

Public Disclosure Authorized

CONFIRMED COPY

LOAN NUMBER 7662-BR

# Guarantee Agreement

(Integrated Water Management of Metropolitan São Paulo –  
*Programa de Saneamento Ambiental dos Mananciais do Alto Tietê – Programa  
Mananciais - SABESP Project*)

between

FEDERATIVE REPUBLIC OF BRAZIL

and

INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT

Dated October 28, 2009

Public Disclosure Authorized

**LOAN NUMBER 7662 -BR**

**GUARANTEE AGREEMENT**

AGREEMENT, dated October 28, 2009, entered into between the FEDERATIVE REPUBLIC OF BRAZIL (“Guarantor”) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) (“Guarantee Agreement”) in connection with the Loan Agreement of same date between the Bank and COMPANHIA DE SANEAMENTO BÁSICO DO ESTADO DE SÃO PAULO (“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 its 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.	288423 (MCI) or 64145 (MCI)	(202) 477-6391

AGREED at São Paulo, Brazil, as of the day and year first above written.

FEDERATIVE REPUBLIC OF BRAZIL

By /s/ Carlos Antonio Correa de Viana Bandeira  
Authorized Representative

INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT

By /s/ Makhtar Diop  
Authorized Representative