

CONFORMED COPY

LOAN NUMBER 3309 ME

(Export Sector Loan)

between

UNITED MEXICAN STATES

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated May 2, 1991

LOAN NUMBER 3309 ME

GUARANTEE AGREEMENT

AGREEMENT, dated May 2, 1991, between UNITED MEXICAN STATES (the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank).

(A) the Guarantor and the Borrower having been satisfied as to the feasibility and priority of the Project described in Schedule 2 to this Agreement have requested the Bank to assist in the financing of the Project; and

(B) by the Loan Agreement of even date herewith between the Bank and the Borrower, the Bank has agreed to extend to the Borrower a loan in various currencies equivalent to three hundred million dollars (\$300,000,000), on the terms and conditions set forth in the Loan Agreement, but only on condition that the Guarantor agree to guarantee the obligations of the Borrower in respect of such loan and to undertake other obligations as provided in this Agreement; and

WHEREAS the Guarantor, in consideration of the Bank's entering

into the Loan Agreement with the Borrower, has agreed so to guarantee such obligations of the Borrower;

NOW THEREFORE the parties hereto hereby agree as follows:

ARTICLE I

General Conditions; Definitions

Section 1.01. The "General Conditions Applicable to Loan and Guarantee Agreements" of the Bank, dated January 1, 1985, with the modifications set forth in Section 1.01 of the Loan Agreement (the General Conditions) constitute an integral part of this Agreement.

Section 1.02. Unless the context otherwise requires, the several terms defined in the General Conditions, in the Preamble to this Agreement and in the Preamble to and Section 1.02 of the Loan Agreement have the respective meanings therein set forth.

ARTICLE II

Guarantee; Provision of Funds

Section 2.01. Without limitation or restriction upon any of its other obligations under the Guarantee Agreement, the Guarantor hereby unconditionally guarantees, as primary obligor and not merely as surety, the due and punctual payment of the principal of, and interest and other charges on, the Loan, and the premium, if any, on the prepayment of the Loan, and the punctual performance of all other obligations of the Borrower, all as set forth in the Loan Agreement.

Section 2.02. The Guarantor shall enter into the contractual arrangements with the Borrower referred to in Section 3.03 of the Loan Agreement and, unless the Bank shall otherwise agree, shall not change or fail to enforce any of the provisions of such contractual arrangements.

Section 2.03. Without limitation or restriction upon other obligations of the Guarantor under this Agreement, the Guarantor specifically undertakes, whenever there is reasonable cause to believe that the funds available to the Borrower will be inadequate to meet the estimated expenditures required for the carrying out of the Project, to make arrangements, satisfactory to the Bank, promptly to provide the Borrower or cause the Borrower to be provided with such funds as are needed to meet such expenditures.

ARTICLE III

Execution of the Project

Section 3.01. The Guarantor declares its commitment to the objectives of the Project as set forth in Schedule 2 to the Loan Agreement, and, to this end, shall carry out Part A of the Project with due diligence and efficiency and in accordance with sound financial and administrative practices.

Section 3.02. Except as the Bank shall otherwise agree, procurement of goods, works and services required for the Project and to be financed from the proceeds of the Loan, shall be governed by the provisions of Schedule 4 to the Loan Agreement.

Section 3.03. The Guarantor shall provide or cause to be provided to the Borrower, in a timely manner, all documents and records in respect of expenditures financed out of the proceeds of the Loan under Part A of the Project required to enable the Borrower to comply with the provisions of Section 4.01 of the Loan Agreement.

ARTICLE IV

Representative of the Guarantor; Addresses

Section 4.01. The Director General de Captacion de Credito Externo of the Secretaria de Hacienda y Credito Publico is designated as representative of the Guarantor for the purposes of Section 11.03 of the General Conditions.

Section 4.02. The following addresses are specified for the purposes of Section 11.01 of the General Conditions:

For the Guarantor:

Direccion General de Captacion
de Credito Externo
Secretaria de Hacienda y Credito Publico
Palacio Nacional
Primer Patio Mariano, Piso 4
06066 Mexico, D.F.
Mexico

Telex:

1777313-SHDCME or
01774300
Mexico City

For the Bank:

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

Cable address:

Telex:

INTBAFRAD
Washington, D.C.

248423 (RCA)
82987 (FTCC)
64145 (WUI) or
197688 (TRT)

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Agreement to be signed in their respective names in the District of Columbia, United States of America, as of the day and year first above written.

UNITED MEXICAN STATES

By /s/ Jose Angel Gurria
Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By /s/ S. Shahid Husain
Regional Vice President
Latin America and the Caribbean



