

CREDIT FACILITY AGREEMENT

dated as of August 26th /2020

between

AGENCE FRANÇAISE DE DEVELOPPEMENT

The Lender

and

THE MUNICIPALITY OF CURITIBA

The Borrower

and

THE FEDERATIVE REPUBLIC OF BRAZIL

The Guarantor

For the financing of the Project

PROJETO GESTÃO DO RISCO CLIMÁTICO BAIRRO NOVO DO CAXIMBA




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CREDIT FACILITY AGREEMENT

BETWEEN:

THE MUNICIPALITY OF CURITIBA, State of Paraná, a public entity with head offices in the city of CURITIBA, herein represented by its Mayor, Rafael Valdomiro Greca de Macedo, duly authorized to execute this Agreement under Municipality Organic Law, (the “**Borrower**”);

AND

- (1) **AGENCE FRANCAISE DE DEVELOPPEMENT**, a French public entity governed by French law, with registered office at 5, Rue Roland Barthes, 75598 Paris Cedex 12, France, registered with the Trade and Companies Register of Paris under number 775 665 599, represented by Bruno Leclerc, in his capacity as Director of the Latin America Department, duly authorized to sign this Agreement,

(“**AFD**” or the “**Lender**”);

AND

THE FEDERATIVE REPUBLIC OF BRAZIL, represented by the Ministry of Economy, duly authorized to sign this Agreement as guarantor under Brazilian Federal Senate Resolution No. 8/2020 (the “**Guarantor**”).

(hereinafter jointly referred to as the “**Parties**” and each a “**Party**”);

WHEREAS:

- (A) The Borrower intends to implement the climate risks management project in the district of Novo Caximba in Curitiba, “*Projeto Gestão do Risco Climático Bairro Novo do Caximba*” (the “**Project**”), as described further in Schedule 2 (*Project Description*).
- (B) The Borrower has requested that the Lender makes a facility available for the purposes of financing the Project in part.
- (C) The Brazilian Federal Senate approved (i) the signature of the Credit Facility Agreement by the Borrower and (ii) the Guarantee granted in relation to the Borrower’s obligations under the present Credit Facility Agreement pursuant to the Federal Senate Resolution N°. 8, dated July 3, 2020.
- (D) Pursuant to a resolution n° C20190799 dated 13th of November 2019, the Lender has agreed to make the Facility available to the Borrower pursuant to the terms and conditions of this Agreement.



THEFORE THE PARTIES HAVE AGREED AS FOLLOWS:

1. DEFINITIONS AND INTERPRETATION

1.1 Definitions

Capitalized words and expressions used in this Agreement (including those appearing in the recitals above and in the Schedules) shall have the meaning given to them in Schedule 1A (Definitions), except as otherwise provided in this Agreement.

1.2 Interpretation

Words and expressions used in this Agreement shall be construed pursuant to the provisions of Schedule 1B (*Construction*) except as otherwise provided herein.

2. FACILITY, PURPOSE AND CONDITIONS OF UTILISATION

2.1 Facility

Subject to the terms of this Agreement, the Lender makes available to the Borrower a Facility in a maximum aggregate amount of *thirty eight million one hundred and forty one thousand and one hundred and twenty four* Euros (EUR 38.141.124).

2.2 Purpose

The Borrower shall apply all amounts borrowed by it under this Facility exclusively towards financing Eligible Expenses, excluding Taxes, in accordance with the Project's description set out in Schedule 2 (*Project Description*) and the Financing Plan set out in Schedule 3 (*Financing Plan*).

2.3 Monitoring

The Lender shall not be held responsible for the use of any amount borrowed which is not in accordance with the provisions of this Agreement.

2.4 Conditions precedent

- (a) No later than the Signing Date, the Borrower shall provide to the Lender all of the documents set out in Part I of Schedule 4 (Conditions Precedent).
- (b) A Drawdown Request may not be delivered to the Lender unless:
 - (i) in the case of the first Drawdown, the Lender has received all of documents listed in Part II of Schedule 4 (Conditions Precedent) and has notified the Borrower that such documents are satisfactory in form and substance;
 - (ii) in the case of any subsequent Drawdown, the Lender has received all of the documents set out in Part III and Part IV of Schedule 4 (Conditions Precedent) and has notified the Borrower that such documents are satisfactory in form and substance; and
 - (iii) on the date of the Drawdown Request and on the proposed Drawdown Date for the relevant Drawdown, no Payment Systems Disruption Event has occurred and the conditions set out in this Agreement have been fulfilled, including:

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A large stylized 'R' and a signature 'J.S.' with a flourish.

- 1) no Event of Default is continuing or would result from the proposed Drawdown;
- 2) the Drawdown Request has been made in accordance with the terms of Clause 3.2 (Drawdown request);
- 3) each representation given by the Borrower in relation to Clause 10 (Representations and warranties) is true;
- 4) the previous Advance was used in accordance with this Agreement.

3. DRAWDOWN OF FUNDS

3.1 Drawdown amounts

The Facility will be made available to the Borrower during the Availability Period, in several Drawdowns.

The amount of the proposed Drawdown shall be a minimum of *five million* Euros (EUR 5,000,000) or an amount equal to the Available Credit if such amount is less than *five million* Euros (EUR 5,000,000).

3.2 Drawdown request

Provided that the conditions set out in Clause (ii) (*Conditions precedent*) are satisfied, the Borrower may draw on the Facility by delivery to the Lender of a duly completed Drawdown Request. Each Drawdown Request shall be delivered by the Borrower to the Director of the AFD agency at: Agence Française de Développement, Edificio Parque Cidade Corporate, Setor Comercial Sul Qd. 09 Lote C S/N Bloco A, Torre C, Sala 1103, Brasília-DF, Brasil.

Each Drawdown Request is irrevocable and will be regarded as having been duly completed if:

- (a) the Drawdown Request is substantially in the form set out in Schedule 5A (*Form of Drawdown Request*);
- (b) the Drawdown Request is received by the Lender at the latest fifteen (15) Business Days prior to the Deadline for Drawdown;
- (c) the proposed Drawdown Date is a Business Day falling within the Availability Period;
- (d) the amount of the Drawdown complies with Clause 3.1 (*Drawdown amounts*); and
- (e) all of the documents set out in Part III and Part IV of Schedule 4 (*Conditions Precedent*) for the purposes of the Drawdown are attached to the Drawdown Request, comply with the abovementioned Schedule and with the requirements of Clause 3.4 (*Payment mechanics*), and are in form and substance satisfactory to the Lender.

Any documentary evidence, such as bills or paid invoices, shall include the reference number and date of the relevant payment order. The Borrower undertakes to keep possession of the documentary evidence originals, to make such evidence available to

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the Lender at any time and to provide the Lender with Certified copies or duplicates of such evidence as the Lender may request.

3.3 Payment completion

Subject to Clause 15.7 (*Payment Systems Disruption*), if each of the conditions set out in Clause (b) (*Conditions precedent*) of this Agreement has been met, the Lender shall make the requested Drawdown available to the Borrower not later than the Drawdown Date.

The Lender shall provide the Borrower with a letter of Drawdown confirmation substantially in the form set out in Schedule 5B (*Form of confirmation of drawdown and rate*).

3.4 Payment mechanics

The Facility shall be made available in accordance with the following terms:

Advances

The Facility shall be made available by the Lender in the form of advances ("**Advance(s)**") paid into the Project Account (as defined below).

3.4.1 Opening of the Project Account

The Borrower shall open and maintain an account in the name of the Project (the "**Project Account**"), at an Acceptable Bank (the "**Account Bank**"), [pledged in favor of the Lender], for the sole purpose of (i) receipt of the proceeds of a Drawdown and (ii) payment of the Eligible Expenses.

The Borrower hereby undertakes to waive, and procure that the Account Bank waives, any right of set-off such party may have in respect of the Project Account and any other account opened in the name of the Borrower at the Account Bank, or against any other debt of the Borrower.

In the event that the Account Bank ceases to be an Acceptable Bank, the Lender may instruct the Borrower to replace the Account Bank with another Acceptable Bank. The Borrower hereby undertakes to replace the Account Bank promptly at its own cost immediately upon the Lender's first demand.

3.4.2 Initial Advance

Provided that the conditions set out in Clause 2.4 (*Conditions precedent*) have been satisfied, the Lender shall pay an initial Advance of *five million* Euros (EUR 5,000,000) to the Project Account.

3.4.3 Additional Advances

Additional Advances will be paid upon the Borrower's request, subject to the conditions set out in Clause 2.4 (*Conditions precedent*) being satisfied.

3.4.4 Final Advance

Unless the Lender agrees otherwise, the final Advance shall be paid in accordance with the same conditions as the other Advances and, if applicable,

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shall take into account any change in the financing plan of the Project agreed between the Parties.

3.4.5 Justification for use of Advances

The Borrower agrees to deliver to the Lender:

- (i) no later than the Deadline for Use of Funds (defined as the date of expiration of twelve (12) month period starting on the payment date of the last Advance), a certificate signed by an authorized signatory of the Borrower certifying that one hundred per cent (100%) of both the penultimate Advance and the final Advance have been used and providing a detailed breakdown of the sums paid in respect of the Eligible Expenses in the relevant period; and
- (ii) no later than three (3) months after the date of delivery of the certificate referred to in subparagraph above, a final audit report of the Project Account (the "Final Audit Report"), carried out by an independent and reputable auditing firm appointed by the Borrower, subject to the Lender's no-objection on the terms of reference of the audit mission and the appointment of the auditing selected by the Borrower. All audit costs shall be paid by the Borrower. The appointed auditing firm shall verify that all amounts drawn under the Facility and paid into the Project Account have been used in accordance with the terms and conditions of this Agreement.

3.4.6 Applicable exchange rate

If any Eligible Expenses are denominated in a currency other than Euro, the Borrower shall convert the invoice amount into the equivalent amount in Euros using:

- the exchange rate applied by the Account Bank on the day it provides the currency used for the invoice payment. The Beneficiary shall attach documentary evidence of the exchange rate together with its relevant invoice.

3.4.7 Deadline for Use of Funds

The Borrower agrees that all funds paid in the form of Advances shall be used in full to pay Eligible Expenses no later than the Deadline for the Use of Funds.

3.4.8 Control – Audit

The Borrower agrees that, during the Drawdown Period, the Project Account shall be audited on an annual basis. These audits shall be carried out by an independent and reputable auditing firm, appointed by the Borrower, subject to the Lender's no-objection on the terms of reference of the audit mission and the appointed auditing firm. All audit costs shall be paid by the Borrower. The auditing firm shall verify that all amounts drawn under the Facility and paid into the Project Account have been used in accordance with the terms of this Agreement.

Audit reports shall be made available no later than three (3) months after the last day of each fiscal year in Brazil. In case the first Drawdown occurs on or after

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October 1st, upon agreement between the Borrower and the Lender, the audit report for the first year may be included in the next year's audit report.

During the Drawdown Period, the Lender may carry out, or procure that a third party carries out on its behalf and at the cost of the Borrower, random inspections rather than systematic control of documentary evidence.

3.4.9 Failure to justify the use of Advances by the Deadline for Use of Funds

The Lender may request that the Borrower repays all amounts in respect of which utilization has not been duly or sufficiently justified, together with all other sums standing to the credit of the Project Account on the Deadline for Use of Funds. The Borrower shall repay such amounts to the Lender within twenty (20) calendar days of receipt of such notification from the Lender. Any repayment by the Borrower under this Clause shall be treated as a mandatory prepayment in accordance with the provisions of Clause 8.2 (*Mandatory prepayment*).

3.4.10 Retention of documents

The Borrower shall retain documentary evidence and other documents in connection with the Project Account and use of the Advances for a period of ten (10) years from the date of the last Drawdown under the Facility.

The Borrower undertakes to deliver such documentary evidences and other documents to the Lender, or to any auditing firm appointed by the Lender, upon the Lender's request

3.4.11 Remuneration of the Project Account

The Project Account may be remunerated. The Lender will notify its agreement to the Borrower on the investment rules which are envisaged. The Borrower undertakes that all of the interest produced will be disbursed for the benefit of the Project.

4. INTEREST


4.1 Interest Rate

4.1.1 *Floating interest rate with conversion from the floating Interest Rate to the fixed Interest Rate upon the Borrower's request and the non-objection of the Guarantor: this option is applicable for several drawdowns without any minimum amount of five million euros.* Selection of Interest Rate

For each Drawdown, the Borrower may select a fixed Interest Rate or a floating Interest Rate, which shall apply to the amount set out in the relevant Drawdown Request, by stating the selected Interest Rate, i.e., fixed or floating, in the Drawdown Request delivered to the Lender substantially in the form set out in Schedule 5A (*Form of Rate Conversion Request*), subject to the following conditions:

(i) Floating Interest Rate

The Borrower may select a floating Interest Rate, which shall be the percentage rate per annum, being the aggregate of:

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- six-month EURIBOR; and
- the Margin.

Notwithstanding the above, in the case of the first Drawdown, if the first Interest Period is less than one hundred and thirty-five (135) days, the applicable EURIBOR shall be:

- one-month EURIBOR if the first Interest Period is less than sixty (60) days; or
- three-month EURIBOR if the first Interest Period is between sixty (60) days and one hundred and thirty-five (135) days.

(ii) Fixed Interest Rate

Provided that the amount of a requested Drawdown is equal to or greater than five million Euros (EUR 5,000,000), the Borrower may select a fixed Interest Rate for such requested Drawdown. The fixed Interest Rate shall be the Fixed Reference Rate increased or decreased by any fluctuation of the Index Rate for the period from the Signing Date until the relevant Rate Setting Date.

The Borrower may specify in the Drawdown Request a maximum amount for fixed Interest Rate. If the fixed Interest Rate as calculated on the Rate Setting Date exceeds the maximum amount for fixed Interest Rate specified in the relevant Drawdown Request, such Drawdown Request shall be cancelled and the Drawdown amount specified in the cancelled Drawdown Request shall be credited to the Available Credit.

4.1.2 Minimum Interest Rate

The Interest Rate determined in accordance with Clause 4.1.1 (*Selection of Interest Rate*), regardless of the elected option, shall not be less than zero point twenty-five per cent (0.25%) per annum, notwithstanding any decline in the Interest Rate.

4.1.3 Conversion from a floating Interest Rate to a fixed Interest Rate

(i) Rate Conversion upon the Borrower's request

The Borrower may request at any time that the Lender converts the floating Interest Rate applicable to a Drawdown or several Drawdowns to a fixed Interest Rate, provided that the amount of such Drawdown or aggregate amount of Drawdowns (as applicable) is equal to, or higher than, five million Euros (EUR 5,000,000).

To this effect, the Borrower shall send to the Lender a Rate Conversion Request substantially in the form set out in Schedule 5C (*Form of Rate Conversion Request*). The Borrower may specify in the Rate Conversion Letter a maximum amount for fixed Interest Rate. If the fixed Interest Rate as calculated on the Rate Setting Date exceeds the maximum amount for fixed Interest Rate specified by the Borrower in the Rate Conversion Request, such Rate Conversion Request will be automatically cancelled.

The fixed Interest Rate will be effective two (2) Business Days after the Rate Setting Date.

(ii) Rate Conversion mechanics

The fixed Interest Rate applicable to the relevant Drawdown(s) shall be determined in accordance with Clause (ii) (*Fixed Interest Rate*) above on the Rate Setting Date referred to in subparagraph (i) above.

The Lender shall send to the Borrower a letter of confirmation of Rate Conversion substantially in the form set out in Schedule 5D (*Form of Rate Conversion Confirmation*).

A Rate Conversion is final and effected without costs.

4.2 Calculation and payment of interest

The Borrower shall pay accrued interest on Drawdown(s) on each Payment Date.

The amount of interest payable by the Borrower on a relevant Payment Date and for a relevant Interest Period shall be equal to the sum of any interest owed by the Borrower on the amount of the Outstanding Principal in respect of each Drawdown. Interest owed by the Borrower in respect of each Drawdown shall be calculated on the basis of:

- (i) the Outstanding Principal owed by the Borrower in respect of the relevant Drawdown as at the immediately preceding Payment Date or, in the case of the first Interest Period, on the corresponding Drawdown Date;
- (ii) the exact number of days which have accrued during the relevant Interest Period on the basis of a three hundred and sixty (360) day year; and
- (iii) the applicable Interest Rate determined in accordance with the provisions of Clause 4.1 (Interest Rate).

4.3 Late payment and default interest

- (a) Late payment and default interest on all amounts due and unpaid (except for interest)

If the Borrower fails to pay any amount payable by it to the Lender under this Agreement (whether a payment of principal, a Prepayment Indemnity, any fees or incidental expenses of any kind except for any unpaid overdue interest) on its due date, interest shall accrue on the overdue amount, to the extent permitted by law, from the due date up to the date of actual payment (both before and after an arbitral award, if any) at the Interest Rate applicable to the current Interest Period (default interest) increased by three point five per cent (3.5%) (late payment interest). No formal prior notice from the Lender shall be necessary.

- (b) Late payment and default interest on unpaid overdue interest

Interest which has not been paid on its due date shall bear interest, provided they have remained unpaid for one year and to the extent permitted by law, at the Interest Rate applicable to the ongoing Interest Period (default interest), increased by three point five per cent (3.5%) (late payment interest), to the extent that such Interest has been due and payable for at least one (1) year. No formal prior notice from the Lender shall be necessary.

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The Borrower shall pay any outstanding interest under this Clause 4.3 (*Late payment and default interest*) immediately on demand by the Lender or on each Payment Date following the due date for the outstanding payment.

- (c) Receipt of any payment of late payment interest or default interest by the Lender shall neither imply the grant of any payment extension to the Borrower, nor operate as a waiver of any of the Lender's rights hereunder.

4.4 Communication of Interest Rates

The Lender shall promptly notify the Borrower of the determination of each Interest Rate in accordance with this Agreement.

4.5 Effective Global Rate (TEG - *Taux Effectif Global*)

In order to comply with the French Consumer Code and L. 313-4 of the French Monetary and Financial Code, the Lender informs the Borrower, and the Borrower accepts, that the effective global rate (TEG - *taux effectif global*) applicable to the Facility may be valued at an annual rate of one point thirty eight per cent (1.38 %) on the basis of a three hundred and sixty-five (365) day year and an Interest Period of six (6) months, subject to the following:

- (a) the above rates are given for information purposes only;
- (b) the above rates are calculated on the basis that:
 - (i) drawdown of the Facility is in full on the Signing Date;
 - (ii) no Drawdown made available to the Borrower will bear interest on the floating rate; and
 - (iii) the fixed rate for the duration of the facility should be equal to one point thirty one per cent (1.31 %);
- (c) the above rates take into account the commissions and costs payable by the Borrower under this Agreement, assuming that such commissions and costs will remain fixed and will apply until the expiry of the term of this Agreement.

5. MARKET DISRUPTION

- (a) If a Market Disruption Event affects the interbank market in the Eurozone and it is impossible to determine the applicable EURIBOR for the relevant Interest Period, the Lender shall inform the Borrower and the Guarantor without delay.
- (b) Upon the occurrence of the event described in paragraph (a) above, the applicable Interest Rate for the relevant Interest Period will be the sum of:
 - (i) the Margin; and
 - (ii) the percentage rate per annum corresponding to the cost to the Lender of funding the Drawdown(s) formally selected by the EURIBOR administrator or, if not available, selected by the Lender's banking authority or, if not available, the new market reference generally accepted or, if not available, from whatever source the Lender may reasonably select, after consultation with the Borrower and the Guarantor. Such rate shall be notified to the Borrower and to the Guarantor as

soon as possible and, in any case, prior to the Payment Date for interest owed under the relevant Interest Period.

6. FEES

6.1 Commitment fees

From the Signing Date onwards, the Borrower shall pay to the Lender a commitment fee of zero point fifty per cent (0.50%) per annum.

The commitment fee shall be computed at the rate specified above on the amount of the Available Credit pro-rated for the actual number of days elapsed increased by the amount of any Drawdowns to be made available by the Lender in accordance with any pending Drawdown Requests.

The first commitment fee shall be calculated for the period from (i) the Signing Date (excluded) up to (ii) the immediately following Payment Date (included). Subsequent commitment fees shall be calculated for periods commencing on the day immediately following a Payment Date (included) and ending on the next Payment Date (included).

The accrued commitment fee shall be payable (i) on each Payment Date within the Availability Period; (ii) on the Payment Date following the last day of the Drawdown Period; and (iii) in the event the Available Credit is cancelled in full, on the Payment Date following the effective date of such cancellation.

6.2 Appraisal Fee

No later than sixty (60) calendar days after the Signing Date and before the first Drawdown, the Borrower shall pay to the Lender an appraisal fee of zero point fifty percent (0.50%) calculated on the maximum amount of the Facility.

7. REPAYMENT

Following expiry of the Grace Period, the Borrower shall repay the Lender the principal amount of the Facility in *thirty* (30) equal semi-annual instalments, due and payable on each Payment Date. The first instalment shall be due and payable on 31 March 2026¹ and the last instalment shall be due and payable on 30 September 2040².

At the end of the Drawdown Period, the Lender shall deliver to the Borrower an amortization schedule in respect of the Facility taking into account, if applicable, any potential cancellation of the Facility pursuant to Clauses 8.3 (*Cancellation by the Borrower*) and/or 8.4 (*Cancellation by the Lender*).

8. PREPAYMENT AND CANCELLATION

8.1 Voluntary prepayment

The Borrower shall not be entitled to prepay the whole or any part of the Facility prior to the expiration date of a one hundred twenty (120) month period starting on the Signing Date.

¹ To be filled at the signing date (no later than 66 months after the signing date).

² To be filled at the signing date (no later than 240 months after the signing date).

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As from the date referred to in the previous paragraph, the Borrower may prepay the whole or any part of the Facility, subject to the following conditions:

- (a) the Borrower shall notify the Lender and the Guarantor of its intention to prepay by not less than thirty (30) Business Days' written and irrevocable notice prior to the contemplated prepayment date;
- (b) the amount to be prepaid shall be equal to one or several instalment(s) in principal;
- (c) the contemplated prepayment date shall be a Payment Date;
- (d) all prepayments shall be made together with the payment of accrued interest, any fees, indemnities and related costs in connection with the prepaid amount as provided under this Agreement;
- (e) there is no outstanding amount; and
- (f) in case of a part prepayment, the Borrower shall have given evidence, satisfactory to the Lender, that it has sufficient committed funding available for the purpose of financing the Project as determined in the Financing Plan.

On the Payment Date on which the prepayment is made, the Borrower shall pay the full amount of the Prepayment Indemnities due and payable pursuant to Clause 9.3 (Prepayment Indemnity)

8.2 Mandatory prepayment

The Borrower shall immediately prepay the whole or part of the Facility upon receipt of a notice from the Lender informing the Borrower of any of the following events:

- (a) Illegality: it becomes unlawful for the Lender pursuant to its applicable law to perform any of its obligations as contemplated by this Agreement or to fund or maintain the Facility;
- (b) Additional Costs: Additional Costs referred to in paragraph (i) of Clause 9.5 (*Financial impact of entry into force of new laws*) are incurred by the Lender;
- (c) Default: the Lender declares an Event of Default in accordance with Clause 13 (*Events of Defaults*);
- (d) Failure to justify use of funds: the Borrower fails to justify in a manner satisfactory to the Lender the use of the Advances by the Deadline for Use of Funds or by a later date if agreed by the Lender;

In the case of each of the events specified in paragraphs (a), (b) and (d), the Lender reserves the right, after having notified the Borrower and the Guarantor in writing, to exercise its rights as a creditor in the manner specified in paragraph (b) of Clause 13.2 (*Acceleration*).

8.3 Cancellation by the Borrower

Prior to the Deadline for Drawdown, the Borrower may cancel the whole or any part of the Available Credit by giving the Lender a three (3) Business Days' prior notice.

Upon receipt of such notice of cancellation, the Lender shall cancel the amount notified by the Borrower, provided that the Eligible Expenses, as specified in the Financing Plan, are covered in a manner satisfactory to the Lender, except in the event that the Project is abandoned by the Borrower.

8.4 Cancellation by the Lender

The Available Credit shall be immediately cancelled upon delivery of a notice to the Borrower which shall be immediately effective, if:

- (a) the Available Credit is not equal to zero on the Deadline for Drawdown;
- (b) the first Drawdown has not occurred on the expiry date of a six (6) month period from the signature of the Credit Facility Agreement;
- (c) an Event of Default has occurred and is continuing; or
- (d) an event referred to in Clause 8.2 (*Mandatory prepayment*) has occurred;

except where, in the case of paragraphs (a) and (b) of this Clause 8.4 (*Cancellation by the Lender*), the Lender has proposed to postpone the Deadline for Drawdown or the deadline for the first Drawdown on the basis of new financial conditions which will apply to any Drawdowns under the Available Credit and the Borrower and the Guarantor have agreed on the proposition.

8.5 Restrictions


- (a) Any notice of prepayment or cancellation given by a Party pursuant to this Clause 8 (*Prepayment and Cancellation*) shall be irrevocable, and, unless otherwise provided in this Agreement, any such notice shall specify the date or dates on which the relevant prepayment or cancellation is to be made and the amount of that prepayment or cancellation.
- (b) The Borrower shall not prepay or cancel all or any part of the Facility except at the times and in the manner expressly provided for in this Agreement.
- (c) Any prepayment under this Agreement shall be made together with payment of (i) accrued interest on the prepaid amount, (ii) outstanding fees, and (iii) the Prepayment Indemnity referred to in Clause 9.3 (*Prepayment Indemnity*).
- (d) Any prepayment amount will be applied against the remaining instalments in inverse order of maturity.
- (e) The Borrower may not re-borrow the whole or any part of the Facility which has been prepaid or cancelled.

9. ADDITIONAL PAYMENT OBLIGATIONS

9.1 Costs and expenses

- 9.1.1 The Borrower shall pay directly or, if applicable, shall reimburse the Lender in case of advance made by the Lender, the amount of all costs and expenses incurred by the Lender in connection with the negotiation, preparation and signing of this Agreement or any other documents referred to in this Agreement (including any legal opinion), and any other Financing Documents executed

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after the Signing Date, also including the costs (if any) incurred for the sworn translation of this Agreement (*tradução juramentada*) into Portuguese.

The Borrower shall reimburse the Lender all legal fees, including any legal opinion, in a maximum amount of fifteen thousand Euros (15,000 EUR).

- 9.1.2 If an amendment to this Agreement is required, the Borrower shall reimburse to the Lender for all costs (including legal fees) reasonably incurred in responding to, evaluating, negotiating or complying with that requirement.
- 9.1.3 The Borrower shall reimburse to the Lender for all costs and expenses (including legal fees) incurred by it in connection with the enforcement or preservation of any of its rights under this Agreement.
- 9.1.4 The Borrower shall pay directly or, if applicable, reimburse the Lender in case of an advance made by the Lender, the amount of all costs and expenses in connection with the transfer of funds to, or for the account of, the Borrower from Paris to any other place agreed with the Lender, as well as any transfer fees and expenses in connection with the payment of all sums due under the Facility.

9.2 Cancellation Indemnity

If the Facility is cancelled in full or in part in accordance with the terms of Clauses 8.3 (*Cancellation by the Borrower*) and/or 8.4 (*Cancellation by the Lender*) paragraphs [(a)], (b) and (c), the Borrower shall pay a cancellation indemnity computed at a rate of two point five (2.5%) on the cancelled amount of the Facility.

This cancellation indemnity shall apply only if the accumulated cancelled amount of the Facility is above or equal to 10% (ten percent) of the Facility.

Each cancellation indemnity shall be due and payable on the Payment Date immediately following a cancellation of all or part of the Facility.

9.3 Prepayment Indemnity

On account of any losses suffered by the Lender as a result of the prepayment of the whole or any part of the Facility in accordance with Clauses 8.1 (*Voluntary prepayment*) or 8.2 (*Mandatory prepayment*), the Borrower shall pay to the Lender an indemnity equal to the aggregate amount of:

- the Prepayment Compensatory Indemnity; and
- any costs arising out of the break of any interest rate hedging swap transactions put in place by the Lender in connection with the amount prepaid.

9.4 Taxes and duties

9.4.1 Registration costs

The Borrower shall pay directly, or, if applicable, reimburse the Lender in case of an advance made by the Lender, the costs of all stamp duty, registration and other similar taxes payable in respect of the Agreement and any potential amendment thereto.

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9.4.2 Withholding Tax

The Borrower undertakes that all payments made to the Lender under this Agreement shall be free of any Withholding Tax.

If a Withholding Tax is required by law, the Borrower undertakes to gross-up the amount of any such payment to such amount which leaves the Lender with an amount equal to the payment which would have been due if no payment of Withholding Tax had been required.

The Borrower shall reimburse to the Lender all expenses and/or Taxes for the Borrower's account which have been paid by the Lender (if applicable), with the exception of any Taxes due in France.

9.5 Financial impact of entry into force of new laws

If, in any applicable jurisdiction, under any law applicable in the Federative Republic of Brazil or in France, and as a result of: (i) the coming into force of such new law or regulation, or any amendment to, or any change in the interpretation or application of such existing law or regulation or (ii) compliance with such law or regulation made after the Signing Date, it becomes unfeasible for the Lender to perform any of its obligations without incurring Additional Costs, as initially computed in the financial conditions of the facility, upon the Lender notifying the Borrower, the Borrower, in accordance with the Guarantor, shall resolve to:

- (i) If the Additional Costs are less than or equal to the Prepayment Compensatory Indemnity of the maximum amount of the Facility, pay to the Lender, within thirty (30) Business Days of the Lender's request, all Additional Costs incurred by the Lender; or
- (ii) Otherwise, prepay the part of the Facility that is subject to Additional Costs on the date specified by the Lender in the notice delivered to the Borrower. For the avoidance of doubt, a prepayment of the Facility hereunder constitutes a mandatory prepayment and will be subject to the provisions set out in Clause 9.3 (Prepayment Indemnity).

In this Clause, "Additional Costs" means any cost arising after the Signing Date out of one of the event referred to in the first paragraph of this Clause and not taken into account by the Lender to compute the financial conditions of the Facility. The payment of Additional Costs specified in paragraph (i) is limited to the maximum Prepayment Compensatory Indemnity of the maximum amount of the Facility during the whole duration of this Agreement.

9.6 Currency indemnity

If any sum due by the Borrower under this Agreement, or any order, judgment or award given or made in relation to such a sum, has to be converted from the currency in which that sum is payable into another currency, for the purpose of:

- (i) making or filing a claim or proof against the Borrower; or
- (ii) obtaining or enforcing an order, judgment or award in relation to any litigation or arbitration proceedings,



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the Borrower shall indemnify the Lender against and, within fifteen (15) Business Days of the Lender's request and as permitted by law, pay to the Lender, the amount of any cost, loss or liability arising out of or as a result of the conversion including any discrepancy between: (A) the exchange rate used to convert the relevant sum from the first currency to the second currency; and (B) the exchange rate or rate(s) available to the Lender at the time of its receipt of that sum. This obligation to indemnify the Lender is independent of any other obligation of the Borrower under this Agreement.

The Borrower waives any right it may have in any jurisdiction to pay any amount due under this Agreement in a currency or currency unit other than that in which it is expressed to be payable.

9.7 Due dates

Any indemnity or reimbursement payable by the Borrower to the Lender under this Clause 9 (*Additional Payment Obligations*) is due and payable on the Payment Date immediately following the circumstances which have given rise to the relevant indemnity or reimbursement.

Notwithstanding the above, any indemnity to be paid in connection with a prepayment pursuant to Clause 9.3 (*Prepayment Indemnity*) is due and payable on the date of the relevant prepayment.

10. REPRESENTATIONS AND WARRANTIES

All the representations and warranties set out in this Clause 10 (*Representations and warranties*) are made by the Borrower for the benefit of the Lender on the Signing Date. All the representations and warranties in this Clause 10 (*Representations and warranties*) are also deemed to be made by the Borrower on the date on which all of the conditions precedent listed in Part II of Schedule 4 (*Conditions Precedent*) are satisfied, on the date of each Drawdown Request, on each Drawdown Date and on each Payment Date, except that the repeating representations contained in Clause 10.10 (*No misleading information*) are deemed to be made by the Borrower in relation to the information provided by the Borrower since the date on which the representation was last made.

10.1 Status

The Borrower is a public entity of the Federative Republic of Brazil, validly existing under the laws of Brazil. The Borrower has all requisite power to validly own its assets and carry on its activity as currently conducted.

10.2 Power and authority

The Borrower has the power to enter into, perform and deliver [this Agreement] *or* [the Financing Documents] and Project Documents and to perform all contemplated obligations. The Borrower has taken all necessary action to authorize its entry into, performance and delivery of this Agreement and Project Documents and the transactions contemplated by this Agreement and Project Documents.

10.3 Validity and admissibility in evidence

All Authorizations required:

- (a) to enable the Borrower to lawfully enter into, and exercise its rights and comply with its obligations under this Agreement and Project Documents; and

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- (b) to make this Agreement and the Project Documents admissible in evidence in the courts of the jurisdiction of the Borrower or in arbitration proceedings as defined under Clause 18 (*Governing Law, Enforcement and Choice of Domicile*),

have been obtained and are in full force and effect, and no circumstances exist which could result in the revocation, non-renewal, suspension or modification, in whole or in part, of any such Authorizations.

10.4 Binding obligations

The obligations expressed to be assumed by the Borrower under this Agreement and the Project Documents comply with all laws and regulations applicable to the Borrower in its jurisdiction and are legal, valid, binding and enforceable obligations which are effective in accordance with their written terms.

10.5 No filing or stamp taxes

Under the laws of the jurisdiction of Brazil, it is not necessary that the Agreement be filed, recorded or enrolled with any court or other authority in that jurisdiction or that any stamp, registration or similar taxes or fees be paid on or in relation to the Agreement or the transactions contemplated therein.

10.6 Transfer of funds

All amounts due by the Borrower to the Lender under this Agreement whether as principal or interest, late payment interest, Prepayment Indemnity, incidental costs and expenses or any other sum are freely convertible and transferable after the registration of the terms and conditions of this Agreement in the ROF with the Brazilian Central Bank.

This representation shall remain in full force and effect until full repayment of all sums due to the Lender. In the event that the repayment dates of the Facility are extended by the Lender, no further confirmation of this representation shall be necessary.


The Borrower shall obtain Euros necessary for compliance with this representation in due course.

10.7 No conflict with other obligations

The entry into and performance by the Borrower of, and the transactions contemplated by, this Agreement and the Project Documents do not conflict with any domestic or foreign law or regulation applicable to it, its constitutional documents (or any similar documents) or any agreement or instrument binding upon the Borrower or affecting any of its assets.

10.8 Governing law and enforcement

- (a) The choice of French law as the governing law of this Agreement will be recognized and enforced by the courts and arbitration tribunals in Brazil.
- (b) Any award of an arbitral tribunal organized pursuant to the Rules of Arbitration of the International Chamber of Commerce, which conforms to Brazilian public policy and law shall be enforceable against the Borrower in the competent court of the Federative Republic of Brazil in accordance with Brazilian arbitration law. If such award is issued in a language other than Portuguese, it shall be translated into

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Portuguese by a sworn translator in Brazil in order for it to be enforceable against the Borrower.

10.9 No default

No Event of Default is continuing or is reasonably likely to occur.

No breach of the Borrower is continuing in relation to any other agreement binding upon it, or affecting any of its assets, which has, or is reasonably likely to have, a Material Adverse Effect.

10.10 No misleading information

All information and documents supplied by the Borrower to the Lender were true, accurate and up-to-date as at the date they were provided or, if appropriate, as at the date at which they are stated to be given and have not been varied, revoked, cancelled or renewed on revised terms, and are not misleading in any material respect as a result of an omission, the occurrence of new circumstances or the disclosure or non-disclosure of any information.

10.11 Project Documents

The Project Documents represent the entire agreement relating to the Project on the Signing Date and are valid, binding and enforceable against the parties thereto. The Project Documents have not been amended, terminated or suspended without the prior approval of the Lender since the date on which they were delivered to the Lender and there is no current dispute in connection with the validity of the Project Documents.

10.12 Project Authorizations

All Project Authorizations have been obtained or effected and are in full force and effect and there are no circumstances which may result in any Project Authorization being revoked, cancelled, not renewed or varied in whole or in part.

10.13 Procurement

The Borrower: (i) has received a copy of the Procurement Guidelines and (ii) understands the terms of the Procurement Guidelines, in particular, those terms relating to any actions which the Lender may take in the case of a breach of the Procurement Guidelines by the Borrower which has confirmed that it understands the terms of the Procurement Guidelines.

The Borrower is contractually bound by the Procurement Guidelines as if such Procurement Guidelines were incorporated by reference into this Agreement. The Borrower confirms that the procurement, allocation and performance of the contracts relating to the implementation of the Project comply with the Procurement Guidelines.

10.14 Pari passu ranking

The Borrower's payment obligations under this Agreement rank at least pari passu with its other unsecured and unsubordinated External Indebtedness, without preference among them; provided, further, that the Borrower shall have no obligation to effect ratable payments at any time with respect to any such other External Indebtedness.

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10.15 Origin of funds, Acts of Corruption, Fraud and Anti-Competitive Practices

The Borrower represents and warrants that:

- (i) all the funds invested in the Project are from the Municipality budget;
- (ii) the Project (in particular, the negotiation, award and performance of any contracts financed with the Facility) has not given rise to any Act of Corruption, Fraud or Anti-Competitive Practice.

10.16 No Material Adverse Effect

The Borrower represents and warrants that no event or circumstance which is likely to have a Material Adverse Effect has occurred or is likely to occur.

11. UNDERTAKINGS

The undertakings in this Clause 11 (*Undertakings*) take effect on the Signing Date and remain in full force and effect for as long as any amount is outstanding under this Agreement.

11.1 Compliance with Laws, Regulations and Obligations

The Borrower shall comply:

- (a) in all respects with all laws and regulations to which it and/or the Project is subject, particularly in relation to all applicable environmental protection, safety and labor laws; and
- (b) with all of its obligations under the Project Documents.

11.2 Authorizations

The Borrower shall promptly obtain, comply with and do all that is necessary to maintain in full force and effect promptly obtains, complies with and does all that it necessary to maintain in full force and effect any Authorization required under any applicable law or regulation to enable it to perform its obligations under this Agreement and the Project Documents and to ensure the legality, validity, enforceability and admissibility in evidence of this Agreement or Project Document.

11.3 Project Documents


The Borrower shall provide itself the Lender for no-objection or information, as the case may be, with a copy of any Project Documents or amendment thereto and shall not (and shall not agree to) make any material amendment to any Project Document without obtaining the Lender's prior no-objection.

11.4 Execution and preservation of the Project

The Borrower shall:

- (i) implement the Project in accordance with the generally accepted safety principles and in accordance with technical standards in force; and
- (ii) for a period of ten (10) years after the completion of all works, maintain the Project assets in accordance with all applicable laws and regulations and in good



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operating and maintenance conditions, and use such assets in compliance with their purpose and all applicable laws and regulations

11.5 Borrower's Budget

With respect to each fiscal year, the Borrower undertakes to allocate, as an expense in the Borrower's Budget, the amount necessary for the repayment of all amounts (in principal, interest, fees and expenses) due by the Borrower under this Agreement.

11.6 Procurement

In relation to the procurement, award and performance of contracts entered into in connection with the implementation of the Project, the Borrower shall comply with, and implement, the provisions of the Procurement Guidelines.

The Borrower shall take all actions and steps necessary for the effective implementation of the Procurement Guidelines.

During the procurement and award of contracts relating to the implementation of the Project, the Borrower undertakes:

- (a) To incorporate, pursuant to clause 1.5 of the Procurement Guidelines, the ESHS requirements included in AFD bidding document into the bidding documents for procurement of works. The level of requirements shall be adjusted to the risks and impacts of the ESHS worksite management identified by the environmental and social impact assessment studies. To (i) submit on an annual basis the Procurement Plan with the indications of the use of Lender's funds with the evidence of the Lender's non objection according to the Project's development and (ii) implement the Procurement Plan pursuant to the conditions approved by the Lender.
- (b) To communicate to the Lender the evaluation report established yearly by the State court of accounts of the State of Parana ("*Tribunal de Contas do Estado do Parana*") concerning procurement procedures during Project implementation.

The terms of reference of the technical supervision of the Project shall be subjected to a prior no objection letter issued by the Lender.

11.7 Local counterpart

The Borrower shall timely invest, pursuant to the Financing Plan set out in Schedule 3 (*Financing Plan*), any additional amounts which may be necessary for the complete and uninterrupted implementation of the Project. The Borrower agrees to invest in the Project no less than the additional amount set out in Schedule 3, it being agreed that such additional amount (i) includes any works and actions relating to the Project launched by the Borrower after the COFIEX Resolution n° 08/0134, dated 29th May 2019 ; and (ii) does not constitute a limit or reduction of the obligations of the Borrower under this Agreement. The amount owed by the Borrower pursuant to this Clause 11.7 (*Local Counterpart*) shall not be less than twenty percent (20%) of the total cost of the Project.

If, at any time during the Drawdown Period of the Credit Facility, the additional amount to be invested in the Project is increased, the provisions of Clause 11.9 (*Additional financing*) shall apply.

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11.8 Environmental and social responsibility

11.8.1 Implementation of environmental and social measures

In order to promote sustainable development, the Parties agree that it is necessary to promote compliance with internationally recognized environmental and labor standards, including fundamental conventions of the International Labor Organization (“ILO”) and the international environmental laws and regulations, when applicable in the Borrower’s jurisdiction. For such purpose, the Borrower shall:

with respect to its business activities:

- (a) comply with international standards for the protection of the environment and labor laws, particularly the fundamental conventions of the ILO and the international environmental conventions, when applicable in the Borrower’s jurisdiction.

with respect to the Project:

- (b) include in the procurement contracts, and, as the case may be, in the bidding documents, a clause whereby the contracting parties agree, and agree to procure that their sub-contractors (if any) agree, to comply with such standards in accordance with the applicable international laws and regulations, consistent with laws and regulations applicable in the country where the Project is being implemented. The Lender will be entitled to request that the Borrower deliver a report on environmental and social conditions of implementation of the Project;
- (c) put in place appropriate mitigation measures specific to the Project as defined within the context of the environmental and social risk management policy of the Project and describe in the ESCP attached as Schedule 6;
- (d) require that the Contractors appointed for implementation of the Project, apply the mitigation measures set out in paragraph (c) au-dessus above and procure that their subcontractors (if any) comply with all such measures and take all appropriate steps in the event of a failure to put in place such mitigation measures; and
- (e) provide the Lender with half-yearly follow-up reports in relation to the ESCP.

11.8.2 Environmental and social grievance management

- (a) The Borrower (i) confirms that it has received a copy of the ES Grievance Management Procedures and has acknowledged its terms, in particular with respect to actions that may be taken by the Lender in the event that a third party lodges a grievance, and (ii) acknowledges that the ES Grievance Management Procedures have, as between the Borrower and the Lender, the same contractually binding effect as this Agreement.
- (b) The Borrower, in accordance with the Law of Access to Information (Lei 12.527/2011), expressly authorizes the Lender to disclose to the Experts (as defined in the ES Grievance Management Procedures) and to parties involved in the compliance audit and/or dispute resolution procedure, the documents concerning environmental and social matters necessary for processing the environmental and social Grievance (as defined in the ES Grievance Management Procedures), including, without limitation, those

listed in Schedule 10 (Non-exhaustive list of environmental and social documents which the Borrower permits to be disclosed in connection with ES Grievance management procedures).

11.9 Additional financing

The Borrower shall not amend or alter the Financing Plan without obtaining the Lender's prior written consent and shall finance any additional costs not anticipated in the Financing Plan on terms which ensure that the Facility will be repaid.

11.10 Pari passu ranking and Negative Pledge

The Borrower undertakes:

- (i) to ensure that its payment obligations under this Agreement will rank at least *pari passu* with its other unsecured and unsubordinated External Indebtedness without preference among them, from time to time outstanding; provided, further, that the Borrower shall have no obligation to effect ratable payments at any time with respect to any such other External indebtedness; and
- (ii) not to grant prior ranking or guarantees to any other lenders except if the same ranking or guarantees are granted by the Borrower in favor of the Lender, if so requested by the Lender.

11.11 Assignment

Unless the Lender agrees otherwise in writing, if the Borrower contracts Insurance Policies, the Borrower shall:

- (i) amend the Insurance Policies, to include the Lender as sole beneficiary in respect of any insurance indemnity until all sums due under this Agreement have been repaid in full; and
- (ii) assign to the Lender the benefit of the Contractor's Guarantees.

11.12 Project Accounts

The Borrower shall open, maintain and fund the Project Account in accordance with the terms and conditions of this Agreement.

11.13 Inspections

The Borrower hereby authorizes the Lender and its representatives to carry out inspections the purpose of which will be to assess the implementation and operations of the Project as well as the impact and the achievement of the objectives of the Project, the Contractors and sub-contractors in charge of implementing the Project.

The Borrower shall co-operate and provide all reasonable assistance and information to the Lender and its representatives when carrying out such inspections, the timing and format of which shall be determined by the Lender following consultation with the Borrower.

If required by the Lender, the Borrower shall reimburse the Lender for any costs incurred by the Lender in respect of one inspection per year.

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The Borrower shall retain and make available for inspection by the Lender, all documents relating to the Eligible Expenses for a period of ten (10) years from the date of the last Drawdown under the Facility.

11.14 Project evaluation

The Borrower acknowledges that a third party carries out on behalf of the Lender an optional mid-term evaluation, in case the Lender requires, and an obligatory final evaluation of the Project. These evaluations will be used to produce a performance report containing information on the Project, such as: total amount and duration of the Facility, objectives of the Project, expected and actual performance of the Project, assessment of its relevance, efficiency, impact and viability/sustainability in relation to the impact indicators matrix of the Project. The Borrower agrees on the publication of this performance report, in particular, on the Lender's Website. Implementation of the Project

The Borrower shall:

- (i) ensure that any person, group or entity participating in the implementation of the Project is not listed on any Financial Sanctions List (including in particular the fight against terrorist financing); and
- (ii) not finance any supplies or sectors which are subject to an Embargo by the United Nations, the European Union or France.

11.15 Origin of funds, no Acts of Corruption, Fraud or Anti-Competitive Practices

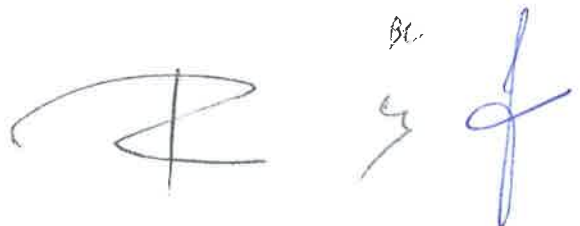
The Borrower undertakes:

- (i) to ensure that all the funds invested in the Project will be from the Borrower's budget;
- (ii) to adopt and implement all necessary rules, policies and control to ensure that the Project (in particular during the negotiation, entry into and performance of the contracts funded out of the Facility) shall not give rise to any Act of Corruption, Fraud or Anti-Competitive Practice;
- (iii) as soon as it becomes aware of, or suspects, any Act of Corruption, Fraud or Anti-Competitive Practice, to inform the Lender without any delay;
- (iv) in the event referred to in paragraph (iii) above, or at the Lender's request if the Lender suspects that the acts or practices referred to in paragraph (iii) have occurred, take all necessary actions to remedy the situation in a manner satisfactory to the Lender and within a reasonable period of time which is considered to be satisfactory for the Lender ; and
- (v) to notify the Lender without delay if it has knowledge of any information which leads it to suspect any Illicit Origin of any funds invested in the Project.

12. INFORMATION UNDERTAKINGS

The undertakings in this Clause 12 (*Information Undertakings*) take effect on the Signing Date and remain in full force and effect for as long as any amount is outstanding under this Agreement.

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12.1 Financial statements and budget

The Borrower shall provide the Lender with:

- as soon as they become publicly available for each fiscal year, its audited financial statements (“*demonstrações financeiras*”) delivered to the State Court of Accounts of the State of Paraná (“Tribunal de Contas do Estado de Paraná”); and
- full and immediate disclosure of any law suits, inquiries, correspondences and/or challenges regarding this Agreement; and
- each year, the Borrower’s Budget, the Municipality’s financial accounts (including the presentation of the Municipality’s indebtedness as well as the up-to-date multiannual financial projections (“Plano Plurianual” and “Lei Orçamentária Anual” as published in the Official Gazette).

12.2 Financial Information

The Borrower shall supply to the Lender any information that the Lender may reasonably require in relation to the Borrower’s foreign and domestic debt as well as the status of any guaranteed loans.

12.3 Progress Report

- (a) Until the Technical Completion Date, the Borrower shall supply to the Lender on a half-yearly basis a technical and financial progress report in relation to the implementation of the Project.
- (b) Within three (3) months after the Technical Completion Date, the Borrower shall supply to the Lender a general progress report.
- (c) Within (3) months after the Technical Completion Date, the Borrower shall supply to the Lender a report in relation to the impact indicators of the Project as mentioned in Schedule 7 (Indicative List of Impact Indicators).

12.4 Information - miscellaneous

The Borrower shall supply to the Lender:

- (a) promptly upon becoming aware of them, details of any event or circumstance which is or may be an Event of Default or which has or may have a Material Adverse Effect, the nature of such an event and all the actions taken or to be taken to remedy it (if any);
- (b) promptly upon becoming aware of them, details of any incident or accident directly related to the implementation of the Project which might have a significant impact on the Project site, the working conditions of its employees or Contractors’ employees, the nature of such incident or accident, together with details of any action taken or proposed to be taken, as applicable, by the Borrower to remedy it;
- (c) promptly, details of any decision or event which might affect the organization, completion or operation of the Project;

- (d) promptly but in any event within five (5) Business Days after becoming aware of them, details of any notification of default, termination, dispute or material claim made against it under a Project Document or affecting the Project, together with details of any action taken or proposed to be taken by the Borrower to remedy it;
- (e) during the completion of services (including but not limited to services related to studies and monitoring where the Project involves the provision of such services), the interim and final reports drafted by any service provider, and after full completion of such services an overall execution report;
- (f) promptly, any further information regarding its financial condition, assets and operations or any documents or other communications given or received by it under any Project Document that the Lender may reasonably request;
- (g) As soon as possible, throughout the duration of the business relationship, provide the Lender with any document or information about the Borrower that the Lender may request, to enable the Lender to fulfil its know-your-customer ("KYC") obligations under anti money laundering and anti-terrorist regulations, in particular for the purpose of updating its KYC information on the client (the Borrower).³

13. EVENTS OF DEFAULTS

13.1 Events of Default

Each of the events or circumstances set out in this Clause 13 (*Events of Default*) is an Event of Default.

(a) Payment Default

The Borrower does not pay on the due date any amount payable by it under this Agreement in the manner required under this Agreement. However, without prejudice to Clause 4.3 (*Late payment and default interest*), no Event of Default will occur under this paragraph (a) if such payment is made in full by the Borrower or the Guarantor within thirty (30) days of the due date.

(b) Project Documents

A Project Document, listed in Schedule 1 A – Definition, as essential for the implementation of the Project, or any of the rights and obligations set out therein, ceases to be in full force and effect, is subject to a notice of termination or its validity, legality or enforceability is challenged.

No Event of Default will occur pursuant to this paragraph (b) if (i) the challenge or notice of termination is withdrawn within thirty (30) calendar days or more if agreed by the Lender, after the date on which the Lender informed the Borrower of such challenge or notice or the Borrower became aware of such challenge or notice; and (ii), according to the opinion of the Lender, such dispute or request has not had a Material Adverse Effect during such thirty (30) day period.

³ Inserted Clause, according to new AFD Compliance Procedure

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(c) Undertakings and Obligations

The Borrower does not comply with its undertakings and obligations under the Agreement, including, without limitation, any of the undertakings it has given pursuant to Clause 11 (*Undertakings*) and Clause 12 (*Information Undertakings*).

Save for the undertakings given pursuant to Clause 11.8 (*Environmental and Social Liability*), Clauses 05 (*Implementation of the Project*) and 11.16 (*Origin of funds, no Acts of Corruption, Fraud or Anti-Competitive Practices*) in respect of which no grace period is permitted, no Event of Default will occur under this paragraph (c) if the non-compliance is capable of remedy and is remedied within thirty (30) days, or more if agreed by the Lender, of the earlier of (A) the date of the Lender' notice of failure to the Borrower; and (B) the Borrower becoming aware of the breach, or within the time limit determined by the Lender in the case referred to in subparagraph (iv) of Clause 11.16 (*Origin of funds, no Acts of Corruption, Fraud or Anti-Competitive Practices*).

(d) Misrepresentation

A representation or warranty made by the Borrower in the Agreement, including under Clause 10 (*Representations and warranties*), or in any document delivered by or on behalf of the Borrower under or in relation to the Agreement, is incorrect or misleading when made or deemed to be made.

Any representation, warranty and/or statement made or reputed to be made by the Guarantor pursuant to Clause 14 (*Guarantee*) of the Agreement is inaccurate or misleading at the time it was made or considered to be made.

(e) Cross Default

(i) Subject to paragraph (ii) below, any External Indebtedness of the Borrower, guaranteed by the Federative Republic of Brazil, is not paid on its due date or, if applicable, within any grace period granted pursuant to the relevant documentation.

(ii) A creditor has cancelled or suspended its commitment towards the Borrower pursuant to any External Indebtedness, guaranteed by the Federative Republic of Brazil, or has declared the External Indebtedness due and payable prior to its specified maturity, or requested prepayment in full of such External Indebtedness, in each case, as a result of an event of default or any provision having a similar effect (howsoever described) pursuant to the relevant documentation.

No Event of Default will occur under this clause 13.1 (e) if the relevant amount of External Indebtedness or the commitment for External Indebtedness falling within paragraph (i) and (ii) above is less than fifteen million Euros (EUR 15,000,000) (or its equivalent in any other currency(ies)).

(f) Unlawfulness

It is or becomes unlawful for the Borrower to perform any of its obligations under this Agreement.

(g) Material adverse change



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Any event (including a change in the political situation of the country of the Borrower) or any measure which is likely, according to the Lender's opinion, to have a Material Adverse Effect occurs or is likely to occur.

(h) Withdrawal or suspension of the Project

Any of the following occurs:

- (i) the implementation of the Project is suspended for a period of time, in the Lender's opinion, that it will compromise the full completion of the Project; or
- (ii) the Project has not been completed in full by the Technical Completion Date or a later date if agreed by the Lender; or
- (iii) the Borrower withdraws from, or ceases to participate in, the Project.

(i) Authorizations

Any Authorization required for the Borrower in order to perform or comply with its obligations under this Agreement or its other material obligations under any Project Documents or required in the ordinary course of the Project is not obtained within a reasonable time or is cancelled or becomes invalid or otherwise ceases to be in full force and effect.

(j) Judgments, rulings or decisions having a Material Adverse Effect

Any judgment or arbitral award or any judicial or administrative decision affecting the Borrower has or is reasonably likely, according to the opinion of the Lender, to have a Material Adverse Effect, occurs or is likely to occur.

(k) Suspension of free convertibility and free transfer

Free convertibility and free transfer of any of the amounts due by the Borrower under this Agreement becomes impossible due to its suspension.




(l) Federative Republic of Brazil Guarantee

The Guarantee of the Federative Republic of Brazil is cancelled, terminated, not recognized or becomes illegal, invalid or ceases to be in full force and effect for any reason whatsoever.

The Guarantor enters into a moratorium on the payment of its External Indebtedness.

The Guarantor breaches an obligation of payment under Clause 14 (*Guarantee*) and subject to Clause 13.3§3 (*Notification of an Event of Default and Remediation*).

The Guarantor breaches any other obligation (except for the above obligation of payment) under Clause 14 (*Guarantee*), provided that no Event of Default pursuant to this case shall be declared if the breach of such obligation has been cured within five (5) Business Days from the date of delivery of a notice by the Lender to the Guarantor or the date the Guarantor becomes aware of such breach.

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13.2 Acceleration

- (a) On and at any time after the occurrence of an Event of Default, the Lender may, without providing any formal demand or commencing any judicial or extra-judicial proceedings, by written notice to the Borrower and to the Guarantor:

- cancel the Available Credit;

- declare that all or part of the Facility, together with any accrued or outstanding interest and all other amounts outstanding under this Agreement, are immediately due and payable. Without prejudice to the above, in the event that an Event of Default occurs as set out in Clause 13.1 (*Events of Default*), the Lender reserves the right to, upon written notice to the Borrower, (i) suspend or postpone any Drawdowns under the Facility; and/or (ii) suspend the finalization of any agreements relating to other possible financial offers which have been notified by the Lender to the Borrower; and/or (iii) suspend or postpone any drawdown under any loan agreement entered into between the Borrower and the Lender.

13.3 Notification of an Event of Default and Remediation

In accordance with Clause 12.5 (*Information*), the Borrower shall promptly notify the Lender and the Guarantor upon becoming aware of any event which is or is likely to be an Event of Default and inform the Lender of all the measures contemplated by the Borrower to remedy it.

The Lender will do its best effort to promptly notify the Guarantor upon becoming aware of any event which is or is likely to be an Event of Default.

If any amount payable by the Borrower on the due date is not paid at such date, then the Lender will promptly notify the Guarantor, in accordance with Clause 14.9 (*Guarantee*). If within thirty (30) days from such due date, no payment has been made by the Borrower, then the Guarantor shall promptly make such payment under clause 14.1 (*Guarantee*). If within five (5) Business Days from the last day of the thirty (30) days period referred above, no payment has been made by the Guarantor, it will constitute an Event of Default under clause 13.1 (*Events of Default*).

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14. GUARANTEE

14.1 The Guarantor, jointly and severally with the Borrower ("*cautionnement solidaire*"), hereby guarantees to the Lender, the prompt payment when due at the stated maturity, of the financial obligations (with respect to the principal amount, interests, late interests, commissions, fees, costs or expenses due under the Agreement) of the Borrower under or in connection with the Agreement, as of the same date (hereinafter, the "**Guaranteed Obligations**").

In the case of acceleration or otherwise, the Guarantor, jointly and severally with the Borrower ("*cautionnement solidaire*"), guarantees to the Lender the payment of the Guaranteed Obligations within sixty (60) days, or more if agreed by the Lender, upon receipt of the written notice sent by the Lender under Clause 13.2(a) (Acceleration).

14.2 The Guarantee shall remain in full force and effect until the date on which all the Guaranteed Obligations shall have been fully paid. Accordingly, the Guarantee shall not be discharged except by full payment of all amounts due under the Agreement.

14.3 The Guarantor hereby expressly waives the benefit of discussion (*bénéfice de discussion*).



14.4 The Guarantor undertakes that such payment referred to in clause 14.1 shall be done before suing the Borrower for payment of Borrower's Guaranteed Obligations under this Agreement.

14.5 Accordingly, the Guarantee shall not be subject to any prior notice to, demand upon or action against the Borrower, or to any prior notice to the Guarantor with regard to any default by the Borrower (except the written notice provided for in Clause 13.2 (Acceleration), and shall not be affected or impaired by any of the following: (i) any rescheduling of the payment obligations of the Borrower under this Agreement (provided that such rescheduling has been approved by the Guarantor), forbearance or concession given to the Borrower (ii) any assertion of, or failure to assert, or delay in asserting, any right, power or remedy against the Borrower under the Agreement; (iii) any modification or amplification of the provisions of the Agreement or of any other agreement both between the Lender, the Borrower and the Guarantor; (iv) any failure of the Borrower to comply with any requirement of law, regulation or order or any other alteration of the legal structure of the Borrower; (v) any invalidity or unenforceability of the Agreement or any of its provisions; or (vi) any other circumstance (other than complete payment by the Borrower or the Guarantor) which might otherwise constitute a legal or equitable discharge or defense of a surety or a guarantor.

14.6 Additionally, the Guarantor waives its rights to force the Lender to sue the Borrower, and to seize and sell its property before executing its own obligation.

14.7 Payment obligations of the Guarantor pursuant to this Agreement shall be satisfied only if, after deduction of all costs and expenses, the respective amount is credited when due in Euros no later than 11:00 a.m. (Paris time) to the Lender's bank account as set out in Clause 15.6 (*Place of Payment*), or such other account notified by the Lender to the Guarantor.

14.8 The Guarantor undertakes that all payments made under this Agreement shall be made free of any taxes, rights due in the Federative Republic of Brazil and the Guarantor expressly undertakes to increase the amount of any such payments to an amount which leaves the Lender with an amount equal to the payment which would have been due if no deduction of tax and rights had been required. The Guarantor shall reimburse the

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Lender all expenses, taxes and rights incurred in the Federative Republic of Brazil to be borne by the Guarantor and which, as the case may be, would have been paid by the Lender.

- 14.9 Notwithstanding any of the provisions above, the Lender shall immediately inform the Guarantor of any delay of payments incurred by the Borrower by notifying the *Coordenação-Geral de Controle da Dívida Pública (CODIV/STN)* of the Guarantor, at the following address: Anexo do Ministério da Economia, Ala A, 1st floor, 70048-900, Brasília, DF, Brazil.
- 14.10 The Guarantor hereby undertakes not to create any security in connection with its External Indebtedness which affects, either in whole or in part, its assets or revenues, except if the same securities are granted to the Lender in the proportion of the Facility granted under the Agreement.
- 14.11 The Guarantor hereby represents and warrants to and covenants that:
- (i) the Guarantor has all requisite power to sign and deliver this Agreement and to perform the financial obligations arising hereunder and has taken all necessary actions, to the extent of its capacity and powers, to authorize the signing, delivery and performance of this Agreement;
 - (ii) this Agreement has been duly signed by the Guarantor and constitutes legal, valid and binding obligations of the Guarantor, enforceable against the Guarantor in accordance with its terms;
 - (iii) the execution, delivery and performance of this Agreement by the Guarantor do not and shall not conflict with any applicable law or regulation or any agreement or instrument binding upon the Guarantor;
 - (iv) all required Authorizations:
 - (a) to enable the Guarantor to lawfully enter into, exercise its rights and comply with its obligations under this Agreement, and
 - (b) to make this Agreement admissible in evidence in the courts of Brazil or in arbitral proceedings, as the case may be:

have been obtained and are in full force and effect, except for registration of the Agreement in ROF (which shall be timely completed prior to the Signing Date), and provided that, with respect to the admissibility of the Agreement as evidence before the courts of Brazil, (i) a summary of the Agreement shall be published in the official gazette, and (ii) the Agreement shall be translated into Portuguese by a sworn translator within thirty (30) days, or more if agreed by the Lender; and

to the best of its knowledge no proceedings or circumstances of any nature whatsoever could result in the withdrawal, non-renewal, suspension or modification, in whole or in part, of any such Authorizations;
 - (v) the choice of French law as the governing law of the Agreement will be recognized and enforced by the courts of Brazil;
 - (vi) any award of an arbitral tribunal organized pursuant to the Rules of Arbitration of the International Chamber of Commerce, which conforms with Brazilian public policy and law will be enforceable against the Guarantor in the federal courts of

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the Federative Republic of Brazil in accordance with Brazilian arbitration law. If such award is issued in a language other than Portuguese, it shall be translated into Portuguese language by a sworn translator in Brazil in order for it to be enforceable against the Guarantor.

- 14.12 The Borrower and the Guarantor shall comply with any other requirement, and furnish evidence thereof to the Lender, of any applicable law which may in the future come into force, necessary for the preservation, creation, perfection and priority in full of the Guarantee.

15. ADMINISTRATION OF THE FACILITY

15.1 Payments

All payments received by the Lender under this Agreement shall be applied towards the payment of expenses, fees, interest, principal amounts or any other sum due under this Agreement in the following order:

- 1) incidental costs and expenses;
- 2) fees and indemnities;
- 3) late-payment interest and default interest;
- 4) accrued interest;
- 5) principal repayments.

Any payments received from the Borrower shall be applied first in or towards payment of any sums due and payable under the Facility or under other loans extended by the Lender to the Borrower, should it be in the Lender's interest to apply these sums to such other loans, in the order set out above.

15.2 Set-off

Being understood that automatic set-off is forbidden under Senate Resolutions No. 43/2001 and No. 48/2007, whenever the Lender demonstrates to the Borrower that setting-off obligations is the most efficient structure to be adopted, the Borrower may accept to set-off due and payable obligations owed by the Borrower against any amounts held by the Lender on behalf of the Borrower or any due and payable obligations owed by the Lender to the Borrower. In these cases, if the obligations are in different currencies, the Lender may convert either obligation at the prevailing currency exchange rate for the purpose of the set-off.

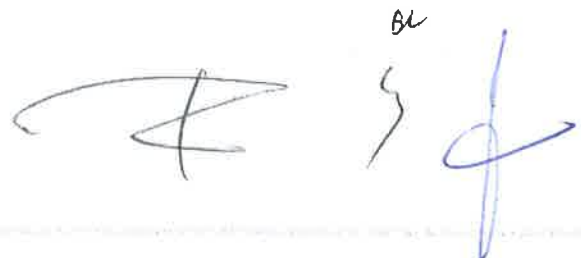
All payments made by the Borrower under the Agreement shall be calculated and made without set-off. The Borrower is prohibited from making any set-off.

15.3 Business Days

If a payment is due on a day which is not a Business Day, the due date for that payment shall be the next Business Day if the next Business Day is in the same calendar month, or the preceding Business Day if the next Business Day is not in the same calendar month. In any case, the Interest Period will remain unchanged.

15.4 Currency of payment

The currency of each amount payable under this Agreement is Euros, except as provided in Clause 15.6 (*Place of payment*).

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15.5 Day count convention

Any interest, fee or expense accruing under this Agreement will be calculated on the basis of the actual number of days elapsed and a year of three hundred and sixty (360) days in accordance with European interbank market practice.

15.6 Place of payment

- (a) Any funds to be transferred by the Lender to the Borrower under the Facility will be paid to the bank account specifically designated for such purpose by the Borrower, provided that the Lender has given its prior consent on the selected bank.

The Borrower may request that the funds are transferred in: (i) Euros to a bank account denominated in Euros; or (ii) the currency of legal tender in the jurisdiction of the Borrower, in the equivalent amount of the Drawdown at a market exchange rate on the day of the Drawdown and to a bank account denominated in that currency provided such currency is convertible and transferable; or (iii) any other convertible and transferable currency, in an equivalent amount of the Drawdown on the day of the Drawdown and to a bank account denominated in such currency.

- (b) Any payment to be made by the Borrower to the Lender shall be paid on the due date by no later than 11:00 am (Paris time) to the following bank account:

RIB Code: 30001 00064 00000040242 79

IBAN Code: FR76 3000 1000 6400 0000 4024 279

Banque de France SWIFT code (BIC): BDFEFRPPCCT

opened by the Lender at the Banque de France (head office/main branch) in Paris or any other account notified by the Lender to the Borrower.

- (c) The Borrower shall request from the bank responsible for transferring any amounts to the Lender that it provides the following information in any wire transfer messages in a comprehensive manner and in the order set out below:

- Principal: name, address, bank account number
- Principal's bank: name and address
- Reference: name of the Borrower, name of the Project, reference number of the Agreement

- (d) Applicable exchange rates will be the exchange rates obtained by the Lender through a Reference Financial Institution on the date of the Drawdown.

- (e) All payments made by the Borrower shall comply with this Clause 15.6 (*Place of payment*) in order for the relevant payment obligation to be deemed discharged in full.

15.7 Payment Systems Disruption

If the Lender determines (in its discretion) that a Payment Systems Disruption Event has occurred or the Borrower notifies the Lender that a Payment Systems Disruption Event has occurred, the Lender:

- (a) may, and shall if requested by the Borrower, enter into discussions with the Borrower with a view to agreeing any changes to the operation and administration of the Facility as the Lender may deem necessary in the circumstances;
- (b) shall not be obliged to enter into discussions with the Borrower in relation to any of the changes mentioned in paragraph (a) above if, in its opinion, it is not practicable to do so in the circumstances and, in any event, it has no obligation to agree to such changes; and
- (c) shall not be liable for any cost, loss or liability arising as a result of its taking, or failing to take, any actions pursuant to this Clause 15.7 (*Payment Systems Disruption*).

16. MISCELLANEOUS

16.1 Language

The language of this Agreement is English. If this Agreement is translated into Portuguese by a sworn translator (*tradutor juramentado*), the English version shall prevail in the event of any conflicting interpretation or in the event of a dispute between the Parties.

All notices given or documents provided under, or in connection with, this Agreement shall be in English.

The Lender may request that a notice or document provided under, or in connection with, this Agreement which is not in English is accompanied by a certified English translation, in which case, the English translation shall prevail unless the document is a statutory document of a company, legal text or other official document.

16.2 Certifications and determinations

In any litigation or arbitration arising out of or in connection with this [Agreement] or [any Financing Document], entries made in the accounts maintained by the Lender are *prima facie* evidence of the matters to which they relate.

Any certification or determination by the Lender of a rate or amount under this Agreement will be, in the absence of manifest error, conclusive evidence of the matters to which it relates.

16.3 Partial invalidity

If, at any time, a term of this Agreement is or becomes illegal, invalid or unenforceable, neither the validity, legality nor enforceability of the remaining provisions of this Agreement will in any way be affected or impaired.

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16.4 No Waiver

Failure to exercise, or a delay in exercising, on the part of the Lender of any right under the Agreement shall not operate as a waiver of that right.

Partial exercise of any right shall not prevent any further exercise of such right or the exercise of any other right or remedy under the applicable law.

The rights and remedies of the Lender under this Agreement are cumulative and not exclusive of any rights and remedies under the applicable law.

16.5 Assignment

The Borrower may not assign or transfer, in any manner whatsoever, all or any of its rights and obligations under this Agreement without the prior written consent of the Lender.

The Borrower hereby consents to the assignment or transfer by the Lender to (i) any subsidiary or entity of the same group as the Lender or (ii) any Co-Financier of the Project or (iii) any other credit institution or financial institution or any other entity provided that it has been incorporated, domiciled or established within the European Union, of its rights and/or obligations under this Agreement, and conclude any sub-participation agreement relating thereto. The assignment or the transfer shall be notified by the Lender to the Borrower and the Guarantor. Until such notification, the assignment or the transfer will not be effective against the Borrower nor the Guarantor.

Notwithstanding the above, any assignment or transfer by the Lender of all or any of its rights and obligations under this Agreement for the purpose of a securitization transaction shall require the prior consent of the Guarantor.

16.6 Legal effect

The Schedules annexed hereto, the Procurement Guidelines and the recitals hereof form part of this Agreement and have the same legal effect.

16.7 Entire agreement

As of the Signing Date, this Agreement represents the entire agreement between the Parties in relation to the matters set out herein, and supersedes and replaces all previous documents, agreements or understandings which may have been exchanged or communicated as part of the negotiations in connection with this Agreement.

16.8 Amendments

No amendment may be made to this Agreement unless expressly agreed in writing between the Parties.

16.9 Confidentiality - Disclosure of information

- (a) The Borrower shall not disclose the content of this Agreement or any Financing Document to any third party without the prior consent of the Lender except to:
- (i) any person to whom the Borrower has a disclosure obligation under any applicable law, regulation or judicial ruling; or

The above paragraph shall not prohibit the Borrower or the Guarantor from disclosing any information they are required to disclose pursuant to the Law of Access to Information Number 12.527 of 18 November 2011.

- (b) Notwithstanding any existing confidentiality agreement, the Lender may disclose any information or documents in relation to the Project to: (i) its auditors, rating agencies, legal advisers, or supervisory bodies; (ii) any person or entity to whom the Lender may assign or transfer all or part of its rights or obligations under the Agreement; and (iii) any person or entity for the purpose of taking any protective measures or preserving the rights of the Lender under the Financing Documents.
- (c) Furthermore, the Borrower hereby expressly authorizes the Lender:
- (i) to exchange with the French Republic for publication on the French government website pursuant to any request from International Aid Transparency Initiative; and
 - (ii) to publish on the Lender's Website;

information relating to the Project and its financing as listed in Schedule 8 (Information that may be published on the French Government Website and the Lender's Website).

16.10 Limitation

The statute of limitations of any claims under this Agreement shall be ten (10) years, except for any claim of interest due under this Agreement for which the statute of limitation shall be five (5) years.

17. NOTICES

17.1 In writing and addresses

Any notice, request or other communication to be given or made under or in connection with this Agreement shall be given or made in writing and, unless otherwise stated, may be given or made by fax or by letter sent by the post office to the address and number of the relevant Party set out below:

For the Borrower:

Care of: Unidade Técnica Administrativa de Gerenciamento do Programa
Instituto de Pesquisa e Planejamento Urbano de Curitiba - IPPUC
Rua Bom Jesus, 669
CEP: 80.035-010 - Curitiba - PR - Brasil
Email: utag@ippuc.org.br

For the Lender:

AFD –PARIS HEAD OFFICE

Address: 5, rue Roland Barthes – 75598 Cedex 12
Facsimile: + 33 1 44 87 35 56

Handwritten signature and initials, including the letters 'AF' and 'J'.

Attention: Director of the Latin America Department

With a copy to:

AFD at its agency in Brasília

Address: Edifício Parque Cidade Corporate, Setor Comercial Sul Qd. 09 Lote C S/N
Bloco A, Torre C, Sala 1103, Brasília-DF, Brasil.

Email: afdbrasil@gmail.com

Attention: Director of the Agency in Brasília

For the Guarantor:

REPÚBLICA FEDERATIVA DO BRASIL

Address: Procuradoria - Geral da Fazenda Nacional – PGFN

Coordenação-Geral de Operações Financeiras da União

Ministério da Economia

Esplanada dos Ministérios, bloco P, 8º andar

70048-900 – Brasília, DF, Brasil

Facsimile: 55 61 34 12 17 40

Attention: Coordenador - GERAL de Operações Financeiras da União

or such other address, fax number, department or officer as one Party notifies to the other Party.

17.2 Delivery

Any notice, request or communication made or any document sent by a Party to the other Party in connection with this Agreement will only be effective:

- (a) if by fax, when received in a legible form; and
- (b) if by letter sent through the post office, when delivered to the correct address,

and, where a particular person or a department is specified as part of the address details provided under Clause 17.1 (*In writing and addresses*), if such notice, request or communication has been addressed to that person or department.

17.3 Electronic communications

- (a) Any communication made by one person to another under or in connection with this Agreement may be made by electronic mail or other electronic means if the Parties:
 - (i) agree that, unless and until notified to the contrary, this is to be an accepted form of communication;
 - (ii) notify each other in writing of their electronic mail address and/or any other information required to enable the sending and receipt of information by that means; and

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- (iii) notify each other of any change to their address or any other such information supplied by them.
- (b) Any electronic communication made between the Parties will be effective only when actually received in a readable form.

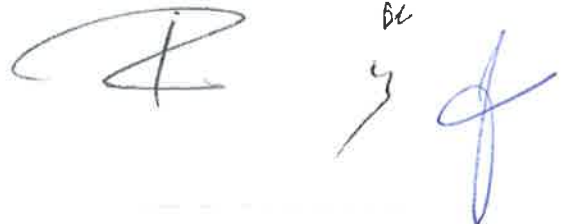
18. GOVERNING LAW, ENFORCEMENT AND CHOICE OF DOMICILE

18.1 Governing Law

This Agreement is governed by French law.

18.2 Arbitration

- (a) Any dispute, controversy or claim arising out of or relating to this Credit Facility Agreement, including any question regarding its existence, validity, interpretation, breach or termination, shall be finally resolved by arbitration under the Rules of Arbitration of the International Chamber of Commerce as in effect on the date hereof (except for Article 28 - Conservatory and Interim Measures - and Article 29 - Emergency Arbitrator) ("Rules"), which are deemed to be incorporated by reference into this Article.
- (b) The arbitral tribunal shall consist of three arbitrators, one of whom shall be nominated by the Lender, the other one shall be nominated by the Borrower and the Guarantor and the third one, who shall be the chairman of the arbitral tribunal, by the two party-nominated arbitrators within 30 days of the last of their appointments. Save that, if either party should fail to nominate an arbitrator within 30 calendar days of receiving written notice of the nomination of an arbitrator by the other party, the second arbitrator shall, at the written request of the party which has already made a nomination, be appointed forthwith by the International Court of Arbitration of the International Chamber of Commerce (the "ICC Court"). Likewise, if the party-nominated arbitrators fail to make an agreed nomination for the chairman within 30 calendar days of the last of their appointments, the chairman shall, at the written request of either party, be appointed forthwith by the ICC Court.
- (c) The Parties agree that the meetings and the hearings shall take place in Brasilia, Brazil. The language of the arbitration (including written submissions by the Parties) shall be English. The seat of the arbitration shall be Paris, France. The arbitrators shall state the reasons for their decisions in writing and shall make such decisions in accordance with the laws of France.
- (d) The award shall be issued in Brasilia, Brazil. Any award shall be final and binding from the day it is made. The award rendered by the arbitral tribunal shall be final, compulsory and legally binding on the parties and may be entered and enforced in any court having jurisdiction in Brazil.
- (e) Each of the Borrower and the Guarantor hereby waives its right to claim any immunity from jurisdiction, and execution to which it is or may become entitled to in Brazil. Each of the Borrower and the Guarantor also agrees not to plead or claim any immunity from the execution or enforcement of the arbitral award in the Federative Republic of Brazil, except for the limitation on the alienation of public property referred to in Article 100 of the Brazilian Civil Code and subject to Article 100 of the Brazilian Constitution and Article 730 et. seq. of the Brazilian Civil Procedure Code.

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- (f) Nothing in this Agreement may be interpreted as an agreement of the Borrower or the Guarantor to submit to the jurisdiction of any court outside the Federative Republic of Brazil.

18.3 Service of process

Service of process or other legal summons in connection with any proceedings described in this Article 18 may be served upon

(a) the Guarantor, pursuant to Article 35, Section I of Supplementary Law No. 73 of February 10, 1993, by delivery to the Attorney General of the Federative Republic of Brazil as its authorized agent upon whom any such process or legal summons may be served by rogatory letter,

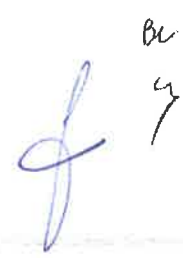
(b) the Borrower, by delivery to the attorney general as its authorized agent upon whom any such process or legal summons may be served by rogatory letter or,

(c) the Lender, by delivery at the address "AFD SIEGE" set out in Clause 17 (*Notices*) for service of process.

19. DURATION

This Agreement comes into force on the Signing Date and remains in full force and effect for as long as any amount is outstanding under this Agreement.

Notwithstanding the above, the obligations under Clauses 12.5(c) (*Information - miscellaneous*) and 16.9 (*Confidentiality - Disclosure of information*) shall survive and remain in full force and effect for a period of ten years after the last Payment Date. The provisions of Clause 11.8.2 (*Environmental and social grievance management*) shall continue to have effect whilst any grievance lodged under the ES Grievance Management Procedures is still being processed or monitored.



Executed on August 26, 2020.

BORROWER

THE MUNICIPALITY OF CURITIBA

Represented by:

Name: Rafael Valdomiro Greca de Macedo

Capacity: Mayor

In Curitiba, on August 26, 2020:



LENDER

AGENCE FRANÇAISE DE DÉVELOPPEMENT

Represented by:

Name: Bruno Leclerc

Capacity: Director of Latin America Department

In Paris, on August 26, 2020:

Co-signatory:

Name: Olivier DA SILVA

Capacity: Chargé d'affaires a.i.

In Brasília, on August 26, 2020:



Olivier DA SILVA
Conseiller de Coopération et d'Action Culturelle
de l'Ambassade de France au Brésil



GUARANTOR

FEDERATIVE REPUBLIC OF BRAZIL

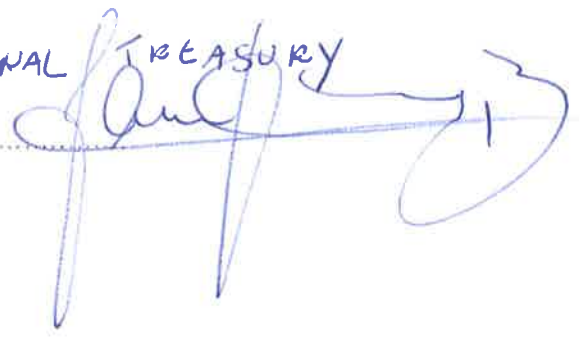
Represented by:

Name: FABIANI FADEL BORIN

Capacity: ATTORNEY OF THE NATIONAL TREASURY


In Brasília, on

August 26, 2020



SCHEDULE 1A - DEFINITIONS

Acceptable Bank	means any bank acceptable to the Lender.
Account Bank	has the meaning given to it in Clause 3.4.1 (<i>Opening of the Project Account</i>).
Act of Corruption	means any of the following: (a) the act of promising, offering or giving, directly or indirectly, to a Public Official or to any person who directs or works, in any capacity, for a private sector entity, an undue advantage of any nature, for the relevant person himself or herself or for another person or entity, in order that this person acts or refrains from acting in breach of his or her legal, contractual or professional obligations and, having for effect to influence his or her own actions or those of another person or entity; or (b) the act of a Public Official or any person who directs or works, in any capacity, for a private sector entity, soliciting or accepting, directly or indirectly, an undue advantage of any nature, for the relevant person himself or herself or for another person or entity, in order that this person acts or refrains from acting in breach of his or her legal, contractual or professional obligations and, having for effect to influence his or her own actions or those of another person or entity.
Advance(s)	has the meaning given to it in Clause 3.4
Agreement	means this credit facility agreement, including its recitals, Schedules and, if applicable, any amendments made in writing thereto.
Anti-Competitive Practices	means: (a) any concerted or implicit action having as its object and/or as its effects to impede, restrict or distort fair competition in a market, including without limitation when it tends to: (i) limit market access or the free exercise of competition by other companies; (ii) prevent price setting by the free play of markets by artificially favouring the increase or decrease of such prices; (iii) limit or control any production, markets, investment or technical progress; or (iv) share out markets or sources of supply; (b) any abuse by a company or group of companies of a dominant position within a domestic market or in a substantial part thereof; or (c) any bid or predatory pricing having as its object and/or its effect to eliminate from a market, or to prevent a company or one of its products from accessing the market.



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Authorization(s)	<p>means any authorization, consent, approval, resolution, permit, license, exemption, filing, notarization or registration, or any exemptions in respect thereof, obtained from or provided by an Authority, whether granted by means of an act, or deemed granted if no answer is received within a defined time limit, as well as any approval and consent given by the Borrower's creditors.</p> <p>This includes, without limitation: (i) the relevant law authorizing the Borrower to enter into the Agreement, (ii) the relevant Brazilian Federal Senate Resolution authorizing the execution of the Agreement by the Borrower and the Guarantor and the granting of the Guarantee of the Federative Republic of Brazil, and (iii) the registration of the financial terms and conditions of this Agreement with the ROF and the subsequent registration of the schedule of payments upon the occurrence of any Drawdown hereunder.</p>
Authority(ies)	<p>means any government or statutory entity, department or commission exercising a public prerogative, or any administration, court, agency or State or any governmental, administrative, tax or judicial entity.</p>
Availability Period	<p>means the period from and including the Signing Date up to the Deadline for Drawdown.</p>
Available Credit	<p>means, at any given time, the maximum principal amount specified in Clause 2.1 (<i>Facility</i>) less:</p> <ul style="list-style-type: none"> (i) the aggregate amount of any Drawdowns drawn by the Borrower; (ii) the amount of any Drawdown to be made pursuant to any pending Drawdown Request; and (iii) any portion of the Facility which has been cancelled pursuant to Clauses 8.3 (<i>Cancellation by the Borrower</i>) and/or 8.4 (<i>Cancellation by the Lender</i>).
Borrower's Budget	<p>means the public Budget approved on an annual basis by the State Legislative Chamber.</p>
Business Day	<p>means a day (other than Saturday or Sunday) on which banks are open for the entire day for general business in Paris, and which is a TARGET Day in the event that a Drawdown has to be done on such day.</p>
Certified	<p>means for any copy, photocopy or other duplicate of an original document, the certification by any duly authorized person, as to the conformity of the copy, photocopy or duplicate with the original document.</p>
Contractor(s)	<p>means third party contractor(s) in charge of implementing all or part</p>

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	of the Project pursuant to Project Documents.
Contractor's Guarantee(s)	means any guarantee provided to [the Borrower] <i>or</i> [the Final Beneficiary] directly or indirectly by any Contractor in charge of the completion of the Project or any part thereof, such as, for example, the completion guarantee or the advance payment guarantee.
Deadline for Drawdown	means August 26, 2025 ⁴ , date after which no further Drawdown may occur.
Deadline for Use of Funds	means the date of expiration of <i>twelve</i> (12) month period starting on the payment date of the last Advance.
Drawdown	means a drawdown of all or part of the Facility made, or to be made, available by the Lender to the Borrower pursuant to the terms and conditions set out in Clause 3 (<i>Drawdown of Funds</i>) or the principal amount outstanding of such Drawdown which remains due and payable at a given time including any Advance.
Drawdown Date	means the date on which a Drawdown is made available by the Lender.
Drawdown Period	means the period starting on the first Drawdown Date up to and including the first of the following date: the date on which the Available Credit is equal to zero ; the Deadline for Drawdown.
Drawdown Request	means a request substantially in the form set out in Schedule 5A (<i>Form of Drawdown Request</i>).
EIA	means Environmental Impact Assessment, i.e., a policy tool available to policy makers that incorporates the following main stages: screening to determine applicability and level of detail of an EIA; scoping during which issues that should be taken into consideration are identified and the terms of reference for the EIA are completed; preparation of the environmental assessment report, including identification of impacts, evaluation of alternatives, and design of mitigation measures; and the preparation of the environmental management plan. In this case, the EIA is produced in accordance with the national process and does not cover social impacts. The EIA will become available after the completion of the social impact assessment. Therefore, the latter will need to be integrated into the EIA when ready in order for the ESMP to take account of both environmental

⁴ To filled at signing date (60 months after the signing date).

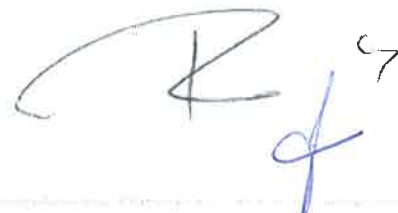
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	AND social impacts in the design of mitigation measures applicable to the Project.
Eligible Expense(s)	means the expense(s) relating to the 5 components of the Project as set out in Schedule 3 (<i>Financing Plan</i>).
Embargo	means any sanction of a commercial nature aiming at prohibiting any import and/or export (supply, sale or transfer) of one or several goods, products or services going to and/or coming from a country for a given period as published and amended from time to time by the United Nations, the European Union or France.
ESCP	means the environmental and social commitment plan attached hereafter as Schedule 6, setting out the Beneficiary's commitment to avoid, mitigate or compensate negative consequences of the Project, on human and natural environment and any planned monitoring, as well as the formal steps required in order to carry out such actions.
ES Grievance Management Procedures	mean the contractual terms contained in the Environmental and Social Grievance Management Procedures in effect on the Signing Date and which is available on the Website.
ESMP	means Environmental and Social Management Plan; i.e., a document that is complementary to the ESIA (or EIA and SIA for the purpose of this very Project); that describes the environmental and social mitigation measures tailored for the expected impacts of the Project during the construction preparation stage, construction stage and operation stage in order to avoid, reduce or compensate for potential adverse impacts of the project on the ecology, environment, society or public health.
EURIBOR	means the Euro inter-bank offered rate for any deposits denominated in Euro applicable on the Interest Period of the relevant Drawdown, as determined by the European Banking Federation (EBF) at 11:00 am Brussels time, two (2) Business Days before the first day of the Interest Period.
Euro(s) or EUR	means the single currency of the member states of the European Economic and Monetary Union, including France, and having legal tender in such Member States
Event of Default	means any event or circumstance set out in Clause 13.1 (<i>Events of Default</i>).
External Indebtedness	means, with respect to the Borrower or the Guarantor (as the case may be), any indebtedness, whether present or future, actual or contingent, for or in respect of amounts borrowed or raised under any loan or credit facility or guarantee incurred by the Borrower or the Guarantor (excluding, for the avoidance of doubt, any indebtedness incurred as a result of bond issuances), which is denominated in a currency other than the lawful currency of the




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	Federative Republic of Brazil, and owned to any creditor having its residence outside the Federative Republic of Brazil and having an initial maturity longer than one year.
Facility	means the credit facility made available by the Lender to the Borrower in accordance with this Agreement up to the maximum principal amount set out in Clause 2.1 (<i>Facility</i>).
Financial Sanctions List	means the list(s) of persons, groups or entities which are subject to financial sanctions by the United Nations, the European Union and/or France. For information purposes only and for the convenience of the Borrower, who may rely on, the following references or website addresses: For the lists maintained by the United Nations , the following website may be consulted: https://www.un.org/sc/suborg/en/sanctions/un-sc-consolidated-list For the lists maintained by the European Union , the following website may be consulted: https://ec.europa.eu/headquarters/headquarters-homepage/8442/consolidated-list-sanctions_en For the lists maintained by France , the following website may be consulted: http://www.tresor.economie.gouv.fr/4248_Dispositif-National-de-Gel-Terroriste
Financing Plan	means the financing plan of the Project set out in Schedule 3 (<i>Indicative Financing Plan</i>).
Fixed Reference Rate	means one point thirty one (1.31%) per annum ⁵ .
Fraud	means any unfair practice (acts or omissions) deliberately intended to mislead others, to intentionally conceal elements there from, or to betray or vitiate his/her consent, to circumvent any legal or regulatory requirements and/or to violate internal rules and procedures of the Borrower or a third party in order to obtain an illegitimate benefit.
Fraud against the Financial Interests of the European Community	means any intentional act or omission intended to damage the European Union budget and involving (i) the use or presentation of false, inaccurate or incomplete statements or documents, which has

⁵ The fixed reference rate shall be determined on the signature date. For information purposes only, as of 5 December 2019, the fixed reference rate was 1.66% per annum. This rate is calculated as the sum of the forward Euribor rate for 20 years with 5 years of grace period loan and the margin.

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	as effect the misappropriation or wrongful retention of funds or any illegal reduction in resources of the general budget of the European Union; (ii) the non-disclosure of information with the same effect; and (iii) misappropriation of such funds for purposes other than those for which such funds were originally granted.
Grace Period	means the period from the Signing Date up to and including the date falling <i>sixty six</i> (66) months after such date, during which no principal repayment under the Facility is due and payable.
Guarantee	means the <i>cautionnement solidaire</i> granted by the Federative Republic of Brazil to the Borrower under Clause 14 of this Agreement, authorized by the Brazilian Federal Senate Resolution N° 8/2020.
Guaranteed Obligations	has the meaning ascribed to such term in Clause 14 of this Agreement.
Illicit Origin	means funds obtained through: <ul style="list-style-type: none"> (a) the commission of any predicate offence as designated in the FATF 40 recommendations Glossary under "<i>Designated categories of offences</i>" (http://www.fatf-gafi.org/media/fatf/documents/recommendations/pdfs/FATF_Recommendations.pdf); (b) any Act of Corruption; or (c) any Fraud against the Financial Interests of the European Community, if or when applicable.
Index Rate	means the TEC 10 daily index, the ten-year constant maturity rate displayed on a daily basis on the relevant quotation page of the Reference Financial Institution or any other index which may replace the TEC 10 daily index. On the Signing Date, the Index Rate on August, 24 2020 is minus zero point twenty one (-0.21 %) per annum.
Insurance Policies	means the insurance policies that the Borrower may subscribe and maintain in connection with the implementation of the Project, in a form acceptable to the Lender.
Integrity Statement	means the integrity, eligibility and environmental and social undertaking statement, in the form set out in the schedules to the Procurement Guidelines that any tenderer or candidate shall deliver pursuant to the terms set out in Clause 1.2.3 of the Guidelines.
Interest Period(s)	means each period from a Payment Date (exclusive) up to the next Payment Date (inclusive). For each Drawdown under the Facility, the first interest period shall start on the Drawdown Date (exclusive) and end on the next successive Payment Date (inclusive).

Interest Rate	means the interest rate expressed as a percentage and determined in accordance with Clause 4.1 (<i>Interest Rate</i>).
Margin	means <i>one point thirty eight</i> (1.38 %) per annum.
Market Disruption Event	means the occurrence of one of the following events: EURIBOR is not determined by the European Banking Federation ("EBF"), at 11:00am Brussels time, two (2) Business Days before the first day of the relevant Interest Period; or before close of business of the relevant interbank market, two (2) Business Days prior to the first day of the relevant Interest Period, the Borrower receives notification from the Lender that (i) the cost to the Lender of obtaining matching resources in the relevant interbank market would be in excess of EURIBOR for the relevant Interest Period; or (ii) it cannot or will not be able to obtain matching resources on the relevant interbank market in the ordinary course of business to fund the relevant Drawdown for the relevant time period.
Material Adverse Effect	means a material and adverse effect on: (a) the Project, insofar as it would compromise the implementation and operation of the Project in accordance with this Agreement; (b) the business, assets, financial condition of the Borrower or its ability to perform its obligations under this Agreement and the Project Documents; (c) the validity or enforceability of this Agreement and the Project Documents; or (d) any right or remedy of the Lender under this Agreement.
Outstanding Principal	means, in respect of any Drawdown, the outstanding principal amount due in respect of such Drawdown, corresponding to the amount of the Drawdown paid by the Lender to the Borrower less the aggregate of instalments of principal repaid by the Borrower to the Lender in respect of such Drawdown.
Payment Dates	Means March 31 st and September 30 th of each year.
Payment Systems Disruption Event	means either or both of: (a) a material disruption to the payment or communication systems or to the financial markets which are, in each case, required to operate in order for payments to be made in connection with the Facility (or otherwise in order for the transactions contemplated by [this Agreement] or [the Financing Documents] to be carried out), provided that the

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	<p>disruption is not caused by, and is beyond the control of, any of the Parties; or</p> <p>(b) the occurrence of any other event which results in a disruption (of a technical or system-related nature) to the treasury or payment operations of a Party preventing that, or any other Party:</p> <p>(i) from performing its payment obligations under [this Agreement] <i>or</i> [the Financing Documents]; or</p> <p>(ii) from communicating with the other Parties in accordance with the terms of [this Agreement] <i>or</i> [the Financing Documents],</p> <p>and which (in either case) is not caused by, and is beyond the control of, either Party.</p>
Prepayment Compensatory Indemnity	<p>means the indemnity calculated by applying the following percentage to the amount of the Facility which is repaid in advance:</p> <ul style="list-style-type: none"> - if the repayment occurs prior to the 3rd anniversary (exclusive) of the Signing Date: two point five per cent (2.5%); - if the repayment occurs between the 3rd anniversary (inclusive) and the sixth anniversary (exclusive) of the Signing Date : two per cent (2%); - if the repayment occurs between the sixth anniversary (inclusive) and the ninth anniversary (exclusive) of the Signing Date: one point five per cent (1.5%); - if the repayment occurs between the ninth anniversary (inclusive) and the twelfth anniversary (exclusive) of the Signing Date: one per cent (1%); - if the repayment occurs after the twelfth anniversary (inclusive): zero point five per cent (0,5%).
Procurement Guidelines	<p>means the contractual provisions contained in the guidelines relating to procurement financed by AFD in foreign countries dated February 2017, a copy of which has been delivered to the Borrower. The Procurement Guidelines are available on the Lender's Website.</p>
Procurement Plan	<p>means the document defined in the Procurement Guidelines and set up by the Borrower listing all procurement that are to take place or have taken place (in the case of retroactive financing) for contracts financed by AFD including key information related to those procurements.</p>
Project	<p>means the project as described in Schedule 2 (Project Description)</p>

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Project Account	has the meaning given to that term in Clause 3.4.1 (<i>Opening of the Project Account</i>).
Project Authorizations	means the Authorizations necessary in order for (i) the Borrower [or the Final Beneficiary] to implement the Project and execute all Project Documents to which it is a party, and to exercise its rights and perform its obligations under the Project Documents to which it is a party; and (ii) the Project Documents to which the Borrower [or the Final Beneficiary] is a party, to be admissible as evidence before courts in the jurisdiction of the Borrower or before a competent arbitral tribunal.
Project Documents	means the following documents, essential for the implementation of the Project: <ul style="list-style-type: none"> • The organigram and the chart of responsibilities for each member of the Program Management Unit in charge of the Project. • The Procurement Plan of the Project • IPPUC's statute and legal framework that enables and defines its role in relation to the project • COHAB's statute and legal framework that enables and defines its role in relation to the project • The environmental and social documentation, validated by AFD, including, namely: the Environmental Impact Assessment (EIA), the Social Impact Assessment (SIA), the Climate Change Vulnerability Study, the Environmental and Social Management Plan (ESMP), the Reinstallation Action Plan (RAP), the Environmental and Social Commitment Plan (ESCP) • The logical framework and the Impact Indicators Matrix of the Project
Public Official	means any holder of legislative, executive, administrative or judicial office whether appointed or elected, serving on permanent basis or otherwise, paid or unpaid, regardless of rank, or any other person defined as a public official under the domestic law of the Borrower's jurisdiction of incorporation, and any other person exercising a public function, including for a public agency or organization, or providing a public service.
Rate Conversion	means the conversion of the floating rate applicable to all or part of the Facility into a fixed rate pursuant to Clause 4.1 (<i>Interest Rate</i>).

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Rate Conversion Request	means a request substantially in the form attached as Schedule 5C (<i>Form of Rate Conversion Request</i>).
Rate Setting Date	<p>means:</p> <p>I - in relation to any Interest Period for which an Interest Rate is to be determined:</p> <ul style="list-style-type: none"> (i) the first Wednesday (or, if that date is not a Business Day, the immediately following Business Day) following the date of receipt by the Lender of the Drawdown Request, provided that the Drawdown Request is received by the Lender at least two (2) full Business Days prior to said Wednesday; (ii) the second Wednesday (or, if that date is not a Business Day, the immediately following Business Day) following the date of receipt by the Lender of the Drawdown Request, if the Drawdown Request was not received by the Lender at least two (2) full Business Days prior to the first Wednesday specified in paragraph (i) above: <p>II - in the case of a Rate Conversion:</p> <ul style="list-style-type: none"> (i) the first Wednesday (or, if that date is not a Business Day, the immediately following Business Day) following the date of receipt by the Lender of the Rate Conversion Request, provided such date is at least two (2) full Business Days prior to the first Wednesday. (ii) the second Wednesday (or, if that date is not a Business Day, the immediately following Business Day) following the date of receipt by the Lender of the Rate Conversion Request, if such date is not at least two (2) full Business Days prior to the first Wednesday..
Reference Financial Institution	means a financial institution chosen as a suitable reference financial institution by the Lender and which regularly publishes quotations of financial instruments on one of the international financial information networks according to the practices recognized by the banking industry.
RAP	means Resettlement Action Plan prepared in accordance with the provisions of the Safeguard Policies, identifying Displaced Persons on account of implementation of Project activities and setting forth the terms and conditions for providing them with resettlement assistance and/or compensation, as well the procedures to be applied in the identification, assessment and mitigation of potential adverse social impacts, including the protocols for consultation, the processing of complaints and grievance redressal, monitoring and reporting requirements.



ROF	means the <i>Registro de Operações Financeiras</i> of the Central Bank of Brazil.
Schedule(s)	means any schedule or schedules to this Agreement.
Signing Date	means the date of execution of this Agreement by all the Parties.
SIA	<p>means Social Impact Assessment, i.e., a policy tool available to policy makers that complements the EIA and incorporates the following main stages: scoping of issues that should be taken into consideration as identified in the terms of reference for the SIA; including identification of impacts and design of mitigation measures; and the preparation of the social management plan.</p> <p>In this case, the social impact assessment was produced as a separate document to be added to the environmental impact assessment when ready.</p>
TARGET Day	means a day on which the Trans European Automated Real Time Gross Settlement Express Transfer 2 (TARGET2) system, or any successor thereto, is open for payment settlement in Euros.
Tax(es)	means any tax, levy, impost, duty or other charge or withholding of a similar nature.
Technical Completion Date	means the date for the technical completion of the Project which is expected to be February 26, 2027. ⁶
Website	means the website of AFD (http://www.afd.fr/) or any other such replacement website.
Withholding Tax	means any deduction or retention in respect of a Tax on any payment made under or in connection with [this Agreement] or [the Financing Documents].

⁶ To be filled at the signing date (78 months after the signing date).

SCHEDULE 1B - CONSTRUCTION

- (a) "assets" includes present and future properties, revenues and rights of every description;
- (b) any reference to the "Borrower", a "Party" or a "Lender" includes its successors in title, permitted assigns and permitted transferees;
- (c) any reference to this Agreement or other document is a reference to this Agreement or to such other document as amended, restated or supplemented and includes, if applicable, any document which replaces it through novation, in accordance with the Agreement;
- (d) a "guarantee" includes any *cautionnement solidaire*.
- (e) "indebtedness" means any obligation of any person whatsoever (whether incurred as principal or as surety) for the payment or repayment of money, whether present, future, actual or contingent;
- (f) a "person" includes any person, company, corporation, partnership, trust, government, state or state agency or any association, or group of two or more of the foregoing (whether or not having separate legal personality);
- (g) a "regulation" includes any legislation, regulation, rule, decree, official directive, instruction, request, advice, recommendation, decision or guideline (whether or not having the force of law) of any governmental, intergovernmental or supranational body, supervisory authority, regulatory authority, independent administrative authority, agency, department or any division of any other authority or organization (including any regulation issued by an industrial or commercial public entity) having an effect on this Agreement or on the rights and obligations of a Party;
- (h) a provision of law is a reference to that provision as amended;
- (i) unless otherwise provided, a time of day is a reference to Paris time;
- (j) The Section, Clause and Schedule headings are for ease of reference only and do not affect the interpretation of this Agreement;
- (k) unless otherwise provided, words and expressions used in any other document relating to this Agreement or in any notice given in connection with this Agreement have the same meaning in that document or notice as in this Agreement;
- (l) an Event of Default is "continuing" if it has not been remedied or if the Lender has not waived any of its rights relating thereto;
- (m) a reference to a Clause or Schedule shall be a reference to a Clause or Schedule of this Agreement; and
- (n) words importing the plural shall include the singular and vice-versa.

SCHEDULE 2 – PROJECT DESCRIPTION

The Borrower will be the Municipality of Curitiba. The following bodies of the Borrower, or others that might be in charge in the future, will carry out the Project, in articulation with several other parts of the local government:

- Instituto de Pesquisa e Planejamento Urbano de Curitiba (IPPUC);
- Secretaria Municipal do Meio Ambiente (SMMA);
- Companhia de Habitação Popular de Curitiba (Cohab);
- Secretaria Municipal de Obras Publicas (SMOP).

Objectives

The purpose of the Bairro Novo do Caximba Climate Risk Management Project - Curitiba-PR is to increase urban resilience by preserving, conserving, restoring and improving the environmental quality of the Barigui and Iguçu river basins, as well as promoting environmental, social and economic development for the population of Vila 29 de Outubro and surrounding areas. To this end, the project will strive to:

- preserve and enhance urban biodiversity by restoring the landscape of a floodplain and restoring local ecosystems and riverbeds;
- minimize natural and climatic disasters in the neighborhood by reducing the risk of floods;
- promote the socio-economic inclusion of vulnerable households and reduce their exposure to climate hazards, taking into account gender and age differences;
- improve urban housing, quality public services and local amenities for vulnerable inhabitants.

General description

The Project is an integrated and multi-sectoral urban planning operation on the Caximba District, with focus on the “Vila 29 de Outubro” and surroundings areas. The Project contemplates expropriation and the resettlement of approximately 1150 households to areas with infrastructure and social and urban facilities, enabling the implementation of flood containment mechanisms, the environmental recovery of the degraded area and the improvement of quality of life of the population that lives in this area.

The main interventions are the following: (i) Macro-drainage and environmental rehabilitation, (ii) urban infrastructure – micro-drainage, road network, housing construction, landscaping, and others, and (iii) urban and social facilities.

The management and supervision of the Project also are financing activities as such: consultorias, avaliações, auditorias, supervisão de obras, ambiental e social, apoio ao gerenciamento.

The operational components of the Project

- Component 1 - Macro-drainage and environmental rehabilitation ;
- Component 2 - Urban infrastructure ;
- Component 3 - Social and public facilities
- Component 4 – Projects and studies



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SCHEDULE 3 - FINANCING PLAN

PROJETO CBR 1070				
ITEM	CATEGORIA	Custo Total	FONTES DE RECURSO (EUROS)	
			AFD	PMC
1.	MACRODRENAGEM E RECUPERAÇÃO AMBIENTAL	26.892.000,00	21.513.600,00	5.378.400,00
2.	INFRAESTRUTURA URBANA	13.400.000,00	10.720.000,00	2.680.000,00
2.1	SISTEMA VIÁRIO PARA A ÁREA DE INTERVENÇÃO	6.709.000,00	5.367.200,00	1.341.800,00
2.2	HABITAÇÃO	6.691.000,00	5.352.800,00	1.338.200,00
3.	INFRAESTRUTURA SOCIAL - EQUIPAMENTOS PÚBLICOS	2.500.000,00	2.000.000,00	500.000,00
4.	PROJETOS E ESTUDOS	500.000,00	400.000,00	100.000,00
5.	GERENCIAMENTO E SUPERVISÃO	4.384.405,00	3.507.524,00	876.881,00
TOTAL EUROS \$		47.676.405,00	38.141.124,00	9.535.281,00

The total cost of the Project is estimated to the equivalent of up to EUR 47,676,405.00.

The Municipality of Curitiba shall bring for the complete and uninterrupted execution of the Project the additional funds estimated to a minimum amount of EUR 9,535,281.00, representing 20% of the total cost of the Project.

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SCHEDULE 4 - CONDITIONS PRECEDENT

The following applies to all documents delivered by the Borrower as a condition precedent:

- if the document which is delivered is not an original but a photocopy, the original Certified photocopy shall be delivered to the Lender;
- the final version of a document which draft was previously sent to, and agreed upon by the Lender, shall not materially differ from the agreed draft;
- documents not previously sent and agreed upon, shall be satisfactory to the Lender.

PART I - CONDITIONS PRECEDENT TO BE SATISFIED ON THE SIGNING DATE

- (a) Delivery by the Borrower to the Lender of the following documents:
- (i) a Certified copy of the relevant decision(s) in compliance with the legislation of the jurisdiction of the Borrower;
 - authorizing the Borrower to enter into this Agreement (*Lei municipal*);
 - approving the execution of the Guarantee (*Despacho do Ministro*); and
 - authorizing a specified person or persons to execute the Agreement on its behalf (*Decreto do Prefeito*);
 - (ii) a certificate issued by a duly authorized representative of the Borrower listing the person(s) authorized to sign, on behalf of the Borrower, the Drawdown Requests and any certificate in connection with this Agreement and to take all other measures and/or sign all other necessary documents on behalf of the Borrower under this Agreement;
 - (iii) a specimen of the signature of each person listed in the last bullet point of paragraph (i) and in the certificate mentioned in paragraph (ii);
 - (iv) opinion of the National Treasury (*parecer de encaminhamento ao Senado*) evidencing that drawdowns under the Facility does not breach any legal borrowing limit binding on the Borrower and the Guarantor; and
 - (v) Evidence of ownership by the city of Curitiba of the property located in the intervention area previously owned by the "Instituto das Águas do Paraná".
- (b) Delivery by the Borrower to the Lender of the document evidencing that the Facility has been included in the Borrower's Budget.
- (c) Delivery to the Lender of a copy of the Brazilian Federal Senate Resolution, authorizing the execution of the Agreement and the granting of the Guarantee by the Federative Republic of Brazil.
- (d) Delivery to the Lender of a draft legal opinion, in form and substance satisfactory to the Lender, of a reputable law firm selected and contracted by the Lender established in the jurisdiction of the Borrower.
- (e) Registration of the financial terms and conditions of the Credit Facility Agreement in the ROF;

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- (f) Submission of a Resettlement Action Plan (RAP) and the social impact assessment (including environmental aspects) deemed satisfactory by AFD and validated by the Municipality of Curitiba.

PART II - CONDITIONS PRECEDENT TO THE FIRST DRAWDOWN

- (a) Delivery by the Borrower to the Lender of the following documents:
- (i) Evidence of any filing or registration, deposit or publication requirements of this Agreement and payment of any stamp duty, registration fees or similar duties in connection with this Agreement, as applicable.
 - (ii) The following Project Documents:
 - The Procurement Plan of the Project with the indications of the use of Lender's funds, having received the Lender's no-objectionand for each of the above-mentioned Project Documents :
 - a Certified copy of each Project Document duly signed by each party thereto;
 - (iii) A certificate of the Account Bank certifying that the Project Account has been opened in the name of the Project and providing account details for such Project Account.
- (b) Delivery to the Lender of a legal opinion issued by the General Attorney of the Municipality of Curitiba on the validity, the binding effect and the enforceability of the Agreement with respect to Brazilian law, substantially in the form set out in Schedule 9A (*Form of Opinion of the Attorney of the Municipality of Curitiba*).
- (c) Delivery to the Lender of a legal opinion issued by an Attorney from the Office of the General Attorney of the National Treasury of the Federative Republic of Brazil on the validity, the binding effect and the enforceability of the Agreement (including the Guarantee) with respect to Brazilian law, substantially in the form set out in Schedule 9B (*Form of Opinion of an Attorney from the Office of the General Attorney of the National Treasury*).
- (d) Delivery to the Lender of a duly executed legal opinion, in form and substance satisfactory to the Lender, of a reputable law firm selected and contracted by the Lender who are legal advisers in the jurisdiction of the Borrower.
- (e) Payment by the Borrower to the Lender of all fees and expenses due and payable under this Agreement.
- (f) Submission of the environmental impact assessment and its associated management plan integrating the conclusions of the climate change vulnerability study and the social study deemed satisfactory by AFD and deemed final by the Municipality of Curitiba.



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PART III - CONDITIONS PRECEDENT FOR ALL DRAWDOWNS INCLUDING THE FIRST DRAWDOWN

PART IV – CONDITIONS PRECEDENT FOR ALL ADVANCES OTHER THAN THE FIRST ADVANCES

Delivery by the Borrower to the Lender of the following documents:

- (i) a certificate signed by a duly authorized representative of the Borrower certifying that at least eighty per cent (80%) (or such other percentage agreed by the Lender) of the Advance immediately preceding the Advance requested in the Drawdown Request and one hundred per cent (100%) of the penultimate Advance have been utilized, including a detailed breakdown of the payment with respect to Eligible Expenses during the relevant period;
- (ii) all contracts and order forms together with any plans and quotes (if applicable) previously provided to the Lender in accordance with, and as defined in, the Procurement Guidelines, in connection with the utilization of the amounts of the Advance made available prior to the Drawdown Request;
- (iii) evidence, in form and substance satisfactory to the Lender, that all relevant Eligible Expenses have been paid;
- (iv) the provisional forecast of expenses for the duration of the Project, updated on the date of the relevant Drawdown Request;
- (v) a revised estimate of the Project costs as well as the Eligible Expenses;
- (vi) the latest annual audit report prepared in accordance with Clause 3.4.8 (*Audit*);



SCHEDULE 5A - FORM OF DRAWDOWN REQUEST

[on the Borrower's letterhead]

To: AGENCE FRANÇAISE DE DÉVELOPPEMENT

On: [date]

Borrower's Name – Credit Facility Agreement n° [●] dated [●]

Drawdown Request n°[●]

Dear Sirs,

1. We refer to the Credit Facility Agreement n° [●] entered into between the Borrower and the Lender dated [●] (the "Agreement"). Capitalized words and expressions used but not defined herein have the meanings given to them in the Agreement.

2. This letter is a Drawdown Request.

3. We irrevocably request that the Lender makes a Drawdown available on the following terms:

Amount: EUR [●] or, if less, the Available Credit.

Interest Rate: [fixed / floating]

4. The Interest Rate will be determined in accordance with Clause 4 (*Interest*) of the Agreement. The Interest Rate applicable to the requested Drawdown will be provided to us in writing and we accept this Interest Rate (subject to the paragraph below, if applicable).

[For fixed Interest Rate only:] If the Interest Rate applicable to the requested Drawdown is greater than [●insérer pourcentage en lettres] ([●]%), we request that you cancel this Drawdown Request.

5. We confirm that each condition specified in Clause 2.4 (*Conditions precedent*) is satisfied on the date of this Drawdown Request and that no Event of Default is continuing or is likely to occur. We agree to notify the Lender immediately if any of the conditions referred to above is not satisfied on or before the Drawdown Date.

6. The proceeds of this Drawdown should be credited to the following bank account:

(a) Name [of the Borrower]: [●]

(b) Address [of the Borrower]: [●]

(c) IBAN Account Number: [●]

(d) SWIFT Number: [●]

(e) Bank and bank's address [of the Borrower]: [●]

(f) [if currency other than Euro] [●]
correspondent bank and account
number of the Borrower's bank:

7. This Drawdown Request is irrevocable.

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8. We have attached to this Drawdown Request all relevant supporting documents specified in Clause 2.4 (*Conditions precedent*) of the Agreement:

[List of supporting documents]

Yours sincerely,

.....
Authorized signatory of Borrower



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SCHEDULE 5B - FORM OF CONFIRMATION OF DRAWDOWN AND RATE

[on Agence Française de Développement letterhead]

To: *[the Borrower]*

Date: [●]

Ref: Drawdown Request n° [●] dated [●]

Borrower's Name – Credit Facility Agreement n°[●] dated [●]

Drawdown Confirmation n°[●]

Dear Sirs,

1. We refer to the Credit Facility Agreement n°[●] entered into between the Borrower and the Lender dated [●] (the "Agreement"). Capitalized words and expressions used but not defined herein have the meanings given to them in the Agreement.
2. By a Drawdown Request Letter dated [●], the Borrower has requested that the Lender makes available a Drawdown in the amount of EUR [●], pursuant to the terms and conditions of the Agreement.
3. The Drawdown which has been made available according to your Drawdown Request is as follows:
 - Amount: [●amount in words] ([●])
 - Applicable interest rate: [●percentage in words] ([●]%) per annum
 - Effective global rate (per annum): [●percentage in words] ([●]%)
 - Drawdown Date: [●]

For fixed-Interest Rate loans only

For information purposes only:

- Rate Setting Date: [●]
- Fixed Reference Rate: [●percentage in words] ([●]%) per annum
- Index Rate: [●percentage in words] ([●]%)
- Index Rate on the Rate Setting Date: [●].

Yours sincerely,

.....
Authorized signatory of *Agence Française de Développement*



SCHEDULE 5C - FORM OF RATE CONVERSION REQUEST

[on the Borrower's letterhead]

To: AGENCE FRANÇAISE DE DÉVELOPPEMENT

On: [date]

Borrower's Name – Credit Facility Agreement n°[●] dated [●]

Rate Conversion Request n°[●]

Dear Sirs,

1. We refer to the Credit Facility Agreement n°[●] entered into between the Borrower and the Lender dated [●] (the "Agreement"). Capitalized words and expressions used but not defined herein have the meanings given to them in the Agreement.
2. Pursuant to Clause 4.1.3 (i) (*Conversion from a floating Interest Rate to a fixed Interest Rate*) of the Agreement, we hereby request that you convert the floating Interest Rate of the following Drawdowns:
 - [list the relevant Drawdowns],

into a fixed Interest Rate in accordance with the terms of the Agreement.

3. This rate conversion request will be deemed null and void if the applicable fixed Interest Rate exceeds [●] [●%].

Yours sincerely,

.....
Authorized signatory of Borrower



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SCHEDULE 5D - FORM OF RATE CONVERSION CONFIRMATION

[on Agence Française de Développement letterhead]

To: [the Borrower]

Date: [●]

Re: Rate Conversion Request n° [●] dated [●]

Borrower's Name – Credit Facility Agreement n°[●] dated [●]

Rate Conversion Confirmation n°[●]

Dear Sirs,

SUBJECT: Conversion from a floating Interest Rate to a fixed Interest Rate

1. We refer to the Credit Facility Agreement n°[●] entered into between the Borrower and the Lender dated [●] (the "Agreement"). Capitalized words and expressions used but not defined herein have the meanings given to them in the Agreement.
2. We refer also to your Rate Conversion Request dated [●]. We confirm that the fixed Interest Rate applicable to the Drawdown(s) referred to in your Rate Conversion Request delivered in accordance with Clause 4.1.3 (i) (*Conversion from a floating Interest Rate to a fixed Interest Rate*) of the Agreement is:
 - [●]% per annum.
3. This fixed Interest Rate, calculated in accordance with Clause 4.1.1 (*Selection of Interest Rate*) will apply to the Drawdown(s) referred in your Rate Conversion Request from [●] (effective date).
4. Further, we notify you that the effective global rate per annum of the Facility is [●]%. Yours sincerely,

.....
Authorized representative of Agence Française de Développement

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SCHEDULE 6 - ENVIRONMENTAL AND SOCIAL COMMITMENT PLAN

The present Environmental and Social Commitment Plan (ESCP) aims at consolidating in one unique document the main measures and actions to be implemented in the context of the Project in respect of the Environmental and Social (E&S) international standards endorsed by the French Agency for Development (hereinafter referred to as "AFD"). Such measures and actions are expected to allow initial E&S risk evaluation and their later avoidance, minimization, mitigation and/or compensation for potential adverse E&S impacts as identified in the E&S documentation already available or yet to be updated. The ESCP encompasses the definition of such measures and actions as well as their calendar, implementation responsibilities, and monitoring indicators.

- The project owner will have to implement and manage these measures, in conformity with the following AFD requirements regarding E&S risks, and referring to the World Bank Group Environmental and Social Framework: ***AFD Environmental and social Risk Management Approach***
<http://www.afd.fr/lang/en/home/AFD/developpement-durable/DD-et-operations/maitrise-risques> (EN)
- ***Environmental and Social Framework, World Bank, August 4, 2016***
<http://www.banquemondiale.org/fr/projects-operations/environmental-and-social-framework>
- ***Environmental, Health, and Safety – EHS - Guidelines***
http://www.ifc.org/wps/wcm/connect/topics_ext_content/ifc_external_corporate_site/ifc+sustainability/our+approach/risk+management/ehsguidelines
- ***Procurement Guidelines***




Theme	Expected Action	Resources & Responsibilities	Calendar: Conception & Implementation	Indicators of achievement
1. Assessment and Management of Environmental and Social Risks and Impacts				
Project E&S Categorization	B+	International E&S regulations apply	Throughout project implementation	Progress Reports Grievance registries
1.1 Evaluate alternatives	Select construction materials that allow for optimal environmental protection and biodiversity conservation to avoid/minimize adverse risks on the environment, biodiversity, natural resources, and communities	Project Management Unit (PMU) Public Procurement Authority SMOP SMMA IPPUC	Procurement of goods Prior to the start of works	Bidding and contracting documents are submitted to AFD for information
1.2 Environmental & Social Assessment	Conduct thorough Environmental Impact Assessment Integrate Social Impact Assessment, Reinstallation Action Plan and Climate Change Study into the expected Environmental Impact Assessment Draw up an Environmental and Social Management Plan (ESMP) to allow for comprehensive definition and implementation of adequate mitigation measures in accordance with impacts identified in the EIA/SIA/RAP	PMU IPPUC COHAB Consulting Firm in charge of EIA Contractors	Prior to the procurement of Works	SIA and RAP validated by AFD EIA available and submitted to AFD for non-objection ESMP available and submitted to AFD for non-objection
1.3 Organizational capacity & Commitment	Obtain all environmental licenses required for intervention in project areas	PMU(obtain) SMMA (emission)	Prior to the start of Works	Copy of environmental licenses are submitted to AFD for reference

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Theme	Expected Action	Resources & Responsibilities	Calendar: Conception & Implementation	Indicators of achievement
1.4 Management of Enterprises & Contractors	<p>Communicate E&S documentation and ESMP to companies and contractors to ensure adequate E&S mitigation measures and budgeting thereof</p> <p>Verify availability of a Worksite Environmental and Social Management Plan (Worksite ESMP) integrating measures to protect and limit damage and nuisance resulting from pollution, noise and other potential negative impacts of the project on the environment and populations near construction sites in accordance with issues identified in E&S documentation</p> <p>Ensure relevant E&S clauses are integrated into the Procurement Documents, i.e.;</p> <ul style="list-style-type: none"> -Require Environmental, Social, Health and Safety (ESHS) documentation as part of bidding documents -Integrate applicable ESHS clauses into contracting documents with selected bidder, sub-contractors <p>Conduct regular supervision and Ensure monitoring of compliance with E&S mitigation measures and Environmental, Social, Health and Safety (ESHS) requirements</p>	<p>PMU IPPUC SMOP SMMA Public Procurement Authority COHAB</p> <p>Contractor and subcontractor Contractor's ESHS-dedicated staff (ESHS Manager)</p>	<p>Prior to contracting And throughout Project implementation</p>	<p>Signed ESHS Form appended to Bidding Documents for Procurement of Works</p> <p>Signed Statement of Integrity, Eligibility and Social and Environmental Responsibility</p> <p>ESHS reports and/or any valid ESHS certificate, AND organizational chart evidencing Contractor/sub-contractor's ESHS-dedicated personnel submitted to AFD</p> <p>AFD Non-Objection on bidding and contracting documents</p>
2. Labor and Working Conditions				

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Theme	Expected Action	Resources & Responsibilities	Calendar: Conception & Implementation	Indicators of achievement
2.1 Terms and Conditions of Employment	Declare compliance with ILO core labor standards in operations (equal opportunity, protection from child and forced labor, workers' organizations, etc.)	Selected construction firm(s) and subcontractors PMU IPPUC	Prior to the beginning of the contractor's assignment and throughout project implementation	Declaration of compliance by the Contractor When available, audit reports related to ESHS topics on construction site carried out during the past 5 years are reviewed by PMU/IPPUC Supervision/Inspection visits check for non-compliance and any occurrence of non-compliance reports are submitted to AFD
2.2 Grievance Mechanism	Set up a grievance redress mechanism that allows registration, processing, follow-up and resolution of complaints by workers and communities involved in High Intensity Labor Force	Contracting companies, contractors PMU COHAB	Throughout implementation of Works	Updates on grievances outlining the number of grievances, time to resolution and outcomes of grievances will be communicated to the AFD as part of the Progress Reports
2.3 Recruitment of workforce in local communities	Workforce among local communities will be recruited and trained in accordance with principles set out by COHAB, in consultation with communities, and in compliance with occupational health and safety regulations	Contracting companies, COHAB, Community leaders PMU	Prior to the beginning of the contractor's assignment and Throughout implementation of Works	Cases of works involving local communities as part of high intensity labor force are described and reported in Progress Reports
3. Resource Efficiency and Pollution Prevention and Management				
Energy Saving, Water Use, Air Pollution, Management of hazardous and non-hazardous wastes, Pesticide Management	Select construction materials that allow for optimal resource efficiency, pollution prevention, and management as part of the process for the procurement of goods	PMU IPPUC Construction firms and subcontractors	Prior to procurement of Goods Throughout project implementation	Bidding and contracting documents are submitted to AFD for information
4. Community Health and Safety				


Theme	Expected Action	Resources & Responsibilities	Calendar: Conception & Implementation	Indicators of achievement
Awareness-raising on Environmental, Health and Safety Risks and Preparedness	Sensitize local communities to Environmental Protection, Health and Safety Risks Prepare them for climate change adaptation	PMU COHAB Actors involved in Environmental Education Program	Throughout Project implementation	Progress Reports
5. Land Acquisition, Restrictions on Land Use and Involuntary Resettlement				
5.1 Resettlement Action Plan	Conduct Land Acquisition and Resettlement in compliance with the compensation principles set out in the Resettlement Action Plan	Secretaria Municipal de Administração e Gestão de Pessoal (land acquisition) SMOP SMMA COHAB (resettlement) PMU(supervision and monitoring)	Prior to the start of Works Throughout Project Implementation and one year beyond resettlement process	RAP validated by AFD Progress Reports Grievance registries
5.2 Communities Involvement	Involve local communities in decision-making process concerning the planning and implementation of the Project, their resettlement, compensation and accompanying measures	COHAB PMU IPPUC	Throughout Project Implementation	Consultation Reports Progress Reports
5.3 Grievance Mechanism	Set up a grievance redress mechanism that allows registration, processing, follow-up and resolution of complaints by resettled communities	COHAB PMU IPPUC	Throughout Project Implementation and one year beyond resettlement process	Updates on grievances outlining the number of grievances, time to resolution and outcomes of grievances may be communicated to the AFD as part of the Progress Reports or separate Grievance-specific reports
6. Cultural Heritage				

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Theme	Expected Action	Resources & Responsibilities	Calendar: Conception & Implementation	Indicators of achievement
Identification of cultural heritage	Temporarily interrupt works and inform the Employer and/or Lender in case of discovery of cultural heritage site during works and agree on how to proceed works while ensuring protection of cultural heritage areas/items	Companies & contractors PMU IPPUC	Throughout Project implementation	Ad-hoc communication and report
7. Stakeholder Engagement and Information Disclosure				
7.1 Stakeholders engagement plan	Implement community involvement, information and consultation activities as described in the social work program and related reports	COHAB PMU IPPUC	Throughout Project Implementation	Consultation Reports Progress Reports
7.2 Grievance Mechanism	Set up a grievance redress mechanism that allows registration, processing, follow-up and resolution of complaints by project-affected communities	COHAB PMU IPPUC	Throughout Project Implementation	Updates on grievances outlining the number of grievances, time to resolution and outcomes of grievances may be communicated to the AFD as part of the Progress Reports or separate Grievance-specific reports

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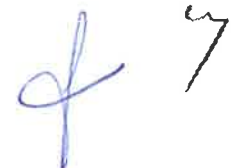
SCHEDULE 7 - INDICATIVE LIST OF IMPACT INDICATORS

The impact indicators of the project and the respective report form shall be precisely defined in the Impact Indicators Matrix, in agreement between the Borrower and the Lender, considering the Project and its implementation, based on the following indicative list:

- Total number of project beneficiaries (women/men)
- Climate Resilience Risk Index
- Percentage of beneficiaries (women/men) in flood risk area
- Average occurrences of flooding,
- Percentage of native vegetation cover of the ecological corridor
- Number of beneficiaries (women/men) whose climate resilience has increased
- Percentage of beneficiaries (women/men) provided with better public services (water supply, sewage collection and treatment, electricity and solid waste collection)
- Number of beneficiaries (women/men) with better housing conditions, access to public spaces and public facilities
- Percentage of paved roads
- Number of beneficiaries (women/men) whose income or employment generating activities have been improved
- Percentage of beneficiaries (women/men) participating in social, economic and environmental development actions



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**SCHEDULE 8 - INFORMATION THAT MAY BE PUBLISHED ON THE FRENCH
GOVERNMENT WEBSITE AND THE LENDER'S WEBSITE**

1. Information regarding the Project
 - Number and name in AFD's book;
 - Description;
 - Operating sector ;
 - Place of implementation ;
 - Expected starting date ;
 - Expected Technical Completion Date;
 - Status of implementation updated on a semi-annual basis ;
2. Information regarding the financing of the Project
 - Kind of financing (loan, grant, co-financing, delegated funds) ;
 - Principal amount of the Facility ;
 - Amount of the Facility which has been drawn down (updated as the implementation of the Project goes) ;
3. Other information
 - Transaction information notice and/or sheet presenting the transaction attached to this Schedule.



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SCHEDULE 9A - FORM OF OPINION OF THE GENERAL ATTORNEY OF THE
MUNICIPALITY OF CURITIBA

Date: [●].

[To the attention of the AGENCE FRANCAISE DE DEVELOPPEMENT AS LENDER UNDER THE CREDIT FACILITY AGREEMENT]

You have asked me for an opinion in connection with a credit facility agreement (hereinafter called the "Credit Facility Agreement") dated [●] signed between the State of [●] (hereinafter called the "Borrower"), the Federative Republic of Brazil and yourselves and the project agreement (hereinafter called the "Project Agreement") dated [●] signed between [●], (hereinafter called the "Final Beneficiary") and yourselves. Terms defined in the Credit Facility Agreement shall have the same meanings when used in this opinion.

In giving this opinion I have examined (i) an executed copy of the Credit Facility Agreement, (ii) a copy of the Project Agreement, (iii) the registration number with the Central Bank of Brazil - *Registro de Operações Financeiras* (ROF), (iv) any document evidencing the approvals necessary for the validity, binding effect and the enforcement of the Credit Facility Agreement, (v) the documents evidencing that the Borrower has full power to sign the Credit Facility Agreement, and other document as I have deemed necessary. I have assumed due compliance with all matters of French laws.

I am of the opinion that:

- (a) The Borrower has the power and authority to enter into the Credit Facility Agreement and to borrow thereunder and has taken all necessary action to authorize the borrowing under the Credit Facility Agreement and the execution, delivery and performance of the Credit Facility Agreement, in accordance with the terms and conditions thereof.
- (b) The Final Beneficiary has the power and authority to enter into the Project Agreement and has taken all necessary action to authorize the execution, delivery and performance of the Project Agreement, in accordance with the terms and conditions thereof.
- (c) The Credit Facility Agreement has been executed and delivered by a duly authorized official of the Borrower, and constitutes legal, valid and binding obligations of the Borrower enforceable against the Borrower in the Federative Republic of Brazil.
- (d) The Project Agreement has been executed and delivered by a duly authorized official of the Final Beneficiary, and constitutes legal, valid and binding obligations of the Final Beneficiary enforceable against the Final Beneficiary in the Federative Republic of Brazil.
- (e) The execution and delivery by the Borrower and the Final Beneficiary of the Credit Facility Agreement and the Project Agreement, and the performance of the respective obligations contemplated therein, in accordance with the terms and conditions thereof do not:
 - (i) contravene any existing provision of law, statute, decree, rule or regulation to which the Borrower or the Final Beneficiary is subject, or any judgment, decree, franchise, order, permit, consent or authorization applicable to the Borrower or the Final Beneficiary; or


- (ii) conflict (or are not inconsistent with), or result in any breach or violation of, any term, covenant, condition or provision of, or constitute a default under, or result in the creation or imposition of any lien, security interest, charge or encumbrance upon any of the property or assets of the Borrower or the Final Beneficiary pursuant to the terms of any contractual restriction or undertaking under any indenture, mortgage, deed of trust, agreement or other instrument to which the Borrower or the Final Beneficiary is a party or by which the Borrower or the Final Beneficiary or any of its assets may be bound.
- (f) All consents, approvals, permits, licenses, authorizations of every governmental or public body or authority required to authorize, or required in connection with the execution and delivery of, the Credit Facility Agreement or the Project Agreement and the performance of the respective terms thereof, including control authorization for the payment of principal and interest thereon in Euros, and any other sums payable under the Credit Facility Agreement, have been obtained and the Credit Facility Agreement has been registered with the Central Bank of Brazil under the *Registro de Operações Financeiras* – (ROF) n° [•].
- (g) It is not necessary in order to ensure the legality, validity, enforceability or admissibility in evidence of the Credit Facility Agreement or the Project Agreement for it to be filed, recorded or enrolled with any court and Government or other agency in the Federative Republic of Brazil or for any stamp, tax or other duty to be paid, provided that, with respect to the admissibility in evidence of the Credit Facility Agreement or the Project Agreement before the courts in Brazil: (A) a summary of the Credit Facility Agreement shall be publicized in the official gazette, (B) the signatures of the representatives of the Lender signing in France shall have been notarized by a notary public licensed as such under the law of France, and (C) the Credit Facility Agreement shall have been translated into the Portuguese language by a sworn translator in Brazil. No registration of the Credit Facility Agreement is required with a *Cartório de Registro de Títulos e Notas* (Registry of Titles and Deeds).
- (h) The Credit Facility Agreement and the Project Agreement are in proper legal form under the laws of the Federative Republic of Brazil for the validity and enforcement thereof against the Borrower and the Final Beneficiary under such laws. No provision of the Credit Facility Agreement and the Project Agreement contravenes the Brazilian Law or public policy.
- (i) The Borrower and the Final Beneficiary have no right of immunity from suit, execution, or any other legal process with respect to its obligations under the Credit Facility Agreement and the Project Agreement in any competent court in the Federative Republic of Brazil, except for the limitation on the alienation of public property provided for in article 100 of the Civil Code of the Federative Republic of Brazil.
- (j) The Lender is entitled to full access to the courts of Brazil on the same terms as are available to residents and citizens of Brazil. However, pursuant to Article 83 of the Brazilian Code of Civil Procedure, any foreign plaintiff who resides abroad or is abroad during the course of a suit must give a guarantee to cover legal fees and court expenses of the defendant, should there be no immovable assets in Brazil to ensure payment thereof. Pursuant to Article 83 Paragraph 1 of the Brazilian Code of Civil Procedure, such guarantee is not required in the case of enforcement of a "*titulo executivo extrajudicial*" (extra judicial title) and in the case of "*reconvenção*" (counterclaim).
- (k) Any award of an arbitral tribunal which conforms to Brazilian public policy and law will be enforceable against the Borrower and the Final Beneficiary in the federal courts of the Federative Republic of Brazil without re-examination of the merits, provided that such award is accompanied by a certified sworn translation into Portuguese.

- (l) There are no legal, administrative or other actions, claims or other proceedings current, pending or threatened against the Borrower which if decided adversely would materially and adversely affect the financial condition of the Borrower or could materially and adversely affect the Borrower's ability to perform its obligations under the Credit Facility Agreement.
- (m) The choice of French law as the governing law of the Credit Facility Agreement and the Project Agreement is valid, binding and enforceable under Brazilian law and should be recognized and given effect by the courts of Brazil to the extent that such law is not deemed to be against Brazilian national sovereignty, good morals or public policy.

Yours faithfully,



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**SCHEDULE 9B - FORM OF OPINION OF AN ATTORNEY OF THE OFFICE OF THE
GENERAL ATTORNEY OF THE NATIONAL TREASURY**

Date: [●].

[To the attention of the *AGENCE FRANCAISE DE DEVELOPPEMENT AS LENDER UNDER THE CREDIT FACILITY AGREEMENT*]

You have asked me for an opinion in connection with a credit facility agreement (hereinafter called the "Credit Facility Agreement") dated [●] signed between the State of [●] (hereinafter the "Borrower") and the Federative Republic of Brazil (hereinafter called the "Guarantor") and yourselves. Terms defined in the Credit Facility Agreement shall have the same meanings when used in this opinion.

In giving this opinion I have examined (i) an executed copy of the Credit Facility Agreement, (ii) the registration number with the Central Bank of Brazil - *Registro de Operações Financeiras* (ROF), (iii) any document evidencing the approvals necessary for the validity, binding effect and the enforcement of the Guarantee, (iv) the documents evidencing that the Guarantor has full power to sign the Credit Facility Agreement, and other document as I have deemed necessary. I have assumed due compliance with all matters of French laws.

I am of the opinion that:

- (a) The Guarantor has the power and authority to enter into the Credit Facility Agreement and to guarantee the Facility thereunder and has taken all necessary action to authorize the guaranteeing under the Credit Facility Agreement and the execution, delivery and performance of the Guarantee, in accordance with the terms and conditions thereof.
- (b) The Credit Facility Agreement has been executed and delivered by a duly authorized official of the Guarantor, and constitutes legal, valid and binding obligations of the Guarantor enforceable against the Guarantor in the Federative Republic of Brazil.
- (c) The execution and delivery by the Guarantor of the Credit Facility Agreement, and the performance of the respective obligations under Clause 14 (*Guarantee*) contemplated therein, in accordance with the terms and conditions thereof do not:
 - (i) contravene any existing provision of law, statute, decree, rule or regulation to which the Guarantor is subject, or any judgment, decree, franchise, order, permit, consent or authorization applicable to the Guarantor; or
 - (ii) conflict (or are not inconsistent with), or result in any breach or violation of, any term, covenant, condition or provision of, or constitute a default under, or result in the creation or imposition of any lien, security interest, charge or encumbrance upon any of the property or assets of the Guarantor pursuant to the terms of any contractual restriction or undertaking under any indenture, mortgage, deed of trust, agreement or other instrument to which the Guarantor is a party or by which the Guarantor or any of its assets may be bound.
- (d) All consents, approvals, permits, licenses, authorizations of every governmental or public body or authority required to authorize, or required in connection with the execution and delivery of, the Credit Facility Agreement and the performance of the respective terms thereof including control authorization for the payment of principal and interest thereon in Euros, and any other sums payable under the Credit Facility Agreement, have been obtained and the

Credit Facility Agreement has been registered with the Central Bank of Brazil under the *Registro de Operações Financeiras* -- (ROF) nº [*].

- (e) It is not necessary in order to ensure the legality, validity, enforceability or admissibility in evidence of the Credit Facility Agreement for it to be filed, recorded or enrolled with any court and Government or other agency in the Federative Republic of Brazil or for any stamp, tax or other duty to be paid; provided that, in order to ensure the admission and the effectiveness of the Credit Facility Agreement before the public agencies and courts in Brazil (a) the signatures of the parties to the agreements signed outside Brazil must be notarized by a notary public licensed as such under the laws of the place of signing; (b) the Credit Facility Agreement must be translated into the Portuguese language by a sworn translator (*tradutor juramentado*); and (c) a summary of the Credit Facility Agreement must be publicized in the official gazette.
- (f) The Credit Facility Agreement is in proper legal form under the laws of the Federative Republic of Brazil for the validity and enforcement thereof against the Guarantor under such laws. No provision of the Credit Facility Agreement contravenes Brazilian Law or public policy.
- (g) The Guarantor has no right of immunity from suit, execution, or any other legal process with respect to its obligations under the Credit Facility Agreement in any competent court in the Federative Republic of Brazil, except for the limitation on the alienation of public property provided for in article 100 of the Civil Code of the Federative Republic of Brazil, provided that the execution of a judgment against, and the satisfaction of a judgment may be made only in accordance with article 100 of the Constitution of the Federative Republic of Brazil and the procedures set forth in Article 910 et. Seq. of the Civil Procedure Code of the Federative Republic of Brazil (which Articles set forth the procedures pursuant to which such judgment must be satisfied by the Guarantor, including the requirements that such judgment be registered for inclusion in the budget for payment in a subsequent fiscal year of the Guarantor and that payment in respect of such judgment be made through the court that rendered such judgment).
- (h) The Lender is entitled to full access to the courts of Brazil on the same terms as are available to residents and citizens of Brazil. However, pursuant to Article 83 of the Brazilian Code of Civil Procedure, any foreign plaintiff who resides abroad or is abroad during the course of a suit must give a guarantee to cover legal fees and court expenses of the defendant, should there be no immovable assets in Brazil to ensure payment thereof. Pursuant to Article 83 Paragraph 1 of the Brazilian Code of Civil Procedure, such guarantee is not required in the case of enforcement of a "*título executivo extrajudicial*" (extra judicial title) and in the case of "*reconvenção*" (counterclaim).
- (i) Any award of an arbitral tribunal which conforms to Brazilian public policy and law will be enforceable against the Guarantor in the federal courts of the Federative Republic of Brazil without re-examination of the merits, provided that such award is accompanied by a certified sworn translation into Portuguese
- (j) The Lender will in no way be deemed resident or domiciled or exercising a business or liable to tax in Brazil by reason of the execution or performance of the Credit Facility Agreement.
- (k) There are no legal, administrative or other actions, claims or other proceedings current, pending or threatened against the Guarantor which if decided adversely would materially and adversely affect the financial condition of the Guarantor or could materially and adversely affect the Guarantor's ability to perform its obligations under the Credit Facility Agreement.

- (l) The choice of French law as the governing law of the Credit Facility Agreement is valid, binding and enforceable under Brazilian law and should be recognized and given effect by the courts of Brazil to the extent that such law is not deemed to be against Brazilian national sovereignty, good morals or public policy.

Yours Faithfully,



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SCHEDULE 10- NON-EXHAUSTIVE LIST OF ENVIRONMENTAL AND SOCIAL DOCUMENTS WHICH THE BORROWER PERMITS TO BE DISCLOSED IN CONNECTION WITH ES GRIEVANCE MANAGEMENT PROCEDURES:

- Environmental Impact Assessment (EIA)
- Social Impact Assessment (SIA)
- Environmental and Social Management Plan (ESMP)
- Climate Change Vulnerability Study
- Resettlement Action Plan (RAP)
- Environmental and Social Commitment Plan (ESCP)
- Chapters from the environmental and social monitoring reports
- Progress reports on ESCP implementation



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