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|  | (Operation Number 43189 and Operation Number 50802) |
| **ANNEX**  **to Decision no. 434/31.10.2019**  **DEED FOR THE AMENDMENT AND RESTATEMENT**  of the  **PROJECT SUPPORT DEED  DATED 10 september 2013**  among  **the county of dolj**  and  **the City of craiova**  and  **compania de apa oltenia s.a. as Borrower**  and  **EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT**  **Dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ 2019** | |

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**THIS DEED FOR THE AMENDMENT AND RESTATEMENT OF THE PROJECT SUPPORT DEED DATED 10 SEPTEMBER 2013** (this "**Deed**") is dated \_\_\_\_\_\_\_\_\_\_\_\_\_ 2019 and made among:

* + - 1. **COUNTY OF DOLJ,** a county(in Romanian *judet*) located in and organised and existing under the laws of Romania (the "**County**")**,**
      2. **CITY OF CRAIOVA**, a municipality (in Romanian *municipiu*) located in and organised and existing under the laws of Romania (the "**City**"),
      3. **COMPANIA DE APA OLTENIA S.A.**, a joint stock company (in Romanian *societate pe actiuni*) organised and existing under the laws of Romania with its registered address at 133 Brestei street, Craiova, Dolj county, Romania, registered with the Dolj Commercial Registry under number J16/63/1999, having the sole registration code (C.U.I.) 11400673 (the "**Borrower**"); and
      4. **EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT**, an international organisation formed by treaty ("**EBRD**");

(each of the foregoing, a **Party** and collectively, the **Parties**).

**PREAMBLE**

**WHEREAS**, the County owns **2,000** shares issued by the Borrower, representing **6.315125** per cent. of the share capital of the Borrower;

**WHEREAS**, the City owns **29,050** shares issued by the Borrower, representing **91.727184** per cent. of the share capital of the Borrower;

**WHEREAS**, on **12 May 2009** the Borrower and Asociatia de Dezvoltare Intercomunitara "Oltenia"(the "**IDA**") have entered into the management delegation contract for the local public water and wastewater services (the "**Delegation Contract**");

**WHEREAS**, on **10 September 2013** the Borrower and EBRD entered into a loan agreement (the "**Original Loan Agreement**") for the purpose of financing the Project (as defined therein) (the "**Original Project**");

**WHEREAS**, as a condition precedent for first disbursement under the Original Loan Agreement, the Borrower, the County, the City and EBRD entered into a project support deed dated **10 September 2013** (the "**Original Project Support Deed**");

**WHEREAS**, on [●] 2019 the Borrower and EBRD entered into a loan agreement (the "**New** **Loan Agreement**") for the purpose of financing the Project (as defined therein) (the "**New Project**");

**WHEREAS**, the County and the City, in consideration of EBRD's entering into each Loan Agreement, have agreed to provide support to the Project and the Borrower in meeting its obligations under the Loan Agreement, to co-operate with EBRD in regard to the Loan Agreement and to provide EBRD with direct undertakings in respect of the due performance of their obligations under the Delegation Contract, in full compliance with Romanian and European Union law, as set out in this Deed;

**WHEREAS**, this Deed does not and is not intended to constitute, for the purposes of the laws of Romania and in particular under Romanian Law No. 273/2006 on local public finances, as further amended, a guarantee (*garantie locala*), a surety (*garantare prin venituri*) or any other type of local public debt instrument (*instrument de datorie publica locala*) granted by the County or by the City, for the payment of loan principal, interest and fees under or in connection with the Loan Agreement;

**WHEREAS**, entering into this Deed is for the benefit of each of the County, the City and the Borrower;

**WHEREAS**, the parties have agreed that the terms of the Original Project Support Deed shall be amended and restated so that it shall be read and construed for all purposes as set out in this Deed; and

**WHEREAS**, it is intended that this document takes effect as a deed notwithstanding the fact that a party may only execute this document under hand.

**NOW, THEREFORE**, in consideration of the mutual agreements herein contained and subject to the terms and conditions hereof, the parties hereto agree as follows:

1. - ORIGINAL PROJECT SUPPORT DEED
   1. Original Project Support Deed

From the date of this Deed, the terms of the Original Project Support Deed shall be amended and restated in full so that it shall be read and construed for all purposes upon the terms and subject to the conditions of this Deed.

1. - DEFINITIONS
   1. Definitions

(a) Wherever used in this Deed, unless the context otherwise requires or unless otherwise defined in this Deed, terms defined in the relevant Loan Agreement have the same meanings herein.

(b) Wherever used in this Deed, unless the context otherwise requires, the terms defined in the Preamble have the respective meanings given to them therein and the following terms have the following meanings:

"Authorisation" means an "Authorisation" as defined under each Loan Agreement.

"Financing Agreement" means a "Financing Agreement" as defined under each Loan Agreement.

"Financing Plan" means a "Financing Plan" as defined under each Loan Agreement.

"Loan" means a "Loan" as defined under each Loan Agreement.

"Loan Agreement" means each of the Original Loan Agreement and the New Loan Agreement.

"Material Adverse Effect" means a "Material Adverse Effect" as defined under each Loan Agreement.

"MRD Account" means a "MRD Account" as defined under each Loan Agreement.

"Project" means each of the Original Project and the New Project.

"Project Agreement" means a "Project Agreement" as defined under each Loan Agreement.

"Regionalisation" means "Regionalisation" as defined under each Loan Agreement.

* 1. Acknowledgement of the Loan Agreement

Each of the County and the City hereby acknowledges that it has received, reviewed and had necessary and appropriate advice in relation to the Loan Agreement.

* 1. Interpretation

In this Deed:

* + - * 1. unless the context otherwise requires, words denoting the singular include the plural and vice versa; and words denoting persons include corporations, partnerships and other legal persons and references to a person includes its successors and permitted assigns.
        2. references to a specified Article, Section, Schedule or Exhibit shall be construed as a reference to that specified Article or Section of, or Schedule or Exhibit to, this Deed.
        3. a reference (i) to an amendment or to an agreement being amended includes a supplement, variation (including by waiver or consent), assignment, novation, restatement or re-enactment, and (ii) to an agreement shall be construed as a reference to such agreement as it may be amended from time to time.
        4. the headings and the Table of Contents are inserted for convenience of reference only and shall not affect the interpretation of this Deed.
        5. "control" (including, with correlative meanings, the terms "controlled by" and "under common control with"), as used with respect to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person, whether through the ownership of voting shares, by contract or otherwise.
        6. any reference to "law" means any law (including, any common or customary law) and any treaty, constitution, statute, legislation, decree, normative act, rule, regulation, judgement, order, writ, injunction, determination, award or other legislative or administrative measure or judicial or arbitral decision in any jurisdiction which has the force of law or the compliance with which is in accordance with general practice in such jurisdiction.
        7. any reference to a provision of law, is a reference to that provision as from time to time amended, extended, supplemented, restated or re-enacted or replaced from time to time and includes any subordinate legislation and any binding judicial or administrative interpretation thereof.
        8. a reference to a "person" includes any person, natural or juridical entity, firm, company, corporation, government, state or agency of a state or any association, trust or partnership (whether or not having separate legal personality) or two or more of the foregoing and references to a "person" include its successors in title, permitted transferees and permitted assigns.
        9. "including" and "include" shall be deemed to be followed by "without limitation" where not so followed.

1. - REPRESENTATIONS AND WARRANTIES
   1. Representations and Warranties of the County and the City

Each of the County and the City hereby represents and warrants to EBRD as follows:

* + - * 1. The County is a county (*judet*), duly organised and validly existing under all applicable laws of Romania,
        2. The City is a municipality (*municipiu*), duly organised and validly existing under all applicable laws of Romania;
        3. The County owns 6.315125 % of all shares issued by the Borrower;
        4. The City owns 91.727184 % of all shares issued by the Borrower;
        5. The IDA has been validly set up and is operating pursuant to the applicable Romanian law and the County and the City are members of IDA;
        6. The entering into this Deed by each of the County and the City and performance of their respective obligations hereunder are within the County's and, respectively, the City's legal capacity granted to the County and, respectively, the City in accordance with the laws of Romania;
        7. Each of the County and the City has taken all necessary internal administrative actions to authorise the execution of this Deed and delivery of this Deed; all notices, certificates and other documents related to this transaction shall have been duly executed and delivered, and all authorisations required for any of the County and/or the City to comply with the provisions of, and perform its obligations under, this Deed shall have been granted;
        8. This Deed constitutes a legal, valid and binding obligation of each of the County and the City and is enforceable against each of the County and the City in accordance with its terms;
        9. The entry into and performance by each of the County and the City of this Deed does not and will not violate in any respect (i) any law or regulation of any governmental or official authority or body, or (ii) the constitutional documents of the County or the IDA or the City, or (iii) any agreement, contract or other undertaking to which any of the County or the IDA or the City is a party or which is binding upon any of the County or the IDA or the City or any of their assets;
        10. All consents, licences, approvals and authorisations required in connection with the entry into, performance, validity and enforceability of this Deed and the transactions contemplated hereby have been obtained and are in full force and effect;
        11. It is not necessary for the legality, validity, enforceability or admissibility in evidence of this Deed that this Deed or any document relating hereto be registered, filed, recorded or enrolled with any court or authority in any relevant jurisdiction or that any stamp, registration or similar tax be paid on or in relation to this Deed;
        12. No action, suit, proceeding, litigation or dispute against any of the County and the City is at present taking place or pending or, to its knowledge, threatened, nor is there subsisting any judgement or award given against any of the County and the City respectively before any court, board of arbitration or other body which, in either case, might result in a Material Adverse Effect on the Project, the financial condition of any of the City and the County, or the ability of any of the City or the County to perform any of its respective obligations under this Deed;
        13. Neither of IDA, the County nor the City is in default under any agreement to which it is a party or by which it or any of its properties is bound and resulting in actual or potential liabilities of, or claims against, any of IDA, the City or the County in an amount of at least EUR 100,000 (or the equivalent thereof in other currencies) per such claim or liability or at least EUR 1,000,000 (or the equivalent thereof in other currencies) in aggregate for any of the City or the County, and no Default under the Loan Agreement relating to any of IDA, the County or the City has occurred and is continuing nor will such Default under the Loan Agreement result from the performance by any of the County and the City of any of its obligations under this Deed;
        14. All payments, if any, made or to be made by each of the County and the City under or pursuant to this Deed may be made free and clear of, and without deduction or withholding for or on account of, any taxes;
        15. Neither this Deed nor the Delegation Contract represents state aid under the relevant European Union regulations or Romanian laws and does not have to be notified and/or approved by the relevant competition authorities; in case of any doubt that the implementation of any provision (including, but not limited to, payment by any of the County and the City to the Borrower) under this Deed and/or the Delegation Contract represents state aid measure under the relevant European Union regulations or Romanian law, the County and the City shall immediately notify EBRD thereof in writing and start the notification procedure of such measure with the relevant competition authorities and obtain the authorisation by the relevant competition authorities prior to the implementation of such provision;
        16. Each of the County and the City, acting through IDA, is party to the Delegation Contract; the Delegation Contract has been awarded to the Borrower by the County and the City (acting through IDA) with the full observance of the applicable Romanian legislation, including, but not limited to, (i) Law No. 51/2006 on local public services, as further amended and supplemented, (ii) Law No. 241/2006 on water supply and sewerage services, as further amended and supplemented and the legal conditions for the direct award of the Delegation Contract to the Borrower were cumulatively met as at the date of the Delegation Contract and continue to be met;
        17. The entering into the Delegation Contract by each the County and, respectively, the City acting through IDA and performance of their respective obligations thereunder is within IDA's, the County’s and the City’s powers, granted to IDA, the County and, respectively, the City, in accordance with the laws of Romania;
        18. Each of IDA, the County and the City has taken all necessary internal administrative actions to authorise the execution and the delivery of the Delegation Contract; and all authorisations required for any of IDA, the County and the City to comply with the provisions of, and perform its obligations under, the Delegation Contract have been granted;
        19. The Delegation Contract constitutes legal, valid and binding obligations of each of the County and the City acting through IDA and is enforceable against the County and the City in accordance with its terms; the conditions for the effectiveness of the Delegation Contract provided in Article 52 (*Effectiveness Date and Conditions*) of the Delegation Contract were and continue to be cumulatively met;
        20. The entry into and performance by each of the County and the City of the Delegation Contract does not and will not violate in any respect (i) any law or regulation of any governmental or official authority or body, or (ii) the constitutional documents of IDA, the County or the City, or (iii) any agreement, contract or other undertaking to which any of IDA, the County or the City is a party or which is binding upon any of IDA, the County and the City or any of its assets;
        21. The representations and warranties of the Borrower set out in Article II (*Representations and Warranties*) of the Original Loan Agreement and, respectively, Article II (*Representations and Warranties*) of the New Loan Agreement were true and correct when made and will be true and correct when and in the manner repeated or deemed repeated pursuant to the terms of the relevant Loan Agreement;
        22. The transformation of the Borrower into a regional operator of water supply and sewerage services was made with the observance of all laws and regulations applicable in Romania and the Borrower carries out its business as regional operator of water supply and sewerage services in accordance with applicable Romanian legislation, including, but not limited to, (i) Law No. 51/2006 on local public services, as further amended and supplemented, and (ii) Law No. 241/2006 on water supply and sewerage services, as further amended and supplemented;
        23. Each of the County and the City has reviewed and acknowledges all the provisions of each Loan Agreement and that the entering into of this Deed is for its benefit.
  1. Repetition of Representations and Warranties
     + - 1. The representations and warranties of the County and the City set out in this Deed shall survive the execution of this Deed and shall be deemed to be repeated on each Interest Payment Date under each Loan Agreement, with respect to the facts and circumstances then existing.
         2. Each of the Borrower’s representations and warranties contained in Article II (*Representations and Warranties*) of the Original Loan Agreement and, respectively, Article II (*Representations and Warranties*) of the New Loan Agreement shall be deemed to be repeated by the Borrower on the date of this Deed by reference to the facts and the circumstances existing on the date hereof, as if set out herein in full, *mutatis mutandis*.

1. - COVENANTS OF THE COUNTY AND THE CITY
   1. Affirmative Covenants of the County and the City

In consideration of EBRD entering into each Loan Agreement and making the loans available thereunder and for other good and valuable consideration the receipt of which each of the City and the County hereby acknowledges, for as long as any amount remains outstanding or payable under any Financing Agreement, each of the County and the City undertakes (to the fullest extent permitted under the applicable Romanian and European Union laws) to take, or cause to be taken, all action in order to:

* + - * 1. enable and cause the Borrower to meet all of its obligations under the Financing Agreements and the Project Agreements to which it is a party and to achieve the purposes of the Project, including (without prejudice to the generality of the foregoing):
  1. adopt, within the County's and the City's control powers over the Borrower, all necessary or appropriate resolutions to duly implement the Project and enable and cause the Borrower to perform its obligations under the Financing Agreements and the Project Agreements;
  2. where any obligation of the Borrower under any Financing Agreement or Project Agreement requires any Authorisations of the County or the City, shall promptly grant and/or renew all such Authorisation as soon as possible, but in any event, by the date when any such Authorisation is required under law; and
  3. where any obligation of the Borrower under any Financing Agreement or Project Agreement requires an Authorisation from any other competent authority, assist the Borrower in obtaining and/or renewing such Authorisation as soon as possible, but in any event, by the date when such Authorisation is required under law;
     + - 1. fully and in a timely manner comply (and procure that any relevant entities including, but not limited to, IDA, budgetary units and municipal companies controlled by the County and/or the City, fully and in a timely manner comply) with all terms and conditions of the Delegation Contract, including to promptly pay any amounts due to the Borrower under the Delegation Contract;
         2. assist and co-operate with IDA in doing all things necessary, proper or advisable to ensure that IDA complies with its obligations under the Delegation Contract; and without limitation to the foregoing, to the extent permitted by Romanian law, determine the other territorial administrative units which are members of IDA to abstain from taking any action, step or decision that may (directly or through IDA) prevent, impair, hinder or delay the performance of the Delegation Contract, the Borrower's operations or the implementation of the Project;
         3. maintain this Deed and the Delegation Contract in full force and effect and perform its obligations hereunder and thereunder, and not commit any breach of or default under, any such agreements;
         4. exercise its authority, ownership and control rights with respect to any entities directly or indirectly controlled by the County or the City so as to prevent any and all of such entities from taking any action that will cause a Material Adverse Effect or cause the Borrower to default under any of its obligations under any Financing Agreement or Project Agreement;
         5. take all necessary action to prevent any and all of the entities operating for the account or benefit of the County or the City, including, but not limited to, IDA, to take any action that will cause a Material Adverse Effect or cause the Borrower to default under any of its obligations under any Financing Agreement or Project Agreement;
         6. ensure that any entities directly or indirectly owned or controlled by the County or the City, any entities operating for the account or benefit of the County or the City (including, but not limited to, IDA, its budgetary units and municipal companies controlled by any of the County and the City) shall duly pay for all the services provided by the Borrower;
         7. as far as it falls within its competencies, ensure at all times that:
  4. any act, regulation or any other relevant Authorisation (or any parts thereof) adopted by the County and/or the City;
  5. any act, regulation or any other relevant Authorisation whose adoption may be controlled and/or influenced by the County and/or the City;
  6. the constituent documents of the Borrower; and
  7. any rules or procedures adopted by the Borrower's managing bodies,

will not breach the terms or conditions of the Financing Agreements; and promptly amend or to cause to be amended the documents specified in sub-paragraphs (1)-(4) above as necessary to ensure consistency herewith;

* + - * 1. assist and co-operate with the Borrower in doing all things necessary, proper or advisable to ensure that the tariff adjustment structure contractually agreed pursuant to the terms and conditions of the Delegation Contract and Section 5.12 (*Tariff Adjustments*) (including Schedule 4 (*Tariff Strategy*)) of the Original Loan Agreement and, respectively, Section 5.17 (*Tariff Adjustments*) of the New Loan Agreement is fully supported by the County and the City and/or by IDA and is not at any time affected in a manner which may adversely impact the Project;
        2. assist the Borrower in carrying out the Project in accordance with the Financing Agreements and the Project Agreements and cause the financing specified in each Loan Agreement to be applied exclusively to the Project;
        3. as controlling authorities of the Borrower, ensure that the Borrower's directors and management officers satisfy the efficiency, technical and professional requirements as may be set out by EBRD from time to time, and that the Borrower is managed with due diligence and efficiency, in accordance with sound engineering, financial and business practices and in compliance with all applicable Romanian and European Union laws including, without limitation, those concerning money laundering or the financing of terrorism;
        4. maintain and retain the legal and beneficial ownership of a number of issued shares of the Borrower so that its participation in the Borrower as at the date of this Deed is maintained, provided that the City may sell, transfer, lease or otherwise dispose of any shares of the Borrower held by the City, where such sale, transfer, lease or disposal of shares is carried out for the purposes of the Regionalisation and it does not result in the decrease of the City's participation in the Borrower under 75% of all the issued shares of the Borrower;
        5. upon EBRD’s written request, determine IDA and/or any territorial administrative unit which is a party to the Delegation Contract (as EBRD may select in its sole discretion) to enter into agreements similar to this Deed, in form and substance satisfactory to EBRD, to ensure the implementation of the provisions of this Deed;
        6. ensure that the MRD Account shall be properly funded as required under Romanian law; and as long as any amounts remain outstanding under any Loan Agreement and any Financing Agreements, ensure that any and all payments or royalties paid by the Borrower under the Delegation Contract as well as any profit or similar tax paid by the Borrower are deposited into the MRD Account within five (5) days of receipt by the County and City, respectively; and
        7. contribute funds to the Projects as contemplated in each Financing Plan.
  1. Negative Covenants of the County and the City

In consideration of EBRD entering into each Loan Agreement and making the loans available thereunder, for as long as any amount remains outstanding or payable under any Financing Agreement and for other good and valuable consideration the receipt of which each of the City and the County hereby acknowledges, the County and the City undertake (and (if applicable) shall procure that any relevant entities directly or indirectly owned or controlled by the County and/or the City will), to the fullest extent permitted under applicable Romanian and European Union laws, not to:

* + - * 1. impose any unjustified charges or obligations on the Borrower or interfere with the day to day management and/or operations of the Borrower, except as specifically provided under this Deed;
        2. prevent, impair, hinder or delay the Borrower from taking any remedial or enforcement action in accordance with Romanian law against any third party (including, but not limited to, governmental or municipal agencies and/or state-owned or controlled, municipal or other state enterprises) which is unwilling or unable to meet its financial or any other obligations owed to the Borrower;
        3. take any action (including, without limitation, voting in IDA’s general meeting any decision) which may prevent, impair, hinder or delay (1) the Borrower's operations, (2) the performance by the Borrower of the Delegation Contract, (3) the implementation of the Project, (4) charging or payment collection in relation to the services performed by the Borrower or (5) the repayment of the Loan in accordance with its terms, except as specifically provided under this Deed;
        4. novate, assign or materially amend, vary or supplement its rights and obligations under the Delegation Contract; upon the County’s and the City’s unilateral amendments of the Delegation Contract, each of the County and the City shall promptly provide to the Borrower an adequate and effective compensation for its losses; the Parties agree that an adequate and effective compensation shall include at least (1) the principal amount of the Loan then outstanding and not repaid the Borrower to EBRD under each Loan Agreement, and (2) the amount of interest, fees, expenses and other payments then accrued and payable by the Borrower to EBRD under the provisions of each Loan Agreement; each of the County and the City shall also provide compensations for any other losses suffered by the Borrower due to the unilateral amendment of the Delegation Contract by the County and the City, respectively;
        5. unilaterally terminate or "repurchase" the Delegation Contract with the Borrower, except in accordance with the provisions of the Delegation Contract, provided that:
  1. in the event that the Delegation Contract is terminated before the full discharge of the Borrower's obligations under the Financing Agreements, and irrespective of the termination cause, each of the County and the City undertakes (to the fullest extent permitted by all the applicable Romanian and European Union laws) to take over all Borrower's payment obligations under the Financing Agreements, subject to the obtaining of the relevant approvals from all relevant authorities, including the Local Debenture Authorisation Commission and the relevant competition authorities;
  2. in the event that the Delegation Contract is 'repurchased' or otherwise terminated by the County or the City pursuant to the Delegation Contract, each of the County and the City agrees (to the fullest extent permitted by all the applicable Romanian and European Union laws) that the indemnification to be paid by the County and/or the City to the Borrower in case of such "re-purchase" or termination shall include at least the following (A) the principal amounts of the loan then outstanding and unpaid by the Borrower to EBRD under each Loan Agreement, and (B) the amount of interest, fees, expenses and other payments then accrued and payable by the Borrower to EBRD under the provisions of each Loan Agreement; each of the County and the City shall also provide (to the fullest extent permitted by all the applicable Romanian and European Union laws) compensations for any other losses suffered by the Borrower due to the "re-purchase" or termination of the Delegation Contract by the County and/or the City, respectively;
  3. if no indemnification is payable to the Borrower in the case of the "re-purchase" or termination of the Delegation Contract pursuant to the above:
     + 1. EBRD by notice in writing may require the County and the City to commence and diligently and expeditiously pursue selection procedures (whether by further public tender or otherwise) permitted or prescribed under Romanian law for the selection of a new provider of the services described in the Delegation Contract, consulting with and taking into account (to the fullest extent permitted by the Romanian law) all reasonable demands and interests of EBRD, and to award the provision of the services to the entity so selected in lieu of the Borrower.
       2. the County and the City shall comply with the aforementioned requirements of EBRD and shall procure (to the fullest extent permitted by the Romanian law) that: (i) any new service provider so appointed shall undertake (in favour of EBRD) and be obliged to repay the outstanding amounts owed by the Borrower to EBRD under the Financing Agreements; and (ii) such undertaking and obligation is made a term and/or requirement of any such new delegation contract, and announced as such in any selection procedures.
          1. allow the distribution of profits of the Borrower, except as mandatorily required under Romanian law and to the extent permitted under each Loan Agreement;
          2. as controlling authorities of the Borrower, permit any changes of the constituent documents of the Borrower, including the by-laws, in any manner which would be inconsistent with the provisions of any of the Financing Agreements, except if otherwise required by imperative legal provisions in force or if necessary for the Borrower’s further Regionalisation;
          3. as controlling authorities of the Borrower, permit any changes to any of (i) the nature or scope of the Borrower's present business or operations or (ii) the nature or scope of the Project, except if otherwise required by imperative legal provisions in force or if necessary for the Borrower’s further Regionalisation;
          4. as controlling authorities of the Borrower, permit the Borrower to consolidate or amalgamate with, or merge into, any other entity, or reorganize into any other entity, except if otherwise required by imperative legal provisions in force or if necessary for the Borrower’s further Regionalisation;
          5. as controlling authorities of the Borrower, permit any sale, transfer, lease or other disposal of a substantial part of the Borrower’s assets;
          6. take any legislative, regulatory or other action or make any omission of action that will cause a Material Adverse Effect on, or cause, the Borrower to default under any of its obligations or which would objectively impede the ability of the Borrower to meet its respective financial obligations and other obligations under any Financing Agreement and/or any Project Agreement; and
          7. create or permit to exist any Lien on the any of the shares of the Borrower held by the County and the City, respectively.
  4. Ranking of claims

Unless EBRD otherwise agrees in writing, each of the County and the City acknowledges and undertakes that all amounts payable by the Borrower to EBRD pursuant to the Financing Agreements shall at least rank *pari passu* with any other existing or future obligations and liabilities of the Borrower, including any payment of unsecured obligations and/or financial liabilities of the Borrower owed to any of the County and the City, except for claims mandatorily preferred by law.

1. MISCELLANEOUS
   1. Notices

Any notice or other communication to be given or made under this Deed to any Party shall be in writing. Except as otherwise provided in this Deed, such notice or other communication shall be deemed to have been duly given or made when delivered by hand, airmail or facsimile transmission to the party to which it is required or permitted to be given or made as such Party's address specified below or at such other address as such Party designates by notice to the Party giving or making such notice or other communication.

For the County:

COUNTY OF DOLJ

Address: 19 Calea Unirii, Craiova, Dolj county, Romania

Attention: [•]

Fax: [•]

For the City:

CITY OF CRAIOVA

Address: 7 A.I. Cuza street, Craiova, Dolj county, Romania

Attention: [•]

Fax: [•]

For the Borrower:

COMPANIA DE APA OLTENIA S.A.

Address: 133 Brestei street, Craiova, Dolj county, Romania

Attention: [•]

Fax: [•]

For EBRD:

European Bank for Reconstruction and Development

Address: One Exchange Square

London EC2A 2JN

United Kingdom

Attention: Operation Administration Department

Operation Numbers 43189 and 50802

Fax: +44-20-7338-6100

* 1. English Language

Unless otherwise agreed between the County, the City, the Borrower and EBRD, all documents to be furnished or communications to be given or made under this Deed shall be in the English language or, if in another language, then a certified English translation shall be provided which shall be the governing version between the parties.

* 1. Governing Law

This Deed shall be governed by and construed in accordance with English law. Any non-contractual obligations arising out of or in connection with this Deed shall be governed by and construed in accordance with English law.

* 1. Arbitration and Jurisdiction
     + - 1. Any dispute, controversy or claim arising out of or relating to (1) this Deed, (2) the breach, termination or invalidity hereof or (3) any non-contractual obligations arising out of or in connection with this Deed shall be settled by arbitration in accordance with the UNCITRAL Arbitration Rules as at present in force. There shall be one arbitrator and the appointing authority shall be LCIA (London Court of International Arbitration). The seat and place of arbitration shall be London, England and the English language shall be used throughout the arbitral proceedings. The parties hereby waive any rights under the Arbitration Act 1996 or otherwise to appeal any arbitration award to, or to seek determination of a preliminary point of law by, the courts of England. The arbitral tribunal shall not be authorised to grant, and each of the County, the City and the Borrower agrees that it shall not seek from any judicial authority, any interim measures or pre-award relief against EBRD, any provisions of the UNCITRAL Arbitration Rules notwithstanding. The arbitral tribunal shall have authority to consider and include in any proceeding, decision or award any further dispute properly brought before it by EBRD (but no other party) insofar as such dispute arises out of this Deed, but, subject to the foregoing, no other parties or other disputes shall be included in, or consolidated with, the arbitral proceedings. In any arbitral proceeding, the certificate of EBRD as to any amount due to EBRD under this Deed shall be prima facie evidence of such amount.
         2. Notwithstanding Section 5.4(a), this Deed and any rights of EBRD arising out of or relating to this Deed, may, at the option of EBRD, be enforced by EBRD in the courts of Romania or in any other courts having jurisdiction. For the benefit of EBRD, each of the County, the City and the Borrower hereby irrevocably submits to the non-exclusive jurisdiction of the courts of England with respect to any dispute, controversy or claim arising out of or relating to this Deed, or the breach, termination or invalidity hereof. Each of the County, the City and the Borrower hereby irrevocably designates, appoints and empowers [\_\_\_\_\_\_\_\_\_\_] at its registered office (being, on the date hereof, at [\_\_\_\_\_\_\_\_\_\_], London, England) to act as its authorised agent to receive service of process and any other legal summons in England for purposes of any legal action or proceeding brought by EBRD in respect of this Deed. Failure by a process agent to notify any of the County, the City and the Borrower of the process will not invalidate the proceedings concerned. Each of the County, the City and the Borrower hereby irrevocably consents to the service of process or any other legal summons out of such courts by mailing copies thereof by registered airmail postage prepaid to its address specified herein. Each of the County, the City and the Borrower covenants and agrees that, so long as it has any obligations under this Deed, it shall maintain a duly appointed agent to receive service of process and any other legal summons in England for purposes of any legal action or proceeding brought by EBRD in respect of this Deed and shall keep EBRD advised of the identity and location of such agent. Nothing herein shall affect the right of EBRD to commence legal actions or proceedings against any of the County, the City and the Borrower in any manner authorised by the laws of any relevant jurisdiction. The commencement by EBRD of legal actions or proceedings in one or more jurisdictions shall not preclude EBRD from commencing legal actions or proceedings in any other jurisdiction, whether concurrently or not. Each of the County, the City and the Borrower irrevocably waives any objection it may now or hereafter have on any grounds whatsoever to the laying of venue of any legal action or proceeding and any claim it may now or hereafter have that any such legal action or proceeding has been brought in an inconvenient forum.
  2. Privileges and Immunities of EBRD

Nothing in this Deed shall be construed as a waiver, renunciation or other modification of any immunities, privileges or exemptions of EBRD accorded under the Agreement Establishing the European Bank for Reconstruction and Development, international convention or any applicable law. Notwithstanding the foregoing, EBRD has made an express submission to arbitration under Section 5.4(a) and accordingly, and without prejudice to its other privileges and immunities (including, without limitation, the inviolability of its archives), it acknowledges that it does not have immunity from suit and legal process under Article 5(2) of Statutory Instrument 1991, No. 757 (The European Bank for Reconstruction and Development (Immunities and Privileges) Order 1991), or any similar provision under English law, in respect of the enforcement of an arbitration award duly made against it as a result of its express submission to arbitration pursuant to Section 5.4(a).

* 1. Waiver of Sovereign Immunity

Each of the County, the City and the Borrower represents and warrants that this Deed is a commercial rather than public or governmental act and that none of the County, the City and the Borrower is entitled to claim immunity from legal proceedings with respect to itself or any of its assets (except for the assets that are part of the public domain as defined in accordance with the Romanian legislation) on the grounds of sovereignty or otherwise under any law or in any jurisdiction where an action may be brought for the enforcement of any of the obligations arising under or relating to this Deed. To the extent that any of the County, the City or the Borrower or any of their assets (except for the assets that are part of the public domain as defined in accordance with the Romanian legislation) has or hereafter may acquire any right to immunity from set-off, legal proceedings, attachment prior to judgement, other attachment or execution of judgement on the grounds of sovereignty or otherwise, each of the County, the City and the Borrower hereby irrevocably waives such rights to immunity in respect of its obligations arising under or relating to this Deed.

* 1. Successors and Assigns; Third Party Rights
     1. This Deed shall bind and inure to the benefit of the respective successors and assigns of the parties hereto, except that none of the County, the City and the Borrower may assign or otherwise transfer all or any part of its rights or obligations under this Deed without the prior written consent of EBRD.
     2. EBRD may sell, transfer, assign, novate or otherwise dispose of all or part of its rights or obligations under this Deed to any assignee or transferee of all or a similar proportion of its rights or obligations under any Loan Agreement without the consent of the County, the City or the Borrower. EBRD shall notify the County, the City and the Borrower promptly following any such assignment or transfer.
     3. Except as provided in paragraphs or , none of the terms of this Deed are intended to be enforceable by any third party.
     4. EBRD may disclose to any potential assignee or transferee of all or any part of its rights or obligations under this Deed or to any person who may otherwise enter into contractual relations with EBRD in relation to this Deed, such information about the County, the City, the Borrower and their related entities as EBRD thinks fit.
  2. Waiver of defenses

Each of the County, the City and the Borrower, in full awareness of the contents and nature of the transactions contemplated by this Deed, hereby assumes the risk of change of the circumstances under which this Deed is entered into, in accordance with Article 1271 paragraph 3 letter (c) of the Romanian Civil Code.

* 1. Reliance

Each of the County, the City and the Borrower acknowledge that EBRD is entering into this Deed, and has acted, solely as a lender to the Borrower under each Loan Agreement, and not as an advisor to the Borrower, the County or the City. Each of the Borrower, the County and the City represents and warrants that, in entering into the Financing Agreements, it has engaged, and relied upon advice given to it by, its own legal, financial and other professional advisors and it has not relied on and will not hereafter rely on any advice given to it by EBRD.

* 1. No Waiver

No delay by or omission on the part of EBRD in exercising any right, power, privilege or remedy under this Deed shall operate to impair such right, power, privilege or remedy or be construed as a waiver thereof. Any single or partial exercise of any such right, power, privilege or remedy shall not preclude any other or future exercise thereof or the exercise of any other right, power, privilege or remedy. The rights and remedies provided in this Deed are cumulative and not exclusive of any rights and remedies provided by law.

* 1. Amendments

No amendment or modification to this Deed shall be effective unless made in writing and signed by or on behalf of each of the parties.

* 1. Severability

If any provision of this Deed is found by a court or other competent authority to be void or unenforceable, such provision shall be deemed to be deleted from this Deed, and the remaining provisions of this Deed shall continue to be in full force and effect. Notwithstanding the foregoing, the parties shall thereupon negotiate in good faith in order to agree upon the terms of a mutually satisfactory enforceable provision to be substituted for the provision so found to be void or unenforceable, the substituted provision of which shall achieve, to the extent permissible by law, the purposes of this Deed.

* 1. Acknowledgment

For the purposes of Article 1203 of the Romanian Civil Code, each of the County, the City and the Borrower hereby expressly accepts all clauses in this Deed which (A) provide in favour of EBRD (i) the limitation of liability, (ii) the right to unilaterally terminate (*denuntare unilaterala*) the Deed or (iii) the right to suspend performing the EBRD's obligations, or (B) provide to the detriment of the County, the City or the Borrower (i) the forfeiture of rights (*decadere din drepturi*), (ii) the forfeiture of the benefit of a timeline (*decaderea din beneficiul termenului*), (iii) the limitation of the right to raise defenses (*dreptul de a opune exceptii*), (iv) the limitation of the right to contract with third parties, (v) the tacit renewal of the agreement, (vi) the applicable law, (vii) the submission to arbitration (*clauzele compromisorii*) or clauses derogating from the rules of court jurisdiction, including without limitation the following Sections:  *(Affirmative Covenants of the County's and* *the City), . (Negative Covenants of the County's and* *the City),* . *(Ranking of claims), (Governing Law),* (*Arbitration and Jurisdiction*)  *(No Waiver)*.

* 1. Term of the Deed

This Deed shall be effective from its execution date and shall continue to be in force until all amounts payable under any of the Financing Agreements (including, without prejudice to the generality of the foregoing, any principal, interest, fees, charges and expenses) have been fully and finally paid in accordance with its provisions.

* 1. Counterparts

This Deed may be executed in several counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same agreement

* 1. Originals; Governing Language

Subject to Section 5.15, this Deed shall be executed in ten (10) originals in the English and Romanian languages, as of the day and year first written above, two (2) originals in each language for EBRD, one original in each language for the County, one original in each language for the City and one original in each language for the Borrower. In the event of any discrepancy or inconsistency between the English and Romanian language versions of this Deed, the terms of the English language versions shall prevail and shall be governing between the parties to this Deed.

**IN WITNESS WHEREOF**, the parties hereto, acting through their duly authorised representatives have caused this Deed to be signed in their respective names on the day and year first above written.

**EXECUTION PAGE**

**The County**

|  |  |
| --- | --- |
| **EXECUTED AS A DEED** by | ) |
| **COUNTY OF DOLJ** | )  ) |
| acting by: | ) |
|  | ) |
| acting under the authority of that | ) |
| company, in the presence of: | ) |

|  |
| --- |
| Witness's Signature: ……………………………………… |
| Name: ………………………………………. |
| Address: ………………………………………. |
| ………………………………………. |
| ………………………………………. |

**The City**

|  |  |
| --- | --- |
| **EXECUTED AS A DEED** by | ) |
| **CITY OF CRAIOVA** | )  ) |
| acting by: | ) |
|  |  |
|  |  |
| acting under the authority of that | ) |
| company, in the presence of: | ) |

|  |
| --- |
| Witness's Signature: ……………………………………… |
| Name: ………………………………………. |
| Address: ………………………………………. |
| ………………………………………. |
| ………………………………………. |

**Borrower**

|  |  |
| --- | --- |
| **EXECUTED AS A DEED** by | ) |
| **COMPANIA DE APA OLTENIA S.A.** | )  ) |
| acting by: | ) |
|  |  |
|  |  |
| acting under the authority of that | ) |
| company, in the presence of: | ) |

|  |
| --- |
| Witness's Signature: ……………………………………… |
| Name: ………………………………………. |
| Address: ………………………………………. |
| ………………………………………. |
| ………………………………………. |

|  |  |
| --- | --- |
| **EXECUTED AS A DEED** by | ) |
| **EUROPEAN BANK FOR RECONSTRUCTION AND DEVELOPMENT** | )  ) |
| acting by: [*name*], [Director] | ) |
|  |  |
|  | ) |
| in the presence of: | ) |

|  |
| --- |
| Witness's Signature: ……………………………………… |
| Name: ………………………………………. |
| Address: ………………………………………. |
| ………………………………………. |
| ………………………………………. |
|  |
|  |

**MEETING PRESIDENT,**

**GHEORGHE NEDELESCU**