

LOAN NUMBER 3141-ME

GUARANTEE AGREEMENT

(Second Agricultural Marketing Project)

between

UNITED MEXICAN STATES

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated January 23, 1990

LOAN NUMBER 3141-ME

GUARANTEE AGREEMENT

AGREEMENT, dated January 23, 1990, between UNITED MEXICAN STATES (the Guarantor) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank).

WHEREAS: (A) the Guarantor and Nacional Financiera, S.N.C. (the Borrower), having been satisfied as to the feasibility and priority of the Project described in Schedule 2 to the Loan Agreement, have requested the Bank to assist in the financing of the Project;

(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 one hundred million dollars (\$100,000,000), 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 as provided in this Agreement;

(C) by an agreement (the FIDEC Project Agreement) of even date herewith, between the Bank and BANXICO, as trustee of FIDEC, BANXICO has agreed to undertake the obligations therein set forth;

(D) by an agreement (the SNIM Convenio) to be entered into, between the Borrower and Servicio Nacional de Informacion de Mercados (SNIM), SNIM will undertake the obligations therein set forth; 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 last sentence of Section 3.02 deleted (the General Conditions) constitute and 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, and Section 1.02 of the Loan Agreement, have the respective meanings therein set forth.

#### ARTICLE II

##### Guarantee; Provision of Funds

Section 2.01. (a) 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, without limitation or restriction upon any of its other obligations under the Guarantee Agreement, the Guarantor hereby unconditionally guarantees, as primary obligor and not as surety merely, 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 the other obligations of the Borrower, BANXICO and SNIM, as set forth in the Loan Agreement, the FIDEC Project Agreement and the SNIM Convenio, respectively.

(b) The Guarantor shall enter into the contractual arrangements referred to in Section 3.01 (a) of the Loan Agreement, with (i) the Borrower and BANXICO; and (ii) the Borrower and SNIM. Except as the Bank shall otherwise agree, the Guarantor shall not change or fail to enforce any provision of the Normatividad or such contractual arrangements.

#### ARTICLE III

#### Other Covenants

Section 3.01. (a) Without any limitation to, or restriction upon any of its obligations under this Agreement, the Guarantor shall: (i) take all measures required to assist BANXICO in carrying out its obligations under the FIDEC Project Agreement, and to assist SNIM in carrying out its obligations under the SNIM Convenio; and (ii) not take or permit to be taken, any action which would prevent or interfere with the performance by BANXICO or SNIM of their respective obligations under the FIDEC Project Agreement and the SNIM Convenio.

(b) The Guarantor agrees, promptly after the completion of the study forming Part B.2 (b) of the Project, to exchange views with the Bank on its findings and recommendations, as contemplated in Section 2.05 (d) of the FIDEC Project Agreement.

Section 3.02. For the purposes of Sections 6.02 (c) and (d) and Section 7.01 (e) of the General Conditions, the obligations of Mexico under the General Interest Agreement are hereby incorporated as obligations of the Guarantor as if they were fully set forth therein.

#### ARTICULO 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 of the Guarantor 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  
Paseo del Patio Mariano, Piso 4o.  
Oficina 4025 Palacio Nacional  
0606 Mexico, D.F.  
Mexico

Telex:

1777313-SH DCME

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

440098 (ITT)  
248433 (RCA) or  
64145 (WUI)

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have

caused this Agreement to be signed in their respective names in Mexico City, Mexico, as of the day and year first above written.

UNITED MEXICAN STATES

By

Authorized Representative

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By

President

