Dear Dr. Torres Garcia and Ms. Espinosa Cantellano:

Please refer to the Loan Agreement between the Banco Nacional de Obras y Servicios Públicos, S.N.C., Institución de Banca de Desarrollo (the Borrower) and the International Bank for Reconstruction and Development (the Bank) (the Loan Agreement), the Guarantee Agreement between the United Mexican States (the Guarantor), represented by the Titular de la Unidad de Crédito Público of the Ministry of Finance and Public Credit ("SHCP") and the Tesorería de la Federación of the SHCP, and the Bank (the Guarantee Agreement), and the Operation Agreement between the State of Oaxaca (the Operation Implementing Entity) and the Bank (the Operation Agreement), all dated June 13, 2014, (collectively, the Agreements) for the Oaxaca Water and Sanitation Sector Modernization Operation. The capitalized terms used in this letter (the Amendment Letter) and not defined herein have the meaning ascribed to them in the Loan Agreement.

Pursuant to the Borrower's letter dated October 6, 2015, and subsequent conversations among the Guarantor, the Borrower, the Operation Implementing Entity and the Bank to amend the Agreements, we are pleased to inform you that the Bank agrees to amend the terms of the Guarantee Agreement as follows and set forth in the Annex to this Amendment Letter (the Amended and Reinstated Guarantee Agreement):

1. The WHEREAS clause (A) is hereby amended to read in its entirety as follows:
“(A) WHEREAS by a Loan Agreement of even date herewith between the Bank and Banco Nacional de Obras y Servicios Públicos, S.N.C. ("Borrower"), the Bank has agreed to extend to the Borrower a Program Loan in the amount of fifty five million Dollars ($55,000,000) 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; and"

2. Section 2.01 is hereby amended to read in its entirety as follows:

"Section 2.01. The Guarantor declares its commitment to the objectives of the Operation. 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 all Program Loan Payments payable by the Borrower pursuant to the Loan Agreement."

Please confirm your agreement with the foregoing amendment by signing and returning to us the enclosed copy of this Amendment Letter. All other provisions of the Guarantee Agreement except as amended through this Amendment Letter shall remain in full force and effect. This Amendment Letter shall be executed in four counterparts, each of which shall be an original. The provisions set forth in this Amendment Letter shall become effective on the date on which the amendment letter to the Loan Agreement becomes effective.

Please note that the restructuring paper dated November 25, 2015 will be disclosed on the Bank’s external website.

Very truly yours,

By Jutta Ursula Kerl
Acting Director
Mexico, Country Management Unit
Latin America and the Caribbean Region
AGREED:

UNITED MEXICAN STATES

By: 

Authorized Representative

Name: Alberto Torres García

Title: Deputy Undersecretary for Public Credit of the Ministry of Finance and Public Credit

Signed by Tesorería de la Federación for the only purposes of article 54 of the “Ley del Servicio de Tesorería de la Federación”, regarding the Guarantor’s obligations set forth in Article II Section 2.01 of this Guarantee Agreement.

By: 

Authorized Representative

Name: Irene Espinoza González

Title: Tesorera de la Federación
Amended and Restated Guarantee Agreement

(Oaxaca Water and Sanitation Sector Modernization Operation)

between

UNITED MEXICAN STATES

and

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

Dated June 13, 2014, as amended and reinstated on December 14, 2015
GUARANTEE AGREEMENT

AGREEMENT, dated June 13, 2014, as amended and restated on December 14, 2015 entered into between UNITED MEXICAN STATES (“Guarantor”), represented for the purposes of this Agreement, by the Titular de la Unidad de Crédito Público of the Ministry of Finance and Public Credit (“SHCP”) and the Tesorería de la Federación of the SHCP and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (“Bank”) (“Guarantee Agreement”) in connection with the Loan Agreement of same date between the Bank and Banco Nacional de Obras y Servicios Públicos, S.N.C. (“Borrower”) (“Loan Agreement”).

(A) WHEREAS by a Loan Agreement of even date herewith between the Bank and Banco Nacional de Obras y Servicios Públicos, S.N.C. (“Borrower”), the Bank has agreed to extend to the Borrower a Program Loan in the amount of fifty five million Dollars ($55,000,000) 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; and

(B) 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;

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. The Guarantor declares its commitment to the objectives of the Operation. 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 all Program Loan Payments payable by the Borrower pursuant to the Loan Agreement.

ARTICLE III – REPRESENTATIVE; ADDRESSES

Section 3.01. The Guarantor’s Representative is Titular de la Unidad de Crédito Público of SHCP.
Section 3.02. The Guarantor’s Address is:

Secretaria de Hacienda y Crédito Público
Unidad de Crédito Público
Plaza Inn, Avenida Insurgentes No. 1971,
Torre III, Piso 7, Colonia Guadalupe Inn
México, Distrito Federal, 01020

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: INTBAFRAD Telex: 248423 (MCI) or 64145 (MCI)
Facsimile: (202) 477-6391
AGREED at Mexico City, Mexico as of the day and year first above written.

UNITED MEXICAN STATES

By: /s/ Alejandro Díaz de León
Authorized Representative

Signed by Tesorería de la Federación for the only purposes of article 54 of the “Ley del Servicio de Tesorería de la Federación”, regarding the Guarantor's obligations set forth in Article II Section 2.01 of this Guarantee Agreement.

By: /s/ Irene Espinosa Cantellano
Authorized Representative

INTERNATIONAL BANK FOR
RECONSTRUCTION AND DEVELOPMENT

By: /s/ Gloria M. Grandolini
Authorized Representative