

Amendment Agreement N°1
to the Framework Loan Agreement dated 4 June 2018 (ref. LD 1956 (2018))

Between:

COUNCIL OF EUROPE DEVELOPMENT BANK, International Organisation with its headquarters at 55, avenue Kléber – 75116 Paris, France (hereinafter, the “**CEB**” or the “**Bank**”), on the one hand,

and

CITY OF TURKU, a city with municipality status under Finnish law with its headquarters at Yliopistonkatu 27a, Turku (Finland) (hereinafter, the “**Borrower**” and together with the CEB, the “**Parties**” and each a “**Party**”), on the other hand,

WHEREAS:

- A. Having regard to the Framework Loan Agreement between the Parties dated 4 June 2018 ref. LD 1956 (2018),
- B. Having regard to the loan application submitted by Finland on 5 December 2018, where by the Borrower requested to increase the Loan Amount by fifty million euros (EUR 50 000 000), based on the successful implementation and disbursement of the Loan and the planned City investments in coming years,
- C. The CEB’s Administrative Council approved the loan application on 25 January 2019, increasing the loan amount in order to part-finance investments similar to those included in the Loan, under the sector of action “Improving living conditions in urban and rural areas”,
- D. Having regard to the CEB’s Loan and Project Financing Policy (hereinafter, the “Loan Policy”), as adopted by the CEB’s Administrative Council Resolution 1587 (2016), which includes a new list of activities excluded from CEB’s financing,

NOW IT IS HEREBY AGREED:

1. Definitions

Terms defined in the Agreement shall have the same meaning when used in this Amendment Agreement, unless otherwise specified herein.

2. Amendments

The Parties hereto agree that, with effect from and including the date of entry into force of this Amendment Agreement:

- Clause 4.1 of the Agreement shall read as follows:

"The Loan Amount is:

**ONE HUNDRED MILLION EUROS
EUR 100 000 000"**

For the purposes of the additional Loan Amount to be disbursed as of this Amendment Agreement, it will be disbursed in a minimum of two (2) additional Tranches. The amount of the first Tranche to be disbursed as of this Amendment Agreement shall not exceed twenty five million euros (EUR 25 000 000).

- Sub-clause 4.3 (a) (iii) of the Agreement shall read, for the purposes of the additional Loan Amount to be disbursed as of this Amendment Agreement, as follows:

"Principal Repayment Date(s), including the Maturity Date, taking into account that the Principal Repayment Period for each Tranche shall not exceed twenty (20) years including a grace period not greater than five (5) years;"

- Appendix I of the Agreement shall be modified, for the purposes of the additional Loan Amount to be disbursed as of this Amendment Agreement, as follows:

Project Total Cost	EUR 260 000 000		
Indicative Financing Plan	CEB	EUR 100 000 000	50%
	Borrower's own funds and other sources	EUR 160 000 000	50%
	Total	EUR 260 000 000	100%
Closing Date	31 March 2021		
Eligible Costs	The PFF covers expenditures approved in the budget corresponding to the years of PFF implementation. Eligible expenditures under the PFF include on-going investment contracts and maintenance costs excluding personnel costs (wages/salaries and other related benefits such as pension payments, except as permitted below), financial costs, taxes or non-cash items such as depreciation. On an exceptional basis, the PFF may cover not only the above-mentioned investment and maintenance costs but also the expenditures needed to maintain the viability and sustainability of public services.		

3. No novation – Reservation of rights

- 3.1. As of the date hereof, references to the "Agreement" or to any provision of the "Agreement" shall be construed as a reference to the Agreement as modified by the present Amendment Agreement. This Amendment Agreement shall in no way be deemed to be a novation of the Agreement.
- 3.2. All other terms and conditions of the Agreement that are not hereby amended shall remain in full force and effect. Nothing in this Amendment Agreement shall adversely affect, jeopardize, or otherwise limit or impair any right, power or remedy of CEB against the Borrower or in respect of any past, present or future infringement of the Borrower's undertakings under the Agreement, unless such infringements were

explicitly waived by the CEB, nor may the Amendment Agreement be construed to be a waiver thereof or an acquiescence therein under any applicable law and all of CEB's rights howsoever arising remain fully reserved.

4. Incorporation of terms

The provisions of Clauses 1.2 (*Construction*), 1.3 (*Headings*), 8 (*Representations and Warranties*), 9 (*Third Parties*), 12 (*Governing Law*), 13 (*Disputes*), 14 (*Notices*) and 15 (*Taxes and Expenses*) of the Agreement shall be incorporated into this Amendment Agreement as if set out in full herein and as if references therein to the "Agreement" and like terms are references to this Amendment Agreement.

This Amendment Agreement shall enter into force on the date of its signature by the CEB and the Borrower.

As a condition precedent for the next disbursement under the Loan, the Borrower shall provide a legal opinion in English issued by the Borrower's in-house legal advisor confirming to the CEB's satisfaction, substantially in the form set out under Appendix 2 of the Agreement, that the Amendment Agreement has been duly executed by authorised representatives of the Borrower; that the Amendment Agreement is valid, binding and enforceable in accordance with its terms in the Borrower's jurisdiction.

This Amendment Agreement is made in two (2) original copies, each of which is equally valid. One original is kept by each of the Parties.

_____, on _____

For the **City of Turku**

_____, on _____

For the **Council of Europe Development Bank**
