

LOAN NUMBER 9889-ME

Loan Agreement

(Climate Resilient Fisheries and Agrifood Sector Development Project)

between

MONTENEGRO

and

**INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT**

LOAN AGREEMENT

AGREEMENT dated as of the Signature Date between MONTENEGRO (“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) apply to and form 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 the amount of Euro thirty-three million (EUR 33,000,000), as such amount may be converted from time to time through a Currency Conversion (“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 III of Schedule 2 to this Agreement.
- 2.03. The Front-end Fee is one quarter of one percent (0.25%) of the Loan amount.
- 2.04. The Commitment Charge is one quarter of one percent (0.25%) per annum on the Unwithdrawn Loan Balance.
- 2.05. The interest rate is the Reference Rate plus the Variable Spread or such rate as may apply following a Conversion; subject to Section 3.02(e) of the General Conditions.
- 2.06. The Payment Dates are April 1 and October 1 in each year.
- 2.07. Except as provided in Section 2.08 below, the principal amount of the Loan shall be repaid in accordance with Section 3.03 of the General Conditions and Schedule 3 to this Agreement.
- 2.08. (a) Upon occurrence of an Eligible Event and issuance of government declaration of national emergency, the Borrower may request the Bank to activate: (i) the Principal Payment Deferral in respect of a portion or all of the Withdrawn Loan Balance; and/or (ii) Interest Payment Deferral; for the Deferral Period, provided that such request shall be made no earlier than in respect of the first Principal Payment Date and no later than the fifth anniversary prior to the final maturity of the Loan. Such request and any activation shall be made in accordance with the CRDC Terms and Conditions in effect at the time of the submission of the request, the provisions of which are hereby incorporated by reference

and form an integral part of this Agreement. The activation of the Payment Deferral may occur only once during the term of the Loan.

(b) At the time of requesting the Principal Payment Deferral pursuant to the provisions of paragraph (a) of this Section 2.08, the Borrower may also request repayment provisions different from those set out in Schedule 3 to this Agreement for a portion or all of the Withdrawn Loan Balance for which Principal Payment Deferral is requested, provided that: (i) the average maturity of the Withdrawn Loan Balance after the Deferral Period equals the original average maturity of such Withdrawn Loan Balance prior to the Principal Payment Deferral request and the final maturity of the Withdrawn Loan Balance after the Deferral Period will not exceed the original final maturity of such Withdrawn Loan Balance prior to the Principal Payment Deferral request; and (ii) such repayment provisions have been agreed between the Borrower and the Bank.

(c) Upon review of the Borrower's request and the Bank's reasonable determination of the eligibility of the Loan for a Payment Deferral, the Bank shall take such actions as necessary to implement the Payment Deferral in accordance with the terms of this Agreement and the CRDC Terms and Conditions. Effective the date of the activation of the Payment Deferral as notified by the Bank to the Borrower, the provisions of this Agreement providing for repayment of the proceeds of the Loan, including the provisions of Schedule 3, shall be deemed to have been modified, as applicable. The Bank shall notify the Borrower of the applicable financial terms of the Loan, including any revised amortization provisions, if applicable, at the time of the Payment Deferral activation or promptly thereafter.

(d) In the event the Interest Payment Deferral is activated, the Borrower shall pay to the Bank interest on any such deferred amount at the rate set forth in Section 2.05 of this Agreement until such time as the deferred amount is fully paid to the Bank. Such interest shall accrue from the respective dates when the relevant amounts are deferred after the Interest Payment Deferral is activated and shall be payable on the remaining Payment Dates after the Deferral Period.

(e) The Payment Deferral shall not be activated, if either of the events specified in Section 7.02 (a) or 7.07 (a) of the General Conditions occurs and is continuing, provided, however, that the Payment Deferral itself, upon its activation, shall not constitute an event described in Sections 7.02 (a) or 7.07 (a) of the General Conditions. Furthermore, the Borrower shall continue to pay all applicable and accrued Loan Payments during the Deferral Period, except the amounts that have been deferred pursuant to the activated Payment Deferral as described herein.

(f) If the Withdrawn Loan Balance or any interest and other applicable Loan charges, to which the request for Payment Deferral relates, is subject to a Currency Conversion then in effect, the Borrower and the Bank shall agree to amend or terminate such Currency Conversion. In the event of an early termination of such Currency Conversion prior to the end of its Conversion Period as a result of the Payment Deferral, the provisions of Section 4.06 (b) of the General Conditions shall apply.

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 the Ministry of Agriculture, Forestry and Water Management (“MAFMW”) in accordance with the provisions of Article V of the General Conditions and Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

- 4.01. The Additional Conditions of Effectiveness consist of the following, namely that the Borrower, through MAFWM, has prepared and adopted POM satisfactory to the Bank.
- 4.02. The Effectiveness Deadline is the date ninety (90) days after the Signature Date.

ARTICLE V — REPRESENTATIVE; ADDRESSES

- 5.01. The Borrower’s Representative is its Minister of Finance.
- 5.02. For purposes of Section 10.01 of the General Conditions:

(a) the Borrower’s address is:

Ministry of Finance
Stanka Dragojevicica 2
81000 Podgorica, Podgorica
Montenegro

and

(b) the Borrower’s Electronic Address is:

Facsimile: E-mail:
382 20 224 450 mf@mif.gov.me

- 5.03. For purposes of Section 10.01 of the General Conditions:

(a) the Bank’s address is:

International Bank for Reconstruction and Development
1818 H Street, N.W.
Washington, D.C. 20433
United States of America; and

(b) the Bank’s Electronic Address is:

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

AGREED as of the Signature Date.

MONTENEGRO

By

Novica Vuković

Authorized Representative

Name: Novica Vuković

Title: Minister of finance

Date: 24-Dec-2025

**INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT**

By

C. Sheldon

Authorized Representative

Name: CHRISTOPHER SHELDON

Title: Country Manager

Date: 22-Dec-2025

SCHEDULE 1

Project Description

The objective of the Project is to strengthen public institutions of Montenegro's fisheries and agrifood sector to improve service delivery and enable the fulfillment of the relevant EU requirements.

The Project consists of the following parts:

Part 1. Fisheries development and institutional readiness under EU accession process under Chapter 13

1.1 Climate resilient fisheries infrastructure development through:

- (a) Constructing of a fishing port at Cape Djeran–Velika Plaza (Ulcinj Municipality) through: (i) carrying out the construction of the fishing port, including other port-related facilities (e.g., berthing & docking, ice machines, freezers, cold storage, facilities for record-keeping and catch documentation, utilities and support services); and (ii) carrying out supervision of related civil works.
- (b) Enhancing fishers' capacity for value addition and market access through: (i) capacity building for the fishers to access and use the fishing port and port-related facilities through, *inter alia*, awareness campaigns, training and workshops.

1.2. Strengthening the capacity of Directorate for Fisheries (DfF) for compliance with applicable EU regulations through:

- (a) Strengthening fisheries management for compliance with Common Fisheries Policy (CFP) through *inter alia*: (i) strengthening the fishers' registry and record management system; (ii) developing strategic documents; and (iii) conducting mid-term and final evaluations of the fisheries sector development strategy and action plan.
- (b) Providing strategic support to improve the functioning of DfF through: (i) provision of equipment; and (ii) training and capacity building for the DfF staff, including for fisheries inspectors to enable them to meet EU requirements.

Part 2: Institutional readiness for fulfilling EU accession requirements of Chapters 11 and 12

2.1. Supporting the establishment/functionality of the Paying Agency through:

- (a) the (re)construction of the PAROs in Nikšić and Bar;
- (b) the procurement of office furniture and equipment (goods) for the PAROs;
- (c) further upgrade of the IACS;
- (d) development of the regulatory framework and strategic documents for the roles and responsibilities of the Paying Agency;
- (e) capacity building of staff at the MAFWM and Paying Agency; and
- (f) developing/carrying out of an Implementation Plan for the establishment of the Paying Agency and IACS prepared by the PA.

2.2 Establishing a system of management and safe disposal of animal by-products (ABP) through:

- (a) construction of an ABP facility in Nikšić;
- (b) the procurement of office information and communication technology equipment, office equipment and furniture and specialized vehicles; and
- (c) capacity building of staff of the AFSVPA.

Part 3. Project Management

Carrying out Project management and coordination including: (i) supporting the operation of the Project Management Team, (ii) ensuring ESF and fiduciary compliance, conducting monitoring and evaluation (M&E) and audits, establishing accountability and grievances mechanisms; and (iii) Training and learning activities.

SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements.

1. The Borrower shall designate MAFWM with overall responsibility for Project management and implementation.
2. The Borrower, through MAFWM, shall: (i) maintain, throughout the duration of the Project, the Project Management Team, with staff, resources and terms of reference acceptable to the Bank, as further detailed in the Operational Manual; (ii) recruit the following additional specialists into the Project Management Team each with qualification and experience and under the terms of reference acceptable to the Bank, as follows: (a) not later than three (3) months from the Effective Date, one full-time social development specialist; (b) not later than six (6) months from the Effective Date, one full-time ABP specialist in the field of veterinary services and one full-time civil engineer.
3. The Borrower, through TSU, shall be responsible for procurement, financial management and disbursement activities under the Project in accordance with the provisions of this Agreement, the Project Operational Manual, and, to this end, shall maintain, throughout the implementation of the Project, the TSU with resources, staffing and fiduciary responsibilities acceptable to the Bank and as set forth in the Operational Manual.
4. The Borrower, through MAFWM, shall establish, not later than three (3) months after the Effective Date, and thereafter maintain, throughout the duration of the Project two Working Groups, namely: (a) Fisheries Port Working Group with composition including representatives from Ulcinj municipality, MAFWM/Directorate of Fisheries, Port Authority, PMT and TSU, resources and terms of reference acceptable to the Bank to be responsible for providing an oversight, including ensuring the technical quality, institutional coordination, and environmental and social compliance in connection with Project activities related to fisheries port; (b) ABP Working Group with composition including representatives from Nikšić municipality, MAFWM/Directorate for Agriculture, Administration for Food Safety, and Veterinary and Phytosanitary Affairs (AFSVPA), resources and terms of reference acceptable to the Bank to be responsible for providing an oversight, including ensuring the technical quality, institutional coordination, and environmental and social compliance in connection with Project activities related to ABP activities, all as further described and setting forth in the POM.

B. Project Operational Manual

1. The Borrower, through MAFWM, shall:
 - (a) prepare a Project operational manual, in form and substance satisfactory to the Bank, containing detailed arrangements and procedures for implementation of the Project including *inter alia*: (i) implementation arrangements including delineation of roles and responsibilities of various entities, institutions and agencies involved in Project implementation including, but not limited to, Directorate for Payments, Directorate for

Fisheries, Directorate for Rural Development, AFSVPA, Payment Agency, the Project Management Team, the Technical Services Unit, Fisheries Port Working Group, ABP Working Group and their coordination and inter-relationships; (ii) disbursement arrangements, reporting requirements, financial management procedures and audit procedures; (iii) the procurement procedures, standard procurement documentation, contracts administration and management procedures; (iv) measures to mitigate fraud and corruption as well as other integrity and fiduciary risks; (v) environmental and social risks management arrangements as well as operation of grievance mechanism; (vi) monitoring and evaluation arrangements, reporting and communication, including results framework; (vii) such other administrative, financial, technical and organizational arrangements and procedures as shall be required for the Project.

(b) (i) furnish to and exchange views with the Bank on such manual promptly upon its preparation; (ii) thereafter adopt such manual as shall have been approved by the Bank (“Project Operational Manual” or “POM”); and (iii) thereafter implement the Project in accordance with the POM.

(c) not amend, suspend, abrogate, repeal, or waive any provisions of the Project Operational Manual without the prior written agreement of the Bank.

C. Environmental and Social Standards.

1. The Borrower, through MAFWM, shall ensure that the Project is carried out in accordance with the Environmental and Social Standards, in a manner acceptable to the Bank.
2. Without limitation upon paragraph 1 above, the Borrower, through MAFWM, shall ensure that the Project is implemented in accordance with the Environmental and Social Commitment Plan (“ESCP”), in a manner acceptable to the Bank. To this end, the Borrower shall ensure that:
 - (a) the measures and actions specified in the ESCP are implemented with due diligence and efficiency, as provided in the ESCP;
 - (b) sufficient funds are available to cover the costs of implementing the ESCP;
 - (c) policies and procedures are maintained, and qualified and experienced staff in adequate numbers are retained to implement the ESCP, as provided in the ESCP; and
 - (d) the ESCP, or any provision thereof, is not amended, repealed, suspended or waived, except as the Bank shall otherwise agree in writing, as specified in the ESCP, and ensure that the revised ESCP is disclosed promptly thereafter.
3. In case of any inconsistencies between the ESCP and the provisions of this Agreement, the provisions of this Agreement shall prevail.
4. The Borrower, through MAFWM, shall ensure that:
 - (a) all measures necessary are taken to collect, compile, and furnish to the Bank through regular reports, with the frequency specified in the ESCP, and promptly

in a separate report or reports, if so requested by the Bank, information on the status of compliance with the ESCP and the environmental and social instruments referred to therein, all such reports in form and substance acceptable to the Bank, setting out, *inter alia*: (i) the status of implementation of the ESCP; (ii) conditions, if any, which interfere or threaten to interfere with the implementation of the ESCP; and (iii) corrective and preventive measures taken or required to be taken to address such conditions; and

- (b) the Bank is promptly notified of any incident or accident related to or having an impact on the Project which has, or is likely to have, a significant adverse effect on the environment, the affected communities, the public or workers, in accordance with the ESCP, the environmental and social instruments referenced therein and the Environmental and Social Standards.
- 5. The Borrower, through MAFWM, shall establish, publicize, maintain and operate an accessible grievance mechanism, to receive and facilitate resolution of concerns and grievances of Project-affected people, and take all measures necessary and appropriate to resolve, or facilitate the resolution of, such concerns and grievances, in a manner acceptable to the Bank.
 - 6. The Borrower, through MAFWM, shall ensure that all bidding documents and contracts for civil works under the Project include the obligation of contractors, subcontractors and supervising entities to: (a) comply with the relevant aspects of ESCP and the environmental and social instruments referred to therein; and (b) adopt and enforce codes of conduct that should be provided to and signed by all workers, detailing measures to address environmental, social, health and safety risks, and the risks of sexual exploitation and abuse, sexual harassment and violence against children, all as applicable to such civil works commissioned or carried out pursuant to said contracts.

Section II. Project Monitoring Reporting and Evaluation

The Borrower, through MAFWM, shall furnish to the Bank each Project Report not later than forty-five (45) days after the end of each calendar semester, covering the calendar semester.

Section III. Withdrawal of Loan Proceeds

A. General.

Without limitation upon the provisions of Article II of the General Conditions, the Borrower may withdraw the proceeds of the Loan: (a) to finance Eligible Expenditures for the Project in accordance with the Disbursement and Financial Information Letter; and (b) to pay: (i) the Front-end Fee, and (ii) each Interest Rate Cap or Interest Rate Collar premium; all in the amount allocated and, if applicable, up to the percentage set forth against each Category of the following table:

Category	Amount of the Loan Allocated (expressed in EUR)	Percentage of Expenditures to be financed (inclusive of Taxes)
(1) Goods, works, non-consulting services, and consulting services, Operating Costs and Training for the Project	32,917,500	100%
(2) Front-end Fee	82,500	Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions
(3) Interest Rate Cap or Interest Rate Collar premium	0	Amount due pursuant to Section 4.05 (c) of the General Conditions
TOTAL AMOUNT	33,000,000	

B. Withdrawal Conditions; Withdrawal Period.

1. Notwithstanding the provisions of Part A above, no withdrawal shall be made for payments made prior to the Signature Date.
2. The Closing Date is March 31, 2031.

SCHEDULE 3

Commitment-Linked Amortization Repayment Schedule

Subject to Section 2.08 of this Agreement, the Borrower shall repay the principal amount of the Loan in accordance with the following table, which 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”).

Level Principal Repayments

Principal Payment Date	Installment Share
On each April 1 and October 1 Beginning April 1, 2028 through April 1, 2040	3.85%
On October 1, 2040	3.75%

APPENDIX

Section I. Definitions

1. “ABPs” means animal by-products.
2. “AFSVPA” means Administration for Food Safety, Veterinary and Phytosanitary Affairs, the Borrower’s agency to perform tasks related to: food and feed safety at all stages of production, processing and distribution, import and for veterinary and phytosanitary affairs established on October 7, 2015 by the Law on Food Safety published in the Borrower’s Official Gazette No. 57/15.
3. “Anti-Corruption Guidelines” means, for purposes of paragraph 5 (a) of the Appendix to the General Conditions, the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016.
4. “Common Agricultural Policy” or “CAP” means the EU foundational policy governing agricultural practices and rural development across its member states established in 1962 as a partnership between agriculture and society, and between Europe and its farmers.
5. “Chapter 11” means the Agriculture and Rural Development Chapter of the EU *acquis* covering the covering several rules for the functioning of the Common Agricultural Policy, including, *inter alia*, the setting up of management and quality systems such as a paying agency and the integrated administration and control system (IACS), and the capacity to implement rural development measures.
6. “Chapter 12” means the Food safety, Veterinary and Phytosanitary Policy Chapter of the EU *acquis* covering the covering detailed rules in the area of food safety, in the veterinary field, which are essential for safeguarding animal health, animal welfare and safety of food of animal origin in the internal market, and in the phytosanitary field (such as quality of seed, plant protection material, harmful organisms and animal nutrition).
7. “Chapter 13” means the Fisheries and Aquaculture Chapter of the EU *acquis*, covering the EU’s Common Fisheries Policy (CFP) and setting out the legal framework and institutional requirements that candidate countries must adopt and implement to align with EU standards in the fisheries sector.
8. “Common Fishery Policy” or “CFP” means a set of rules for sustainably managing European fishing fleets and conserving fish stocks.
9. “Dfp” or “Directorate for Payments” means MAFWM’s body, established on October 27, 2011 through Borrower Decision No. 03-7161/4 and responsible for, *inter alia*: (i) processing aid applications for programs under its jurisdiction; (ii) authorizing and executing payments in line with eligibility criteria; (iii) organizing related on-the-spot *ex-ante* and *ex-post* controls; and (iv) carrying out related internal audits.
10. “Environmental and Social Commitment Plan” or “ESCP” means the environmental and social commitment plan for the Project, dated October 27, 2025, as the same may be

amended from time to time in accordance with the provisions thereof, which sets out the material measures and actions that the Borrower, through MAFWM, shall carry out or cause to be carried out to address the potential environmental and social risks and impacts of the Project, including the timeframes of the actions and measures, institutional, staffing, training, monitoring and reporting arrangements, and any environmental and social instruments to be prepared thereunder.

11. “Environmental and Social Standards” or “ESSs” means, for purposes of paragraph 53 of the Appendix to the General Conditions, the standards referenced in said paragraph, effective on October 1, 2018, as published by the Bank.
12. “EU” means the European Union.
13. “EU *acquis*” means the body of common rights and obligations that is binding on all the EU member states.
14. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for IBRD Financing, Investment Project Financing”, dated December 14, 2018 (Last revised on July 1, 2025), with the modifications set forth in Section II of this Appendix.
15. “Integrated Administration and Control System” or “IACS” means the EU system that manages, monitors and serves for EU countries to control all the area and animal-based CAP interventions (such as direct payments interventions and area and animal-based rural development interventions), and ensures that comprehensive and comparable data is available throughout the EU.
16. “Operating Costs” means the reasonable incremental expenses incurred by the Borrower on account of Project implementation and management, including costs related to office equipment and supplies, vehicle operation and maintenance, office rentals, communication and insurance costs, office administration costs, bank charges, utilities, transport costs, travel, per diem and supervision costs, and salaries of the PMTs and TSU’ staff, including Social Charges as applicable (excluding salaries of the Borrower’s civil servants and/or employees).
17. “Operational Manual” or “POM” means the Project operational manual acceptable to the Bank, prepared and adopted by MAFWM pursuant to Section 4.01 of this Agreement and referred to in Section I.B in Schedule 2 to this Agreement, as said manual may be amended from time to time, with prior approval of the Bank.
18. “Paying Agency” or “PA” means the Borrower’s agency to be established as a successor of the Directorate of Payment in accordance with the EU *acquis* requirements responsible to ensure that payments of the common agricultural policy funds are legal, regular, and properly accounted for, under the supervision of the European Commission and EU countries.
19. “PARO” means the Paying Agency Regional Office; and “PAROs” means the plural thereof.

20. “PMT” or “Project Management Team” means the Project management team established by MAFWM, and responsible for the overall implementation, coordination, monitoring and evaluation of the Project, comprising of a Project Manager, a part-time senior civil engineer, a senior M&E specialist, and a part-time senior environmental and social specialist, full-time ABP specialist in the field of veterinary services, a full-time civil engineer, and a full-time social development specialist.
21. “Procurement Regulations” means, for purposes of paragraph 89 (a) of the Appendix to the General Conditions, the “World Bank Procurement Regulations for IPF Borrowers”, dated February 2025.
22. “Signature Date” means the later of the two dates on which the Borrower and the Bank signed this Agreement and such definition applies to all references to “the date of the Loan Agreement” in the General Conditions.
23. “Social Charges” means any payments or contributions for unemployment benefits, disability insurance, workers’ compensation benefits, retirement (pension or social security) benefits, and life insurance, or any other benefits according to the Borrower’s legislation.
24. “Training” means Project related study tours, training courses, seminars, workshops and other training activities not included under goods or service providers’ contracts, including training materials, space and equipment rental, travel, accommodation and *per diem* costs of trainees and trainers, trainers’ fees, and other training related miscellaneous inputs, as approved by the Bank.
25. “TSU” or “Technical Services Unit” means the technical services unit established by the MoF and responsible for the fiduciary (procurement and financial management) and disbursement aspects of the Project, and referred to in Section I.A.3 in Schedule 2 of the Loan Agreement.

Section II. Modifications to the General Conditions

The General Conditions are hereby modified as follows:

1. The following definitions are inserted at the end of the Appendix as paragraphs 116-122:
 - “116. “CRDC” or “Climate Resilient Debt Clause” means a mechanism established in the Loan Agreement allowing the eligible Borrower to defer certain payments of principal and/or interest (and other Loan charges) during a Deferral Period upon occurrence of an Eligible Event.”
 - “117. “CRDC Terms and Conditions” means the Climate Resilient Debt Clause terms and conditions, as issued and revised from time to time, by the Bank, in effect at the time of the Payment Deferral request.”
 - “118. “Deferral Period” means the period of up to 24 (twenty-four) months, during which the Payment Deferral is activated pursuant to the provisions of the Loan Agreement.”
 - “119. “Eligible Event” means the event defined in the CRDC Terms and Conditions”

“120. “Interest Payment Deferral” means a one-time temporary deferral of payment of Interest and other applicable Loan charges during a Deferral Period, requested by the Borrower and activated by the Bank pursuant to the provisions of the Loan Agreement.”

“121. “Payment Deferral” means a Principal Payment Deferral and/or Interest Payment Deferral, requested by the Borrower and activated by the Bank pursuant to the provisions of the Loan Agreement.”

“122. “Principal Payment Deferral” means the one-time temporary deferral of repayments of the Withdrawn Loan Balance during a Deferral Period, requested by the Borrower and activated by the Bank pursuant to the provisions of the Loan Agreement.”

2. In paragraph numbered 79 of the Appendix, the term “Loan Payment” is modified to read as follows:

“79. “Loan Payment” means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, any deferred amount pursuant to the Loan Agreement and any interest thereon, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), standby fee, 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, any Unwinding Amount payable by the Borrower, any other fees, costs or charges applicable under the Loan, and any refund of the Withdrawn Loan Balance payable by the Borrower, as applicable.”