CONFORMED COPY

LOAN NUMBER 7506-BR

Loan Agreement
(São Paulo Trains and Signaling Project)
between

STATE OF SÃO PAULO

and

INTERNATIONAL BANK FOR RECONSTRUCTION
AND DEVELOPMENT

Dated June 12, 2008
LOAN AGREEMENT

Agreement dated June 12, 2008, between the STATE OF SÃO PAULO ("Borrower") and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT ("Bank"). The Borrower and the Bank hereby agree as follows:

ARTICLE I — GENERAL CONDITIONS; DEFINITIONS

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

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

ARTICLE II — LOAN

2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement, the amount of $550,000,000, (five hundred fifty million Dollars), as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.07 of this Agreement ("Loan"), to partially finance the project described in Schedule 1 to this Agreement ("Project").

2.02. The Borrower may withdraw the proceeds of the Loan in accordance with Section IV of Schedule 2 to this Agreement. The Borrower’s Representative for purposes of taking any action required or permitted to be taken pursuant to this Section is the Secretário de Transportes Metropolitanos.

2.03. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Loan amount.

2.04. The interest payable by the Borrower for each Interest Period shall be at a rate equal to LIBOR for the Loan Currency plus the Fixed Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the General Conditions. Notwithstanding the foregoing, if any amount of the Withdrawn Loan Balance remains unpaid when due and such non-payment continues for a period of thirty days, then the interest payable by the Borrower...
shall instead be calculated as provided in Section 3.02 (d) of the General Conditions.

2.05. The Payment Dates are May 15 and November 15 in each year.

2.06. The principal amount of the Loan shall be repaid in accordance with the amortization schedule set forth in Schedule 3 to this Agreement.

2.07. (a) The Borrower may at any time, in each case with the prior no-objection of the Guarantor and through the Guarantor’s Secretariat of National Treasury, request any of the following Conversions of the terms of the Loan in order to facilitate prudent debt management: (i) a change of the Loan Currency of all or any portion of the principal amount of the Loan, withdrawn or unwound, to an Approved Currency; (ii) a change of the interest rate basis applicable to all or any portion of the principal amount of the Loan from a Variable Rate to a Fixed Rate, or vice versa; and (iii) the setting of limits on the Variable Rate applicable to all or any portion of the principal amount of the Loan withdrawn and outstanding by the establishment of an Interest Rate Cap or Interest Rate Collar on the Variable Rate.

(b) Any conversion requested pursuant to paragraph (a) of this Section that is accepted by the Bank shall be considered a “Conversion”, as defined in the General Conditions, and shall be effected in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.

(c) Promptly following the Execution Date for an Interest Rate Cap or Interest Rate Collar for which the Borrower has requested that the premium be paid out of the proceeds of the Loan, the Bank shall, on behalf of the Borrower, withdraw from the Loan Account and pay to itself the amounts required to pay any premium payable in accordance with Section 4.04 (c) of the General Conditions up to the amount allocated from time to time for the purpose in the table in Section IV of Schedule 2 to this Agreement.

2.08. Without limitation upon the provisions of paragraph (a) of Section 2.07 of this Agreement and unless otherwise notified by the Borrower to the Bank in accordance with the provisions of the Conversion Guidelines, the interest rate basis applicable to the aggregate principal amount of the Loan withdrawn during each consecutive Interest Period shall be converted from the initial Variable Rate to a Fixed Rate for the full maturity of such amount in accordance with the provisions of Article IV of the General Conditions and of the Conversion Guidelines.
ARTICLE III — PROJECT

3.01. The Borrower declares its commitment to the objective of the Project. To this end, the Borrower shall, in accordance with the provisions of Article V of the General Conditions: (i) carry out Part B.1 of the Project through STMSP; and (ii) cause Parts A.1 and B.2 of the Project to be carried out by CPTM, and Parts A.2 and B.3 of the Project to be carried out by SP METRO, both under the coordination of STMSP.

3.02. Without limitation upon the provisions of Section 3.01 of this Agreement, and except as the Borrower and the Bank shall otherwise agree, the Borrower shall ensure that the Project is carried out in accordance with the provisions of Schedule 2 to this Agreement.

ARTICLE IV — EFFECTIVENESS; TERMINATION

4.01. The Additional Condition of Effectiveness consists of the following, namely, that the Subsidiary Agreement has been executed on behalf of the Borrower and the CPTM/SP METRO.

4.02. The Additional Legal Matters consist of the following:

(a) The CPTM Project Agreement has been duly authorized or ratified by the CPTM and is legally binding upon the CPTM in accordance with its terms.

(b) The SP METRO Project Agreement has been duly authorized or ratified by SP METRO and is legally binding upon the SP METRO in accordance with its terms.

(c) The Loan has been validly registered by the Guarantor’s Central Bank.

4.03. Without prejudice to the provisions of the General Conditions, the Effectiveness Deadline is the date ninety (90) days after the date of this Agreement, but in no case later than the eighteen (18) months after the Bank's approval of the Loan which expire on November 2, 2009.
ARTICLE V — REPRESENTATIVE; ADDRESSES

5.01. The Borrower’s Representative is its Governor.

5.02. The Borrower’s Address is:

Secretaria da Fazenda
Avenida Rangel 300 – 5º andar
São Paulo – SP
CEP: 01017-911

Facsimile: (55-11-3243 3296)

With copies to:

Secretaria dos Transportes Metropolitanos - STM
Rua Boa Vista 175 Bloco B – 10º Andar
São Paulo – SP
CEP: 01.014-001

Companhia Paulista de Trens Metropolitanos - CPTM
Rua Boa Vista 175 Bloco A – 9º Andar
São Paulo – SP
CEP: 01.014-001

Companhia do Metropolitano de São Paulo - METRÔ
Rua Boa Vista 175 Bloco B – 7º Andar
São Paulo – SP
CEP: 01.014-001

5.03. The Bank’s Address is:

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

Cable address: Telex: Facsimile:
INTBAFRAD 248423(MCI) or 1-202-477-6391
Washington, D.C. 64145(MCI)
AGREED at the District of Columbia, United States of America, as of the day and year first above written.

STATE OF SÃO PAULO

By /s/ José Serra
Authorized Representative

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

By /s/ Evangeline Javier
Authorized Representative
SCHEDULE 1

Project Description

The objective of the Project is: (a) to improve the level-of-service provided to the urban rail transport users in the SPMR in a safe and cost-efficient manner by increasing the peak–hour and off-peak carrying capacity of Lines A and F of the CPTM and Lines 1, 2 and 3 of the SP METRO; and (b) to continue the strengthening of the transport management and policy framework in the SPMR.

The Project consists of the following parts, subject to such modifications thereof as the Borrower and the Bank may agree upon from time to time to achieve such objective:

Part A: Infrastructure and Equipment
1. Provision of financing for CPTM’s trains and systems, including: (a) the acquisition of forty trains (EMUs) of 8 cars each and accessories for a total of 320 cars to be operated in Lines A and F of the CPTM network; (b) the supply and installation and/or rehabilitation of traction electrical power systems for selected substations of Line A and Line F of the CPTM network; (c) supply and installation and/or rehabilitation of the electrical cabinets in selected stations of Line A and Line F of the CPTM network; (d) supply and installation of auxiliary power lines for Lines A and F of the CPTM network; (e) supply and installation of a signaling system operated from the operations control center (OCC) of the CPTM network; (f) the supply and installation of an electronic telecommunication system for the CPTM Lines A and F; and (g) associated civil works for (b) to (f) above if necessary

2. Provision of financing for SP METRO trains and systems, including: (a) the acquisition of seventeen trains (EMUs) of 6 cars each and accessories for a total of 102 cars to be operated in Line 1 and Line 3 of SP METRO network; (b) the supply and installation of a new signaling system known as Communication Based Train Control (CBTC) in Lines 1, 2 and 3 of the SP METRO network; (c) supply and installation of a telecommunication system, access control system (ACS) and platform screen doors (PSD) for the SP METRO Lines 1, 2 and 3; and (d) the modernization of the existing OCC for the SP METRO Lines 1, 2 and 3.

Part B: Institutional and Policy Development

1. Provision of technical assistance to the STMSP for the carrying out of studies on policy development, including: (a) consolidating the CDTI for the SPMR; (b) updating the current integrated transport policy, land use and air quality management strategy (PITU) for the SPMR to meet both transport and air quality targets and to introduce sound cost-recovery, tariff, regulatory and subsidy policies; and (c) providing an action plan to review the funding of the urban transport system in the SPMR in view of the adoption of the BUI.
2. Provision of technical assistance to CPTM for (a) the carrying out of studies on evaluating the outsourcing to the private sector of selected services including, *inter alia*, maintenance of track and systems, rolling stock and other operational services; and assessing the impact on affordability, accessibility, availability and acceptability of the Project for the low income urban rail transport users; and (b) management and supervision of the carrying out of Part A.1 of the Project.

3. Provision of technical assistance to SP METRO for: (a) carrying out of studies to assess the impact on affordability, accessibility, availability and acceptability of the Project for the low income urban rail transport users; and

   (b) management and supervision of the carrying out of Part A.2 of the Project; and provision of financing for the operating costs of SP METRO PMU.
SCHEDULE 2

Project Execution

Section I. Implementation Arrangements

A. Institutional Arrangements

1. The Borrower shall maintain, at all times during the execution and until completion of the Project, a unit within STMSP to be responsible for the overall coordination of the Project (the “PCU”), such PCU to have structure and functions satisfactory to the Bank, and with staff in adequate numbers and with adequate qualifications, for the purposes of assisting STMSP in the general coordination of the Project implementation. The PCU shall be headed at all times by a coordinator with qualifications, experience, functions and responsibilities satisfactory to the Bank, who shall report directly to the Secretário de Transportes Metropolitanos.

B. Subsidiary Agreement

1. To facilitate the overall coordination of the implementation of the Project and the carrying out of the CPTM and SP METRO’s Respective Parts of the Project, the Borrower shall enter into a subsidiary agreement with the Project Implementing Entities, under terms and conditions approved by the Bank, which shall include, inter alia, the obligations of each Project Implementation Entity under the Project, namely the obligation to operate the respective trains to be financed under Part A.1 and A.2 of the Project (“Subsidiary Agreement”).

2. The Borrower shall exercise its rights under the Subsidiary Agreement in such manner as to protect the interests of the Borrower and the Bank and to accomplish the purposes of the Loan. Except as the Bank shall otherwise agree, the Borrower shall not assign, amend, abrogate, waive or fail to enforce the Subsidiary Agreement or any of its provisions.

C. Anti-Corruption

The Borrower shall ensure that the Project is carried out in accordance with the provisions of the Anti-Corruption Guidelines.

D. Environmental and Social Provisions

1. Without limitation to the provisions of Section 5.01 (b) of the General Conditions, the Borrower shall carry out and shall cause the Project to be carried out in accordance with the provisions and recommendations of the Environmental Assessment.
2. Prior to initiating operation of acquired new trains under Part A 1. of the Project, the Borrower shall cause the Project Implementing Entities to submit to the Bank evidence that the environmental license (Licença de Instalação) required for the execution of the planned Project works has been issued for the respective lines.

3. The Borrower shall cause the Project Implementing Entities to ensure that any contractors that will carry out civil works under the Part A of the Project shall perform their work in accordance with the technical and environmental practices for the Project, as set forth in the EA.

**Section II. Project Monitoring Reporting and Evaluation**

**A. Project Reports**

The Borrower shall monitor and evaluate the progress of the Project and prepare Project Reports in accordance with the provisions of Section 5.08 of the General Conditions and on the basis of the indicators agreed with the Bank (“Indicators”). Each Project Report shall cover the period of one calendar semester, and shall be furnished to the Bank not later than two months after the end of the period covered by such report.

**B. Financial Management, Financial Reports and Audits**

1. The Borrower shall maintain a financial management system in accordance with the provisions of Section 5.09 of the General Conditions.

2. Without limitation on the provisions of Part A of this Section, the Borrower shall prepare and furnish to the Bank not later than forty five days after the end of each calendar quarter, interim unaudited financial reports for the Project covering the quarter, in form and substance satisfactory to the Bank.

3. The Borrower shall have its Financial Statements audited in accordance with the provisions of Section 5.09 (b) of the General Conditions. Each audit of the Financial Statements shall cover the period of one fiscal year of the Borrower. The audited Financial Statements for each such period shall be furnished to the Bank not later than six months after the end of such period. The respective Terms of Reference (TOR) for such audits shall be prepared by the Borrower and approved by the Bank.

**Section III. Procurement**

**A. General**

1. **Goods and Works.** All goods, works and non-consultants’ services required for the Project and to be financed out of the proceeds of the Loan shall be procured
in accordance with the requirements set forth or referred to in Section I of the Procurement Guidelines, and with the provisions of this Section.

2. **Consultants’ Services.** All consultants’ services required for the Project and to be financed out of the proceeds of the Loan shall be procured in accordance with the requirements set forth or referred to in Sections I and IV of the Consultant Guidelines and with the provisions of this Section.

3. **Definitions.** The capitalized terms used below in this Section to describe particular procurement methods or methods of review by the Bank of particular contracts refer to the corresponding method described in the Procurement Guidelines, or Consultant Guidelines, as the case may be.

**B. Particular Methods of Procurement of Goods and Works**

**International Competitive Bidding.** Goods, works and non-consultants’ services shall be procured under contracts awarded on the basis of International Competitive Bidding.

**C. Particular Methods of Procurement of Consultants’ Services**

1. **Quality- and Cost-based Selection.** Except as otherwise provided in paragraph 2 below, consultants’ services shall be procured under contracts awarded on the basis of Quality and Cost-based Selection.

2. **Other Methods of Procurement of Consultants’ Services.** The following table specifies the methods of procurement, other than Quality and Cost-based Selection, which may be used for consultants’ services. The Procurement Plan shall specify the circumstances under which such methods may be used.

<table>
<thead>
<tr>
<th>Procurement Method</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed Budget</td>
</tr>
</tbody>
</table>

**D. Review by the Bank of Procurement Decisions**

The Procurement Plan shall set forth those contracts which shall be subject to the Bank’s Prior Review. All other contracts shall be subject to Post Review by the Bank.

**Section IV. Withdrawal of Loan Proceeds**

**A. General**

1. The Borrower may withdraw the proceeds of the Loan in accordance with the provisions of: (a) Article II of the General Conditions; (b) this Section; and (c)
such additional instructions as the Bank shall specify by notice to the Borrower (including the “World Bank Disbursement Guidelines for Projects” dated May 2006, as revised from time to time by the Bank and as made applicable to this Agreement pursuant to such instructions), to finance Eligible Expenditures as set forth in the table in paragraph 2 below.

2. The following table specifies the categories of Eligible Expenditures that may be financed out of the proceeds of the Loan (“Category”), the allocation of the amounts of the Loan to each Category, and the percentage of expenditures to be financed for Eligible Expenditures in each Category.

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount of the Loan Allocated (expressed in USD)</th>
<th>Percentage of Expenditures to be financed</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) Consultants’ services for Part B. 1 of the Project</td>
<td>130,000</td>
<td>100%</td>
</tr>
<tr>
<td>(2) Goods, Works and Consultant services for Part A.1. and B.2 of the Project</td>
<td>355,895,000</td>
<td>100%</td>
</tr>
<tr>
<td>(3) Goods, Works and Consultant services for Part A.2. and B.3 of the Project</td>
<td>192,600,000</td>
<td>100%</td>
</tr>
<tr>
<td>(4) Front-end Fee</td>
<td>1,375,000</td>
<td>Amount payable pursuant to Section 2.03 of this Agreement in accordance with Section 2.07 (b) of the General Conditions</td>
</tr>
<tr>
<td>(5) Premia for Interest Rate Caps and Interest Rate Collars</td>
<td>0</td>
<td>Amount payable pursuant to Section 2.07 (c) of this Agreement</td>
</tr>
<tr>
<td>TOTAL AMOUNT</td>
<td>550,000,000</td>
<td></td>
</tr>
</tbody>
</table>
B. Withdrawal Conditions; Withdrawal Period

1. Notwithstanding the provisions of Part A of this Section, no withdrawal shall be made for payments prior to the date of this Agreement, except that withdrawals up to an aggregate amount not to exceed $110,000,000 equivalent may be made for payments made within one year prior to this date but in no case before August 30, 2007, for Eligible Expenditures.

2. The Closing Date is June 30, 2013.

Section V. Other Undertakings

The Borrower shall, within the limits of its authority, commit to preserve the CDTI and BUI at all times during execution and until the completion of the Project, in the present or other format as long as it continues to enhance the mobility and affordability of metropolitan transport to users particularly those of low-income. In addition, the Borrower shall undertake its best efforts to extend the BUI to other modes of transportation and expand the CDTI to include other municipalities of the SPMR.
SCHEDULE 3

Amortization Schedule

1. The following table sets forth the Principal Payment Dates of the Loan and the percentage of the total principal amount of the Loan payable on each Principal Payment Date ("Installment Share"). If the proceeds of the Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

<table>
<thead>
<tr>
<th>Principal Payment Date</th>
<th>Installment Share (Expressed as a Percentage)</th>
</tr>
</thead>
<tbody>
<tr>
<td>On each May 15 and November 15:</td>
<td></td>
</tr>
<tr>
<td>Beginning May 15, 2013 through November 15, 2032</td>
<td>2.5%</td>
</tr>
</tbody>
</table>

2. If the proceeds of the Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

(a) To the extent that any proceeds of the Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

(b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date ("Original Installment Share") and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.
3. (a) Amounts of the Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the Withdrawn Loan Balance is denominated in more than one Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Loan Currency, so as to produce a separate amortization schedule for each such amount.
APPENDIX

Section I. Definitions


2. “BUI” means Bilhete-Único Integrado, an integrated single fare electronic ticket which within a two-hour period allows the integration of transport modes, with one trip over the rail based system (SP METRO or CPTM) and up to three bus trips within the São Paulo municipality bus transport system.

3. “Category” means a category set forth in the table in Section IV of Schedule 2 to this Agreement.

4. “CDTI” means Comitê Diretor de Transporte Integrado, the Borrower’s integrated transport coordination committee, created on May 11, 2006 through a protocol signed by the STMSP and the São Paulo Secretary of Municipal Transport to ensure the technical and institutional cooperation for the implementation of actions to promote the integration of policies, plans, projects and programs of the public transport systems and traffic management in the SPMR.


6. “CPTM” means Companhia Paulista de Trens Metropolitanos, the Borrower’s metropolitan trains company.

7. “CPTM PMU” means the unit referred to in Section I.A. of the Schedule to the CPTM Project Agreement, established pursuant to a CPTM President’s Decision (Ato do Presidente) nr. 3811 dated September 17, 2007, as amended to the date of this Agreement.

8. “CPTM Project Agreement” means the agreement of even date herewith between the Bank and CPTM relating to the implementation of Parts A.1 and B.2 of the Project.

9. “EMUs” means electrical multiple units.

10. “Environmental Assessment” or “EA” means the Borrower’s assessment (Relatório Ambiental Preliminar – RAP), dated August, 2007 of the Project environmental impacts, which identifies the existing environmental conditions. 
and the potential direct and indirect environmental impacts from the carrying out of the Project, and recommends mitigation measures for each negative impact identified, as well as measures for enhancing each identified positive impact.

11. “General Conditions” means the “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005 (as amended through February 12, 2008). For the purpose of this Agreement, the terms “Co-financier” and “Co-financing Agreement” in the General Conditions mean:

(i) “Co-financier” means the lenders (as defined in the Co-financing Agreement) and the Japan Bank for International Cooperation (JBIC); and

(ii) “Co-financing Agreement” means the loan agreement intended to be entered into between the Borrower and several banks and other financial institutions, as lenders, Japan Bank for International Cooperation (JBIC), as guarantor, and Sumitomo Mitsui Banking Corporation, as facility agent and collection agent, providing for an amount in Japanese Yens equivalent to US$ of 535,000,000 (five hundred thirty five million Dollars), for the purpose of contributing to the financing of the Project.

12. “Indicators” means the impact, performance and implementation indicators agreed with the Bank and set forth in a supplemental letter of even date herewith, as such letter may be amended from time to time with the agreement of the Bank.

13. “OCC” means the operations control center either for the CPTM network or for the SP Metro network.

14. “PCU” means the unit referred to in Section I.A. of Schedule 2 to this Agreement, established pursuant to the Borrower’s Decree No. 53.033, dated May 28, 2008, as amended to the date of this Agreement.

15. “PITU” means Plano Integrado de Transportes Urbanos, the integrated urban transport plan for the SPMR, a plan that integrates urban transport, land use and air quality.


17. “Procurement Plan” means the Borrower’s procurement plan for the Project, dated October 5, 2007 and referred to in paragraph 1.16 of the Procurement Guidelines and paragraph 1.24 of the Consultant Guidelines, as the same shall be updated from time to time in accordance with the provisions of said paragraphs.

18. “Project Implementing Entities” means collectively CPTM and SP METRO.
19. “SP METRO” means *Companhia do Metropolitano de São Paulo* - METRÔ, the Borrower’s metropolitan subway transportation company.

20. “SP METRO Project Agreement” means the agreement of even data between the Bank and SP METRO relating to the implementation of Part A.2. and B.3. of the Project.

21. “SP METRO PMU” means the unit referred to in Section I.A. of the Schedule to the SP METRO Project Agreement, established pursuant SP Metro President’s Decision (*Ato do Presidente*) no. 157/2003 dated October 10, 2003, as amended to the date of this Agreement.


23. “STMSP” means *Secretaria dos Transportes Metropolitanos do Estado de São Paulo*, the Borrower’s Secretariat of Metropolitan Transport.

24. “Secretário de Transportes Metropolitanos” means the Secretary of STMSP.

25. “Subsidiary Agreement” (*Convênio*) means the agreement referred to in Section I.B of Schedule 2 to this Agreement.