



BY COURIER

Statutární město Plzeň Nám. Republiky 1 306 32
Plzeň Česká republika

For the attention of Head of Finance Department

Εὐρωπαϊκὴ Μὲτὰ τὴν ἑνὴν ἑξῆς
Evropská investiční banka Den Em
opaeiske Investeringsbank Europäische
Investitionsbank Ein oopa
Investeerimispank EupioncuKri TpanE^ci
EncvóuoEiov European Investment Bank
Banco Europeo de Inversiones Banque
européenne d'investissement An Bañe
Eorpach Infheistíochta Eúropska
investicijaska hanka Banca europea per gli
investimenti

Eiropas Investīciju banka Eiropos
investīciju bankas Eiropai
Beruházási Bank Bank Ewropeiv
tal-Investimenl Ein opese
Investeringsbank Europejski Bank
Inwestycyjny Banco Europeo de
Investimento Banca Europeaná de
Investitii Eúropska investičná banka
Evropská investičijska banka Euroop
an investointipankki Eúropeiska
investieringsbanken

**EXP BEI - EIB
C 001147 21,AUG 17**

Luxembourg, 18 August 2017

JU OPS/CE&ENCA/DC/rk/2017-1675

Reference: **PLZEN URBAN INFRASTRUCTURE III**

(Serapis N°2013-0144, FI N°82.651)

Finance Contract between the European Investment Bank and Statutární město Plzeň (the "**Borrower**") dated **19 June 2014** (the "**Finance Contract**")

Amendment No. 1 to the Finance Contract

Dear Sirs,

We refer to the Finance Contract. Unless defined herein or the context otherwise requires, capitalised terms used in this amendment letter (the "**Amendment Letter**") have the meanings given to them in the Finance Contract.

I. Amendment request and consent

We refer to your letter to us dated 9 January 2017 and your request to extend certain contractual deadlines under the Finance Contract and to further amend the Finance Contract with respect to introduction of more specific conditions for asset disposals.

We hereby Inform you that, subject to the conditions set out below, we agree to your request.

II. Amendments

The Finance Contract is hereby amended, with effect from the Effectiveness Date, as follows:

- (a) New definition of "Subsidiary" shall be inserted into "*Interpretation and Definitions*" section of the Finance Contract and shall read as follows:
"**Subsidiary**" means VODÁRNA PLZEŇ a.s., a joint stock company, ID No. **252 05 625**, registered with the Regional Court in Piisen under file number **B 574**, **100%** shares of which are owned by the Borrower. "
- (b) The definition of "Final Availability Date" in the "*Interpretation and Definitions*" section of the Finance Contract shall be replaced by the following wording:
"**Final Availability Date**" means the date falling seven (7) years after the date of this Contract."
- (c) In Article 1.09A (*Allocation Request*) of the Finance Contract, reference to **31 December 2018** in the definition of the "Allocation Request" shall be replaced by reference to **31 December 2021**.

(d) In Article 1.1 OA (*Reallocation at the request of the Borrower*) of the Finance Contract reference to 31 December 2018 regarding the reallocation request deadline, shall be replaced by reference to 31 December 2021.

(e) Letter (b) "**Project assets:**" of Article 6.05 (*Continuing Project undertakings*) shall be supplemented with additional new paragraphs as follows:

"In addition to the above, the Borrower shall be entitled to transfer water management assets comprising the Project to the Subsidiary without a written consent of the Bank, subject to the following conditions:

(i) *The meaning of the expression "water management assets", as used for the purposes of this Article 6.05, shall always be determined by the Bank;*

(ii) *the total value of the transferred water management assets shall not exceed CZK 6,6 billion;*

(Hi) *upon the termination of the Subsidiary, all the water management assets transferred to the Subsidiary from the Borrower according to this Article 6.05 shall be transferred back to the Borrower without undue delay;*

(iv) *no disposal shall be made with respect to any shares in the Subsidiary;*

(v) *an agreement providing for pre-emption rights of the Borrower with respect to the transferred water management assets is concluded between the Borrower and the Subsidiary; and*

(vi) *such transfer of water management assets is not restricted by law or by contractual or other obligations of the Borrower (including rules pertaining to EU grants),*

*(the "**Permitted Transfer**").*

In case of the Permitted Transfer, the Borrower shall ensure that the Subsidiary retains title to and possession of all or substantially all the water management assets comprising the Project or, as appropriate, replaces and renews such assets and maintain the Project in substantially continuous operation in accordance with its original purpose; unless consented by the Bank otherwise in writing (provided that the Bank may withhold its consent only where the proposed action would prejudice the Bank's interests as lender to the Borrower or would render the Project ineligible for financing by the Bank under its Statute or under Article 309 of the Treaty on the Functioning of the European Union). For the avoidance of doubt, the previous sentence does not preclude a transfer of the water management assets from the Subsidiary back to the Borrower."

(f) Article 6.06 (*Minimum level of fixed assets*) shall be supplemented with additional new paragraph as follows:

"The value of water management assets transferred under the Permitted Transfer shall not count towards the minimum level of fixed assets as stated in the previous paragraph of this Article 6.06, provided that the financial investment section of the consolidated balance sheet of the Borrower shall increase by the value of water management assets transferred under the Permitted Transfer."

(g) In section "Calendar" of Schedule A.1.1 (*Technical Description*), the words:

"The investments are expected to be implemented during 2014-2018."

are hereby deleted in their entirety and the following words are inserted instead:

"The investments are expected to be implemented during 2014-2021"

(h) The "*Date of delivery to the Bank*" of the Project Completion Report as set out in par. 4. (*Information on the end of works and first year of operation*) of Schedule A.2. (*PROJECT INFORMATION TO BE SENT TO THE BANK AND METHOD OF TRANSMISSION*) of the Finance Contract shall be hereby amended and set on 31 March 2023.

(i) The sentence "If the rate resulting from the above is below zero, EURIBOR will be deemed to be zero." In Article A. (*EURIBOR*) letter (c) of the Schedule B (*Definitions of EURIBOR, LIBOR and PRIBOR*) shall be deleted.

(j) The sentence "If the rate resulting from the above is below zero, LIBOR will be deemed to be zero." in Article B. (*LIBOR USD*) letter (c) of the Schedule B (*Definitions of EURIBOR, LIBOR and PRIBOR*) shall be deleted.

(k) The sentence "If the rate resulting from the above is below zero, LIBOR will be deemed to be zero." in Article C. (*LIBOR GBP*) letter (c) of the Schedule B (*Definitions of EURIBOR, LIBOR and PRIBOR*) shall be deleted.

- (l) The sentence "If the rate resulting from the above is below zero, PRIBOR will be deemed to be zero." in Article D. (*PRIBOR*) letter (b) of the Schedule B (*Definitions of EURIBOR, LIBOR and PRIBOR*) shall be deleted.
- (m) The sentence "For the purposes of paragraphs (b) and (c) above, "available" means the rates that are calculated under the aegis of the EURIBOR EBF and EURIBOR ACI (or any successor to that function of the EURIBOR EBF and EURIBOR ACI as determined by the Bank) for given maturities." in Article A. (*EURIBOR*) letter (c) of the Schedule B (*Definitions of EURIBOR, LIBOR and PRIBOR*) shall be deleted and the following new sentence shall be added instead: "For the purposes of paragraphs (b) and (c) above, "available" means the rates, for given maturities, that are calculated and published by Global Rate Set Systems Ltd (GRSS), or such other service provider selected by the European Money Markets Institute (EMMI), under the sponsorship of EMMI and EURIBOR ACI, or any successor to that function of EMMI and EURIBOR ACI as determined by the Bank."

For the avoidance of doubt, all other provisions of the Finance Contract:

- (i) remain in full force and effect and valid; and
- (ii) apply, without any reservations, waivers or limitations despite the amendments set out herein.

III. Miscellaneous

By countersigning this Amendment Letter, you certify to the Bank that all representations and warranties to be made or repeated by the Borrower under Article 6 (*Borrower undertakings and representations*) of the Finance Contract are true in all respects as at the date of countersignature of this Amendment Letter.

Article 11 (*Law and jurisdiction, miscellaneous*) of the Finance Contract shall apply *mutatis mutandis* to this Amendment Letter and the agreement constituted by your acceptance of its terms.

No amendment fees will be charged by the Bank for the aforementioned proposed changes.

Please Indicate your agreement to the above by initialling, countersigning and dating each four originals of this Amendment Letter, and then please arrange for the return of the duly signed originals to the Bank by registered mail or courier for the attention of Mr. Dalibor Cerny at your earliest convenience, together with the authority of signature of the persons signing on your behalf. We will then send you two originals of this Amendment Letter for your files.

This Amendment Letter is conditional upon and shall become effective only after receipt by the Bank, in a form and substance acceptable to the Bank, of:

- (a) Duly counter-signed originals of this Amendment Letter and
- (b) the evidence that the Borrower has duly published this Amendment Letter in the Registry of Contracts (in Czech: *Registr smluv*), as required by the applicable Czech law, within 15 (fifteen) calendar days after the Borrower received this Amendment Letter signed by all parties hereto.

This Amendment Letter shall not become effective until the Bank sends to the Borrower a letter confirming fulfilment of each of the above mentioned conditions of effectiveness and providing the date that this Amendment Letter becomes effective (the "**Effectiveness Date**"), and such letter shall be conclusive evidence that this Amendment Letter has become effective.



For the avoidance of doubt, until such time as such letter has been issued by the Bank, neither the Borrower nor the Bank shall have any claims against each other or have any liability whatsoever under or in connection with this Amendment Letter.

In case the above mentioned conditions of effectiveness are not fulfilled within 15 (fifteen) calendar days after the Borrower received this Amendment Letter signed by all parties hereto, this Amendment Letter shall not enter into force without any further action being necessary or required.

Yours faithfully,

EUROPEAN INVESTMENT BANK

M. Dueñas	G. Grisbrook
Head of Division	Head of Unit

Agreed to, for and on behalf of **STATUTÁRNÍ MĚSTO PLZEŇ**, as the Borrower

Name: Martin Zrzavecký

Title:

Date: 7.9.2017