

**CONFORMED COPY**

**LOAN NUMBER 7523-BR**

# **Guarantee Agreement**

**(Teresina Enhancing Municipal Governance and Quality of Life Project –  
Lagoas do Norte)**

**between**

**FEDERATIVE REPUBLIC OF BRAZIL**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**Dated July 24, 2008**

**LOAN NUMBER 7523-BR**

**GUARANTEE AGREEMENT**

AGREEMENT, dated July 24, 2008, entered into between the FEDERATIVE REPUBLIC OF BRAZIL (“Guarantor”) and the INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) (“Guarantee Agreement”) in connection with the Loan Agreement of same date between the Bank and the Municipality of Teresina (“Borrower”) (“Loan Agreement”). The Guarantor and the Bank hereby agree as follows:

**ARTICLE I – GENERAL CONDITIONS; DEFINITIONS**

Section 1.01. The General Conditions (as defined in the Appendix to the Loan Agreement) constitute an integral part of this Agreement.

Section 1.02. Unless the context requires otherwise, the capitalized terms used in this Agreement have the meanings ascribed to them in the General Conditions or in the Loan Agreement.

**ARTICLE II – GUARANTEE**

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 as surety merely, the due and punctual payment of all Loan Payments payable by the Borrower pursuant to the Loan Agreement.

**ARTICLE III – REPRESENTATIVE; ADDRESSES**

Section 3.01. The Guarantor’s Representative is the Minister of Finance.

Section 3.02. The Guarantor’s Address is:

Ministério da Fazenda  
Procuradoria Geral da Fazenda Nacional  
Esplanada dos Ministérios, Bloco "P" - 8º andar  
70048-900 Brasília, DF  
Brazil  
Facsimile: 55-61-3412-1740

Section 3.03. The Bank's Address is:

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

Cable:	Telex:	Facsimile:
INTBAFRAD Washington, D.C.	248423 (MCI) or 64145 (MCI)	(202) 477-6391

AGREED at the District of Columbia, United States of America, as of the day  
and year first above written.

FEDERATIVE REPUBLIC OF BRAZIL

By /s/ Wannine Lima  
Authorized Representative

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By /s/ Pamela Cox  
Authorized Representative