His Excellency
Mr. Firmino Filho
Mayor of the Municipality of Teresina
Government of the Municipality of Teresina
Praça Marechal Deodoro, 860, Centro
64000-160, Teresina, PI
Brazil

His Excellency
Mr. Henrique Meirelles
Minister of Finance
Procuradoria Geral da Fazenda Nacional - PGFN
Esplanada dos Ministérios, Bloco P – 8º Andar
70048-900, Brasília, DF
Brazil

IBRD Loan 8586-BR (Additional Financing for the Teresina Enhancing Municipal Governance and Quality of Life Project – Projeto de Melhoria da Qualidade de Vida e da Gestão Municipal de Teresina – PROGRAMA LAGOAS DO NORTE – ETAPA II Financiamento Adicional)

Amendment to the Loan Agreement

Excellencies,

We refer to the Loan Agreement for the above-captioned Project between the Municipality of Teresina (the “Borrower”) and the International Bank for Reconstruction and Development (the “Bank”), with a guarantee from the Federative Republic of Brazil (the "Guarantor"), dated April 27, 2016 (the “Loan Agreement”). Please note that capitalized terms used in this letter (the “Amendment Letter”) and not defined herein have the meaning ascribed to them in the Loan Agreement.

As agreed by the Bank, the Borrower and the Guarantor, we are pleased to inform you that Section II (Modifications to the General Conditions) of the Appendix to the Loan Agreement is hereby amended to include paragraphs 5, 6 and 7, as follows:

5. In the renumbered paragraph 49 (originally paragraph 48) of the Appendix, the definition of “Front-end Fee” is modified by replacing the reference to Section 3.01 with Section 3.01 (a).

6. In the renumbered paragraph 68 (originally paragraph 67) of the Appendix, the definition of the term “Loan Payment” is modified to read as follows:
“68. “Loan Payment” means any amount payable by the Loan Parties to the Bank pursuant to the Legal Agreements or these General Conditions, including (but not limited to) any amount of the Withdrawn Loan Balance, interest, the Front-end Fee, the Commitment Charge, interest at the Default Interest Rate (if any), any prepayment premium, any transaction fee for a Conversion or early termination of a Conversion, the Variable Spread Fixing Charge (if any), any premium payable upon the establishment of an Interest Rate Cap or Interest Rate Collar, and any Unwinding Amount payable by the Borrower.”

7. In the renumbered paragraph 73 (originally paragraph 72) of the Appendix, the definition of “Payment Date” is modified by deleting the word “is” and inserting the words “and Commitment Charge are” after the word “interest”.

Please confirm your agreement with the foregoing amendment by signing and dating the three originals of this Amendment Letter in the spaces provided below. The provisions set forth in this Amendment Letter shall become effective as of the date of the countersignature upon receipt by the Bank of a fully executed original of this Amendment Letter. All other provisions of the Loan Agreement except as amended through this Amendment Letter shall remain in full force and effect.

Very truly yours,

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

[Signature]

Martin Raiser
Director
Brazil
Latin American and the Caribbean Region

AGREED:
MUNICIPALITY OF TERESINA

By: [Signature]
Authorized Representative

Name: Firmino Filho
Title: Governor Mayor
Date: August 11, 2016
AGREED:

FEDERATIVE REPUBLIC OF BRAZIL

By: [Signature]
Authorised Representative

Name: [Signature]
Title: Attorney of the National Treasury

Date: 3rd January, 2017

cc: Mr. Otaviano Canuto, Executive Director for Brazil, The World Bank
Ms. Rosalia V. de Leon, Alternate Executive Director for Brazil, The World Bank
Mr. Eduardo Guardia, Executive Secretary, Ministry of Finance, gabinete.se.df@fazenda.gov.br
Mr. Miguel Ragone de Mattos, Chief of Staff, MF, sec.chgabin.gmf@fazenda.gov.br
Mr. Fabricio da Soller, Attorney General, PGFN/MF, apoiocof.df.pgfn@pgfn.gov.br
Ms. Ana Paula Vescovi, Secretary, National Treasury, STN/MF, gab.df.stn@fazenda.gov.br
Mr. Luis Antonio Balduino Carneiro, Secretary, SAIN/MF, gabinete.df.sain@fazenda.gov.br
Mr. Dyogo Henrique de Oliveira, Executive Secretary, MP, se@planejamento.gov.br
Mr. Jorge Arbache, Secretary of International Affairs, SEAIN/MP, seain@planejamento.gov.br