

CONFORMED COPY

**LOAN NUMBER 4873 RO
GEF TRUST FUND GRANT NUMBER TF058040 RO**

Loan Agreement

(Integrated Nutrient Pollution Control Project)

between

ROMANIA

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

Dated December 28, 2007

**LOAN NO 4873 RO
GEF TRUST FUND GRANT NUMBER TF058040 RO**

LOAN AGREEMENT

Agreement dated December 28, 2007, between ROMANIA (“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 the Loan 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 fifty million Euro (EUR50,000,000) (“Loan”).
- 2.02. The Borrower may withdraw the proceeds of the Loan in support of the Project 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 60 (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 LIBOR for the Loan Currency plus the Variable Spread. Notwithstanding the foregoing, if any amount of the withdrawn Loan Balance remains unpaid when due, and such non-payment continues for a period of thirty (30) days, then the interest paid by the Borrower shall instead be calculated as provided in Section 3.02 (d) 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 3 to this Agreement.

- 2.07. Without limitation upon the provisions of Section 5.10 of the General Conditions, 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 - PROJECT

- 3.01. The Borrower declares its commitment to the objectives of the Project. To this end, the Borrower shall carry out the Project through MESD in accordance with the provisions of Article V of the General Conditions.
- 3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV - REMEDIES OF THE BANK

- 4.01. The Additional Event of Suspension consists of the following:
- (i) Subject to subparagraph (ii) of this paragraph, the right of the Borrower to withdraw the proceeds of the GEF Grant made to the Borrower for the financing of the Project shall have been suspended, cancelled or terminated in whole or in part, pursuant to the terms of the GEF Grant Agreement.
 - (ii) Subparagraph (i) of this paragraph shall not apply if the Borrower establishes to the satisfaction of the Bank that: (A) such suspension, cancellation or termination is not caused by the failure of the Borrower to perform any of its obligations under such agreement; and (B) adequate funds for the Project are available to the Borrower from other sources on terms and conditions consistent with the obligations of the recipient under this Agreement.

ARTICLE V - EFFECTIVENESS

- 5.01. The Additional Conditions of Effectiveness consist of the following:
- (a) The MESD has established the PMU in a manner satisfactory to the Bank, assigning Project implementation responsibilities to the PMU, and has provided adequate office space to the PMU.

- (b) The GEF Grant 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 the Loan Agreement) have been fulfilled.
- 5.02. The Effectiveness Deadline is the date one hundred and fifty (150) days after the date of this Agreement.

ARTICLE VI - REPRESENTATIVE; ADDRESSES

- 6.01. The Borrower's Representative is its Minister of Economy and Finance.
- 6.02. The Borrower's Address is:

Ministry of Economy and Finance
17, Apolodor Street
Bucharest
Romania

Telex:
11239

Facsimile:
4021 312 6792

- 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
Washington, D.C.

Telex:
248423(MCI) or
64145(MCI)

Facsimile:
1-202-477-6391

AGREED at Bucharest, Romania, as of the day and year first above written.

ROMANIA

By: /s/ Varujan Vosganian
Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By: /s/ Benoit P. Blarel

Authorized Representative

SCHEDULE 1

Project Description

The objectives of the Project are to reduce nutrient discharges into water bodies and to promote behavior change through strengthened institutional and regulatory capacity and demonstrated commune-based actions and, hence, support the Government of Romania to meet the EU requirements in the field of water protection.

The Project consists of the following parts:

Part I: Communa-based Investments in Nitrate Vulnerable Zones

Support to the Beneficiaries to implement Sub-projects in the following areas: (i) improving communal storage and handling systems to promote better management of livestock and household waste; (ii) planting of vegetative buffer strips and the rehabilitation of small areas of communal pastureland; (iii) water and sanitation activities; (iv) promotion of the adoption by the farmers of the improved nutrient management practices set forth in the Code of Good Agricultural Practices; (v) the carrying out of feasibility studies for improving water and wastewater services; and (vi) testing and demonstrating the feasibility of biogas and energy co-generation of manure and organic household waste through anaerobic digestion.

Part II: Institutional Strengthening and Capacity Building

1. Update the legislation on water and soil protection in line with EU regulations related to EU Nitrates Directive and Water Framework Directives, with an emphasis on clarifying implementation and coordination responsibilities across agencies.
2. Support to ANAR to lead inter-agency working groups at the river basin and county level for the EU Nitrates Directive, and to report to the MESD and EU on such activities, through the completion of the construction and equipment of ANAR's training facility, and the acquisition of equipment for groundwater wells and mobile and in-situ sampling and laboratory equipment. In addition, support may be provided to institutions represented in the Inter-Ministerial Committee for Application of the EU Nitrates Directive (ICA).
3. Carrying out of a comprehensive training program for the staff of relevant national, regional and county level agencies members of the EU Nitrates Directive working groups.
4. Carrying out training activities for the Beneficiaries to enable them to access EU funds, including preparation, implementation and management of projects.

5. Designing the capacity building system able to support the scaling up, at the national level, of the implementation process of the EU directives framework.

Part III: Public Awareness and Replication Strategy

Carrying out of public awareness activities at the local, river basin, national and regional levels, including workshops, field trips, study tours and other mass media events and products, to introduce the Project and its benefits, to promote improved rural sanitation in nitrate vulnerable zones and implementation of good agricultural practices, and to promote replication of the activities under the Project in other counties as well as in other Black Sea riparian countries and EU candidate countries.

Part IV: Project Management

Supporting the PMU in connection with Project implementation, monitoring, evaluation and impact assessment through the provision of: (i) funds for incremental operating costs; and (ii) consultant and advisory services for the audits and for the monitoring and evaluation of the Project.

SCHEDULE 2

Project Execution

Section I. Institutional and Other Arrangements

A. The Borrower, through MESD, shall assign the responsibility for overall oversight of the Project to the Inter-Ministerial Committee for Application of the Nitrates Directive (ICA), and shall maintain said Committee during Project implementation.

B. (i) The Borrower, through MESD, shall maintain the PMU during Project implementation with adequate staffing and resources satisfactory to the Bank, and the PMU shall have overall responsibility for day to day implementation and management of the Project, including, but not limited to: (a) preparation of semi-annual work programs and implementation plans for Project implementation; (b) preparation of bidding and contract documents under the Project; (c) maintenance of the Project financial records and accounts and arranging for the audit thereof; (d) preparation of the Project Reports referred to in Section II.A of this Schedule; and (e) supervision of progress of Project implementation.

(ii) Not later than three (3) months after the Effectiveness Deadline, the Borrower, through MESD, shall hire, in addition to the key staff of the PMU, such specialists as required for effective implementation of the Project and as shall be reasonably determined by the Borrower and the Bank.

C. Not later than February 1, 2008, the Borrower, through the MESD, shall cause the first six (6) selected Water Basin Directorates to hire one or two staff to work on Project implementation at the regional level, in coordination with the PMU. Within the next six months, the remaining Water Basin Directorates shall hire one or two staff to work on Project implementation at the regional level, in coordination with the PMU.

D. The Borrower, through MESD, shall: (i) take all necessary measures to implement the Project in accordance with the Operational Manual and the EMP, and shall not amend, suspend, abrogate, repeal or waive any provisions of the Operational Manual and the EMP without prior approval of the Bank; (ii) ensure that all measures necessary under the EMP are carried out in a timely manner; and (iii) ensure that adequate information on the implementation of the EMP is suitably included in the Project Reports referred to in Section II.A of this Schedule.

E. The Borrower shall ensure that appropriate budget allocations are made available yearly for the Project implementation purposes, throughout the Project life.

F. For the purposes of implementation of Part I of the Project, the Borrower, through MESD and PMU, shall:

- (i) select the Beneficiaries and Sub-projects based on the selection criteria set forth in the Operational Manual;
- (ii) provide funds from the Loan proceeds to selected Beneficiaries for eligible Sub-projects on terms and conditions satisfactory to the Bank;
- (iii) enter into contractual arrangements with Beneficiaries for provision of funds for Sub-projects which shall set forth the terms and conditions for these funds, cost-sharing arrangements, environmental requirements and implementation arrangements; and
- (iv) ensure that Sub-projects shall be implemented in accordance with the Operational Manual and the EMP.

G. Midterm Review

1. Not later than thirty (30) months after the Effectiveness Deadline, the Borrower, through the MESD, shall carry out jointly with the Bank, a midterm review of the progress made in carrying out the Project (hereinafter referred to as the Midterm Review).

The Midterm Review shall cover, amongst other things:

- (a) progress made in meeting the Project's objectives; and
- (b) overall Project performance against Project performance indicators.

2. The Borrower, through the MESD, shall prepare, and at least four (4) weeks prior to the Midterm Review, furnish to the Bank, a separate report describing the status of implementation of each component of the Project and a summary report of Project implementation generally.

3. The Borrower, through the MESD, shall, not later than two (2) weeks after the Midterm Review, prepare and submit to the Bank an action program, acceptable to the Bank, for the further implementation of the Project having regard to the findings of the Midterm Review and, thereafter, implement such action program.

Section II. Project Monitoring, Reporting, Evaluation

A. Project Reports

The Borrower, through MESD, shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of indicators agreed with the Bank. Each Project

Report shall cover the period of one calendar semester, 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, through MESD, shall maintain or cause to be maintained a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. The Borrower, through MESD, shall prepare and furnish to the Bank not later than forty-five (45) days after the end of each calendar semester, interim un-audited financial reports for the Project covering the semester, in form and substance satisfactory to the Bank.

3. The Borrower, through MESD, 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 (1) 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 and Works.** All goods and works required for the Project and 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 Schedule.

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 Schedule.

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 the Procurement Guidelines, or Consultant Guidelines, as the case may be.

B. Particular Methods of Procurement of Goods and Works

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

2. **Other Methods of Procurement of Goods and Works.** The following table specifies the methods of procurement, other than International Competitive Bidding, which may be used for goods and works. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method	
(a)	National Competitive Bidding: civil works contracts estimated to cost less than EUR 4,000,000 each and goods contracts estimated to cost less than EUR 800,000 each may be procured under the Borrower's national laws and regulations, subject to the extent they were acceptable to the Bank.
(b)	Shopping
(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 table specifies the methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants' services. The Procurement Plan shall specify the circumstances under which such methods may be used.

Procurement Method	
(a)	Quality-Based Selection
(b)	Selection under a Fixed-Budget
(c)	Least Cost Selection
(d)	Selection Based on Consultants' Qualifications
(e)	Single-Source Selection
(f)	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"), after the Eligible Expenditures have been pre-financed by the Borrower, 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.

Category	Amount of the Loan Allocated (expressed in EUR)	Percentage of Expenditures to be Financed
(1) Goods, Works, Consultants' Services and Training under Part I of the Project	39,413,200	100%
(2) Goods, Works, Consultants' Services and Training under Part II of the Project	3,884,000	100%
(3) Goods, Works, Consultants' Services and Training under Part III of the Project	2,481,800	100%
(4) Goods, Works, Consultants' Services (including Audits), Incremental Operating Costs under Part IV of the Project	4,221,000	100%
TOTAL AMOUNT	<u>50,000,000</u>	

3. For the purposes of this Schedule:

(a) the term “Percentage of Expenditures to be Financed” means the maximum amount up to which the Eligible Expenditures may be financed out of the proceeds of the Loan;

(b) the term “Incremental Operating Costs” means the incremental operating costs incurred by MESD on account of Project implementation, comprising: office rent, rehabilitation and maintenance (including utilities) and supplies; fuel and vehicle maintenance, staff travel (field trips/per diem); bid advertisements, translation costs, communications, and banking charges;

(c) the term “Training” means expenditures incurred on the account of the training activities under the Project and includes trainees' fees, transportation costs for trainees and trainers, per diem allowances for trainees and trainers and cost for translation, training materials and related supplies, rental of facilities and equipment.

B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawals shall be made:

(a) from the Loan Account until the Bank has received payment in full of the Front-end Fee;

(b) or payments made prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed Euro ten million (EUR10,000,000) of the Loan amount may be made for payments made prior to this date but on or after September 17, 2007 for Eligible Expenditures under Categories (1) through (4); and

(c) for payments under a contract or for Incremental Operating Costs which the Bank has financed or agreed to finance under the GEF Grant Agreement.

2. The Closing Date is December 31, 2013.

SCHEDULE 3

Amortization Schedule

<u>Principal Payment Date</u>	<u>Principal Amount of the Loan Payable (Expressed in Euro)¹</u>
On each March 15 and September 15	
beginning March 15, 2013 through September 15, 2022	2,500,000

¹ The figures in this column represent the amount in EURO to be repaid, except as provided in Section 3.10 of the General Conditions.

APPENDIX

Section I. Definitions

1. “ANAR” means the National Administration “Apele Romane” of the Borrower, established pursuant to Government Emergency Ordinance no.107/2002, as amended as of the date of this Agreement, or any successor thereto.
2. “Beneficiary” means a communa, communa association, farm or farms association in one of the Selected Counties, eligible for a Sub-project in accordance with the eligibility criteria specified in the Operational Manual.
3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.
4. “Consultant Guidelines” means the “Guidelines: Selection and Employment of Consultants by World Bank Borrowers” published by the Bank in May 2004.
5. “EMP” means the Environmental Management Plan describing the environmental mitigation measures anticipated for investments under the Project and parties responsible for monitoring of construction and operational impacts.
6. “EU” means the European Union.
7. “EU Nitrates Directive” means European Council Directive 91/676/EEC of December 12, 1991 concerning the protection of waters against pollution caused by nitrates from agricultural sources.
8. “EU Water Framework Directive” means Directive 2000/60/EC of the European Parliament and of the Council establishing a framework for the Community action in the field of water policy.
9. “GEF Grant” means a grant provided to the Borrower by the Bank acting as an Implementing Agency of the Global Environment Facility for financing the Project, on terms and conditions set forth in the GEF Grant Agreement.
10. “GEF Grant Agreement” means the agreement between the Borrower and the Bank acting as an Implementing Agency of the Global Environment Facility, for the Project, of the same date as the Loan Agreement, as such agreement may be amended from time to time. “GEF Grant Agreement” includes all appendices, schedules and agreements supplemental to the GEF Grant Agreement.

11. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005 with the modifications set forth in Section II of this Appendix.
12. “ICA” means Inter-Ministerial Committee for Application of the EU Nitrates Directive established through the Inter-ministerial Order no.452/2001, as amended as of the date of this Agreement.
13. “MARD” means the Ministry of Agriculture and Rural Development of the Borrower, or any successor thereto.
14. “MESD” means the Ministry of Environment and Sustainable Development of the Borrower, or any successor thereto.
15. “Operational Manual” means the manual describing procedures for implementation of the Project and including, *inter alia*: (i) procedures governing administrative, procurement, accounting, financial management, and monitoring and evaluation arrangements; (ii) sample formats of interim un-audited financial reports and Project Reports; and (iii) eligibility criteria, selection procedures, terms and conditions and procurement arrangements for the provision of Sub-projects.
16. “PMU” means the Project Management Unit in MESD or any legal successor thereto satisfactory to the Bank.
17. “Procurement Guidelines” means the “Guidelines for Procurement under IBRD Loans and IDA Credits” published by the Bank in May 2004.
18. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated September 12, 2007 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.
19. “Selected Counties” means the Arges county (Arges-Vedea river basin), Buzau county (Buzau-Ialomita river basin), Valcea county (Olt river basin), Iasi county (Prut-Barlad river basin), Bacau and Neamt counties (Siret river basin), Cluj county (Somes-Tisa river basin), Timis county (Banat river basin), Bihor county (Crisuri river basin), Mures county (Mures river basin) and Dolj county (Jiu river basin).
20. “Sub-project” means an activity or a group of activities referred to under Part I of Schedule I to this Agreement.

Section II. Modifications to the General Conditions

The modifications to the General Conditions are as follows:

1. Section 3.01 shall read as follows:

“Section 3.01. *Front-end Fee.* 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”).”

2. A new paragraph (d) is included in Section 3.02 *Interest* which shall read as follows:

“(d) Notwithstanding the provisions of paragraph (a) of this Section, 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 Borrower shall pay the Default Interest Rate on such overdue amount in lieu of the interest rate specified in the Loan Agreement (or such other interest rate as may be applicable pursuant to Article IV as a result of a Conversion) until such overdue amount is fully paid. Interest at the Default Interest Rate shall accrue from the first day of each Default Interest Period and shall be payable semi-annually in arrears on each Payment Date.”

3. Appendix “Definitions” is amended as follows:

(a) Paragraph 19 “Commitment Charge” is deleted, and subsequent paragraphs are re-numbered accordingly.

(b) New paragraphs 27, 28, 29 and 30 are added to the Appendix:

“27. “Default Interest Period” means for any overdue amount of the Withdrawn Loan Balance, each Interest Period during which such overdue amount remains unpaid; provided, however, that the first such Default Interest Period shall commence on the 31st day following the date on which such amount becomes overdue, and the final such Default Interest Period shall end on the date at which such amount is fully paid.”

28. “Default Interest Rate” means for any Default Interest Period:

(a) in the case of a Variable Spread Loan: Default LIBOR plus the Variable Spread plus one half of one percent (0.5%);

(b) in the case of a Fixed Spread Loan for which interest on the amount of the Withdrawn Loan Balance to which the Default Interest Rate applies was payable at a Variable Rate immediately prior to the application of the Default Interest Rate: the Default Variable Rate plus one half of one percent (0.5%); and

- (c) in the case of a Fixed Spread Loan for which interest on the amount of the Withdrawn Loan Balance to which the Default Interest Rate applies was payable at a Fixed Rate immediately prior to the application of the Default Interest Rate: Default LIBOR plus the Fixed Spread plus one half of one percent (0.5%).”

29. “Default LIBOR” means LIBOR for the relevant Interest Period; it being understood that for the initial Default Interest Period, Default LIBOR shall be equal to LIBOR for the Interest Period in which the amount referred to in paragraph (d) of Section 3.02 first becomes overdue.

30. “Default Variable Rate” means the Variable Rate for the relevant Interest Period; it being understood that for the initial Default Interest Period, Default Variable Rate shall be equal to the Variable Rate for the Interest Period in which the amount referred to in paragraph (d) of Section 3.02 first becomes overdue.”

(c) Paragraph 43 “Fixed Spread” (as re-numbered) is amended to read as follows:

“43. “Fixed Spread” means the Bank’s fixed spread for the initial Loan Currency in effect at 12:01 a.m. Washington, D.C. time, one calendar day prior to the date of the Loan Agreement; provided, that upon a Currency Conversion of all or any amount of the Unwithdrawn Loan Balance, such fixed spread shall be adjusted on the Execution Date in the manner specified in the Conversion Guidelines; and provided further that notwithstanding the foregoing, for purposes of determining the Default Interest Rate applicable to an amount of the Withdrawn Loan Balance on which interest is payable at a Fixed Rate, the “Fixed Spread” means the Bank’s fixed spread in effect at 12:01 a.m. Washington, D.C. time, one calendar day prior to the date of the Loan Agreement, for the Currency of denomination of such amount.”

(d) Paragraph 56 “LIBOR Reset Date” (as re-numbered) is amended to read as follows:

“56. “LIBOR Reset Date” means: (a) for any Loan Currency other than Euro, the day two London Banking Days prior to the first day of the relevant Interest Period (or: (i) in the case of the initial Interest Period of a Variable Spread Loan, the day two London Banking Days prior to the fifteenth day of the month preceding the month in which the Loan Agreement is signed; provided that if the date of the Loan Agreement falls on or after the fifteenth day of the month in which the Loan Agreement is signed, the LIBOR Reset Date shall be the day two London Banking Days prior to the fifteenth day of such month; (ii) in the case of the Initial Interest Period of a Fixed Spread Loan, the day two London Banking Days prior to the first or fifteenth day of the month in which the Loan Agreement is signed, whichever day immediately precedes the date of the Loan Agreement; provided, that if the date of the Loan Agreement falls on the first or fifteenth

day of such month, the LIBOR Reset Date shall be the day two London Banking Days prior to the date of the Loan Agreement; and (iii) if the Conversion Date of a Currency Conversion of an amount of the Unwithdrawn Loan Balance to any Approved Currency other than Euro falls on a day other than a Payment Date, the initial LIBOR Reset Date for the Approved Currency shall be the day two London Banking Days prior to the first or fifteenth day of the month in which the Conversion Date falls, whichever day immediately precedes the Conversion Date; provided, that if the Conversion Date falls on the first or fifteenth day of such month, the LIBOR Reset Date for the Approved Currency shall be the day two London Banking Days prior to the Conversion Date); (b) for Euro, the day two Target Settlement Days prior to the first day of the relevant Interest Period (or: (i) in the case of the initial Interest Period for a Variable Spread Loan, the day two Target Settlement Days prior to the fifteenth day of the month preceding the month in which the Loan Agreement is signed; provided that if the date of the Loan Agreement falls on or after the fifteenth day of the month in which the Loan Agreement is signed, the LIBOR Reset Date shall be the day two Target Settlement Days prior to the fifteenth day of such month; (ii) in the case of the Initial Interest Period for a Fixed Spread Loan, the day two Target Settlement Days prior to the first or fifteenth day of the month in which the Loan Agreement is signed, whichever day immediately precedes the date of the Loan Agreement; provided that if the date of the Loan Agreement falls on the first or fifteenth day of such month, the LIBOR Reset Date shall be the day two Target Settlement Days prior to the date of the Loan Agreement; and (iii) if the Conversion Date of a Currency Conversion of an amount of the Unwithdrawn Loan Balance to Euro falls on a day other than a Payment Date, the initial LIBOR Reset Date for the Approved Currency shall be the day two Target Settlement Days prior to the first or fifteenth day of the month in which the Conversion Date falls, whichever day immediately precedes the Conversion Date; provided that if the Conversion Date falls on the first or fifteenth day of such month, the LIBOR Reset Date for the Approved Currency shall be the day two Target Settlement Days prior to the Conversion Date); and (c) notwithstanding sub-paragraphs (a) and (b) of this paragraph, if, for a Currency Conversion to an Approved Currency, the Bank determines that market practice for the determination of the LIBOR Reset Date is on a date other than as set forth in said sub-paragraphs, the LIBOR Reset Date shall be such other date, as further specified in the Conversion Guidelines.”

(e) Paragraph 66 “Loan Payment” (as re-numbered) is amended to read as follows:

“66. “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 prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”

(f) Paragraph 71 “Payment Date” (as re-numbered) is amended to read as follows:

“71. “Payment Date” means each date specified in the Loan Agreement occurring on or after the date of the Loan Agreement on which interest is payable.”