 2015, entered into between UKRAINE ("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 I 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. Any amendment to this Agreement shall be executed by agreement of the parties hereto in accordance with the provisions of Section 10.02 of the General Conditions. Such amendment shall become effective as set forth in the amending agreement.
- 1.03. 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 five hundred million United States Dollars (\$500,000,000), 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").
- 2.02. The Borrower may withdraw the proceeds of the Loan in support of the Program in accordance with Section II of Schedule I 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, 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 February 15 and August 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 2 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 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 II of Schedule 1 to this Agreement.
- 2.09. Without limitation upon the provisions of Section 5.08 of the General Conditions (renumbered as such pursuant to paragraph 5 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;
  - (b) prior to each such exchange of views, the Borrower shall furnish to the Bank for its review and comment 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 I to this Agreement.

### **ARTICLE IV — REMEDIES OF THE BANK**

- 4.01. The Additional Event of Suspension consists of the following, namely that a situation has arisen which shall make it improbable that the Program, or a significant part of it, will be carried out.
- 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 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 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. The Effectiveness Deadline is the date ninety (90) 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  
12/2 Hrushevsky St.  
Kyiv, 01008  
Ukraine

Facsimile:

(380-44) 425-90-26  
(380-44) 277-54-82

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:

Telex:

Facsimile:

INTBAFRAD  
Washington, D.C.


248423(MCI) or  
64145(MCI)

1-202-477-6391

AGREED at Kiev, Ukraine, as of the day and year first above written.

UKRAINE

By

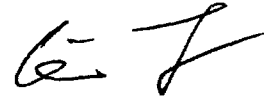
  
\_\_\_\_\_  
Authorized Representative

Name: Natalie Jaresko

Title: Minister of Finance  
of Ukraine

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By

  
\_\_\_\_\_  
Authorized Representative

Name: Qimiao Fan

Title: Country Director  
Belarus, Moldova  
and Ukraine

## SCHEDULE 1

### Program Actions; Availability of Loan Proceeds

#### Section I. Actions under the Program

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

1. The Borrower has strengthened the DGF's financial capacity for bank resolution by establishing a back-up funding provision to DGF from the Borrower, through enactment of Law of Ukraine #80-VIII "On the State Budget of Ukraine of Year 2015" dated December 28, 2014, (Official Gazette *Golos Ukrainy* #254 published on December 31, 2014); and adoption of the Cabinet of Ministers Resolution #156 "On Provisioning the Loan to the Individual Deposit Guarantee Fund" dated April 4, 2015.
2. The Borrower has enabled DGF to increase the speed of meeting its obligations to insured depositors, through enactment of Law of Ukraine #629-VIII "On Amendments to Some Legislative Acts of Ukraine in Respect of the Improvement of the Individual Deposit Guarantee System and the Resolution of Insolvent Banks" dated July 16, 2015 (Official Gazette *Golos Ukrainy* #146 published on August 11, 2015).
3. The Borrower has increased the efficiency of the asset management function in DGF through: (a) enactment of Law of Ukraine #629-VIII "On Amendments to Some Legislative Acts of Ukraine in Respect of the Improvement of the Individual Deposit Guarantee System and the Resolution of Insolvent Banks" dated July 16, 2015 (Official Gazette *Golos Ukrainy* #146 published on August 11, 2015); and (b) adoption by the DGF Executive Board of Decisions #145/15 dated June 30, 2015, #196/15 dated August 17, 2015, and #198/15 dated August 18, 2015.
4. The Borrower has: (a) certified the recapitalization of 13 out of the 35 Largest Banks in the amounts indicated by the independent Diagnostic Studies; and certified (b)(i) that 5 out of the 35 Largest Banks were unable to be recapitalized in the amount indicated by independent Diagnostic Studies, and (ii) that such identified banks were transferred to the DGF for resolution, all through adoption of NBU Decision #429 dated July 3, 2015, "On Progress of Implementing Activities on Capitalization Based on the Results of the Diagnostic Studies".
5. NBU has initiated updated diagnostic studies for the 20 Largest Banks, based on acceptable terms of reference, through issuance of NBU Board Decision #260, dated April 15, 2015, "On Implementation of the Diagnostic Studies of Banks".
6. The Borrower has established the legal mechanism for state participation in bank recapitalization, through enactment of Law of Ukraine #78-VIII, "On Measures to Promote the Capitalization and Restructuring of Banks", dated December 28, 2014, (Official Gazette *Golos Ukrainy* #252-1 published on December 30, 2014) and Law of Ukraine #629-VIII "On Amendments to Some Legislative Acts of

Ukraine in Respect of the Improvement of the Individual Deposit Guarantee System and the Resolution of Insolvent Banks” dated July 16, 2015, (Official Gazette *Golos Ukrainy* #146 published on August 11, 2015).

7. The Borrower has strengthened requirements for identifying and reporting related party lending and has increased the NBU’s powers for identifying bank related parties, through: (a) enactment of Law of Ukraine #218-VIII, “On Amendments to the Legislative Acts on the Liabilities Associated with the Related Parties of Banks” dated March 2, 2015, (Official Gazette *Golos Ukrainy* #42 published on March 7, 2015); (b) adoption by NBU of NBU Regulation #312, dated May 12, 2015, “On Amendments to the Instruction on Regulation of Banks’ Operations in Ukraine”; (c) adoption by NBU of NBU Regulation #315, dated May 12, 2015, “On Approval of the Definition of “bank related parties”; (d) adoption by NBU of NBU Regulation #328, dated May 21, 2015, “On Procedures for Reporting the Bank Ownership Structure”; and (e) adoption by NBU of NBU Regulation #357, dated June 4, 2015, “On Amendments to the Regulation on Bank Licensing”.
8. NBU has initiated a review of banks’ related party lending, based on acceptable terms of references, through adoption of NBU Board Decision #314, dated May 12, 2015, “On Measures aimed at Bringing Banks’ Asset Operations with Related Parties in Compliance with the Regulatory Requirements”.
9. The Borrower has established a high-level Financial Stability Council, through enactment of Presidential Decree #170/2015, dated March 24, 2015, “On Financial Stability Council.”
10. NBU has issued regulatory and supervisory requirements for Systemically-important Banks, through adoption of NBU Regulation #312, dated May 12, 2015, “On Amendments to the Instruction on Regulation of Banks’ Operations in Ukraine”.

## **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 (except for amounts required to pay the Front-end Fee) 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:



<b>Allocations</b>	<b>Amount of the Loan Allocated (expressed in Dollars)</b>
(1) Single Withdrawal Tranche	498,750,000
(2) Front-end Fee	1,250,000
(3) Amount due pursuant to Section 2.08(c) of this Agreement	0
<b>TOTAL AMOUNT</b>	<b>500,000,000</b>

**C. Withdrawal Tranche Release Conditions.**

1. 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. 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.

**E. 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.

**F. Closing Date.** The Closing Date is June 30, 2016.

**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.

<b>Principal Payment Date</b>	<b>Installment Share (Expressed as a Percentage)</b>
On each February 15 and August 15 Beginning February 15, 2022 through February 15, 2032	4.55%
On August 15, 2032	4.45%

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. "DGF" or "Deposit Guarantee Fund" means the Borrower's Deposit Guarantee Fund established and operating pursuant to Law of Ukraine "On Individual Deposit Guarantee System" #4452-VI of February 23, 2012 (Official Gazette "Golos Ukrainy" #51 published on March 21, 2012"), as amended by Law of Ukraine #629-VIII "On Amendments to Some Legislative Acts of Ukraine in Respect of the Improvement of the Individual Deposit Guarantee System and the Resolution of Insolvent Banks" dated July 16, 2015 (Official Gazette *Golos Ukrainy* #146 published on August 11, 2015).
2. "Diagnostic Studies" means the asset quality review conducted based on the data as of end-December 2013 and on the methodology defined in NBU Board Decision #272, dated May 12, 2014, which review results were adopted by NBU Decisions #588/BT dated August 18, 2014, and #790/BT dated December 4, 2014.
3. "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:

<b>Group</b>	<b>Sub-group</b>	<b>Description of Item</b>
112		Alcoholic beverages
121		Tobacco, un-manufactured, tobacco refuse
122		Tobacco, manufactured (whether or not containing tobacco substitutes)
525		Radioactive and associated materials

Group	Sub-group	Description of Item
667		Pearls, precious and semiprecious stones, unworked or worked
718	718.7	Nuclear reactors, and parts thereof; fuel elements (cartridges), non-irradiated, for nuclear reactors
728	728.43	Tobacco processing machinery
897	897.3	Jewelry of gold, silver or platinum group metals (except watches and watch cases) and goldsmiths' or silversmiths' wares (including set gems)
971		Gold, non-monetary (excluding gold ores and concentrates)

- (c) 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);
  - (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.
4. "Financial Stability Council" means the financial stability council established under Presidential Decree #170/2015, dated March 24, 2015, responsible for

monitoring the country's financial stability and identifying potential risks to the country's financial stability and possible remedial actions required if such risks materialize.

5. "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.
6. "Largest Banks" means the largest banks as assessed by NBU based on banks' assets.
7. "NBU" means the National Bank of Ukraine, the Borrower's central bank.
8. "Program" means the program of actions, objectives and policies designed to: (a) strengthen the operational, financial and regulatory capacity of DGF for the resolution of insolvent banks; (b) improve the solvency of the banking system through implementation of bank recapitalization/restructuring plans and timely enforcement action; and (c) strengthen the legal and institutional framework to improve the resiliency and efficiency of the banking system; and set forth or referred to in the letter dated August 20, 2015, 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.
9. "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 I to this Agreement.
10. "Systemically-important Banks" means banks which meet the criteria defining systemically important banks set forth in NBU Regulation #863 dated December 25, 2014.

## **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. The last sentence of paragraph (a) of Section 2.03 (relating to Applications for Withdrawal) is deleted in its entirety.
3. 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.
4. 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."

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

6. Paragraph (a) of Section 5.05 (renumbered as such pursuant to paragraph 5 above and relating to *Use of Goods, Works and Services*) is deleted in its entirety.

7. Paragraph (c) of Section 5.06 (renumbered as such pursuant to paragraph 5 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."

8. Paragraph (c) of Section 5.07 (renumbered as such pursuant to paragraph 5 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."

9. In the Appendix, **Definitions**, all references to Section numbers and paragraphs are modified, as necessary, to reflect the modifications set forth above.

10. The Appendix is modified by inserting a new paragraph 19 with the following definition of "Commitment Charge", and renumbering the remaining paragraphs accordingly:

"19. "Commitment Charge" means the commitment charge specified in the Loan Agreement for the purpose of Section 3.01(b)."

11. Renumbered paragraph 37 (originally paragraph 36) of the Appendix ("Eligible Expenditure") is modified to read as follows:

"37. "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."

12. Renumbered paragraph 44 (originally paragraph 43) of the Appendix ("Financial Statements") is deleted in its entirety.

13. In 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).

14. In paragraph 67 of the Appendix, the definition of the term "Loan Payment" is modified to read as follows:

"67. "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."

15. In 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".

16. The defined term "Project" in paragraph 75 of the Appendix 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"):

"75. "Program" means the program referred to in the Loan Agreement in support of which the Loan is made."