FEDERAL GOVERNMENT
and
[CONCESSIONAIRE]

SPONSORED CONCESSION AGREEMENT
TABLE OF CONTENTS

1. Initial Provisions ................................................................................................................... 3
2. Purpose of the Agreement .................................................................................................. 9
3. Duration of the Sponsored Concession ............................................................................. 9
4. Assets of the Sponsored Concession .................................................................................. 9
5. Government Authorizations ............................................................................................... 11
6. Projects ................................................................................................................................ 12
7. Expropriations and Administrative Imposing ..................................................................... 12
8. Financing ............................................................................................................................... 13
9. Works and Services ............................................................................................................ 14
10. Representations .................................................................................................................. 15
11. Agreement Performance Bond .......................................................................................... 15
12. Users’ Rights ...................................................................................................................... 18
13. Provision of information ...................................................................................................... 18
14. Inspection ............................................................................................................................ 20
15. Agreement Price and Remuneration ................................................................................. 20
16. Tariff .................................................................................................................................. 21
17. Compensation ..................................................................................................................... 22
18. Additional Revenue ............................................................................................................ 30
19. Penalties .............................................................................................................................. 31
20. Allocation of Risks ............................................................................................................... 31
21. Economic and Financial Balance Arrangement ................................................................. 34
22. Sharing Results ................................................................................................................... 37
23. Responsibility ..................................................................................................................... 37
24 Contracting of Third Parties and Employees.................................................................37
25 Transfer of Control........................................................................................................38
26 Assumption of Control by the Finance Companies..................................................38
27 Intervention of the Granting Authority........................................................................39
28 Termination Events......................................................................................................40
29 End of Term of the Agreement.....................................................................................40
30 Takeover......................................................................................................................40
31 Expiry............................................................................................................................41
32 Termination..................................................................................................................42
33 Annulment..................................................................................................................43
34 Intellectual Property....................................................................................................43
35 Insurance......................................................................................................................43
36 Arbitration...................................................................................................................45
37 Additional Obligations of the Concessionaire............................................................46
38 Miscellaneous..............................................................................................................46
SPONSORED CONCESSION AGREEMENT

On [●] [●], 2009, by this instrument, on the one side, in the capacity of principal:

(1) The FEDERAL GOVERNMENT, represented by the MINISTRY OF NATIONAL INTEGRATION, with main place of business in Brasília, Distrito Federal, Brazil, at Esplanada dos Ministerios, Bloco "E", herein represented by the Minister of National Integration, Mr. [●], [capacity], appointed by Decree of [●], published in the Brazilian Federal Gazette of [●] (hereinafter simply referred to as "Granting Authority");

and on the other side, in the capacity of “Concessionaire”, hereinafter referred to as:

(2) [●], a corporation, with main place of business at [address], City of [●], State of [●], registered with CNPJ/MF, under # [●], herein represented by its officers, Messrs. [●], [capacity] according to the powers provided for in articles of association;

Granting Authority e Concessionaire hereinafter jointly referred to as “as “Parties” and severally as “Party”,

and further, in the capacity of consenting intervening parties:

(3) COMPANHIA DE DESENVOLVIMENTO DOS VALES DO SÃO FRANCISCO E DO PARNÁIBA, a public federal company bound to the MINISTRY OF NATIONAL INTEGRATION, with main place of business in Brasília, Federal District, Brazil, SGAN, Quadra 601, conjunto I, Edifício Manoel Novaes, CEP 70830–901, hereinafter simply referred to as "CODEVASF"; and

(4) The NATIONAL WATER AGENCY, a governmental agency under the indirect Federal Administration, with main place of business in Brasília, Federal District, at Setor Policial, Área 05, Quadra 3, Bloco B L and M, herein represented by its Chief Executive Officer, Mr. [●], [capacity], appointed by Decree of [●], published in the Brazilian Federal Gazette of [●] (hereinafter simply referred to as “ANA”)

WHEREAS

(A) The Granting Authority decided to grant to the private enterprise the exploration of the Irrigation Service of Pontal Perimeter (as defined below), as authorized by Decree # [Decree including the Pontal Perimeter in PND], of [●];

(B) In view of the above-mentioned decision (A), the Granting Authority, according to the legal competences assigned to it, carried out the Bidding (as defined below); and

(C) The contract of the Bidding was awarded to the Concessionaire in accordance with an act of the judging committee of the Bidding, approved by [President Decree], published in the DOU (as defined below) of [●],

the parties decide to enter into this sponsored concession agreement (the "Agreement"), according to the following terms and conditions:

1. Initial Provisions

1.1. Definitions

1.1.1 For the purposes hereof and subject to other definitions set forth herein and in the Invitation to Bid, the following definitions apply to the respective expressions:

(i) Agriculturists: the agriculturist and his family who directly and personally explore individual lot, absorbing their work force available, assuring their income and integration in the production
chain developed in the Irrigable Area, selected according to Appendix F of the Occupancy Plan Guidelines and Reference Term.

(ii) **ANA**: has its meaning as defined in the preamble of the Agreement.

(iii) **Attachment**: each of the documents attached to the Agreement.

(iv) **Attachment of the Invitation to Bid**: each of the documents attached to the Invitation to Bid.

(v) **Irrigable Area**: the area of land of the Pontal Perimeter described in Attachment 9.1.1 (a), which, as a result of technical, environmental, social, and economic studies, is deemed fit for irrigation agriculture.

(vi) **Legal Reserve Area**: area of the Pontal Project with the native vegetation required to preserve natural processes and for the environmental sustainability of the project as a whole, pursuant to Law # 7.803/1989, in which the use and sustainable handling are permitted according to the applicable environmental legislation.

(vii) **Barren Area**: the area of land of the Pontal Perimeter adjacent to the Irrigable Area or internal, as described in Attachment 9.1.1 (a), not expected, according to the Occupancy Plan Guidelines and Reference Term, to be irrigated.

(viii) **Assets of the Sponsored Concession**: has its meaning as defined in subsection 4.1.1 below.

(ix) **Reversible Assets**: the Assets of the Sponsored Concession required for the continuity of the services related to the Sponsored Concession, object of item 4.1.1 (ii) and (iii), as defined by the Granting Authority in the property inventory and transfer instrument the form of which is made a part of Attachment 4.2.1, which shall be returned at the end of the Agreement.

(x) **CBLC**: the Brazilian Clearing and Depository Corporation.

(xi) **CCI**: the Arbitration Court of the International Chamber of Commerce.

(xii) **CGP**: the Brazilian Federal Public-Private Partnership Management Committee, created by Decree # 5.385, of March 4, 2005.

(xiii) **CODEVASF**: has its meaning as defined in the preamble of the Agreement.

(xiv) **Sponsored Concession**: has its meaning as defined in subsection 2.1 below.

(xv) **Concessionaire**: has its meaning as defined in the preamble of the Agreement.

(xvi) **Compensation**: the amount included in the Proposal, payable by the Granting Authority to the Concessionaire in consideration of the Provision of the Service and of the provision of the Irrigation Service related to the Sponsored Concession, as well as of the
provision of the said Irrigation Service, in the terms and conditions under the Agreement.

(xvii) **Agreement**: has its meaning as defined in the preamble of the Agreement.

(xviii) **Agreement de Guarantee**: the private guarantee agreement entered into by the Concessionaire and the Guaranteeing Fund of the Partnerships, according to Attachment 17.4.1.

(xix) **Subsidiary**: any Person whose administration, businesses, operations, activities, investments or guidelines suffers the influence of another Person, in full or part, directly or indirectly, through any corporate interest, agreement or otherwise.

(xx) **Parent Company**: any Person or investment fund that has full or partial powers to influence the administration, businesses, operations, activities, investments or guidelines of another Person, directly or indirectly, through any corporate interest, agreement or otherwise.

(xxi) **Affiliate**: any Person or investment fund having corporate interest in another Person and depending of such other Person in economic, technical, commercial or corporate terms.

(xxii) **CPRH**: the Agency for Environment and Water Resources of the State of Pernambuco.

(xxiii) **Assumption Date**: means, pursuant to subsection 4.2.1 below, the day on which the Common Use Irrigation Infrastructure, the areas occupied with operating and administrative facilities and the assets referred to in subsection 4.1.1 (ii) and (iii) below are transferred to Concessionaire upon the execution, by the Concessionaire and the Granting Authority, of the property inventory and transfer instrument, the form of which is made a part of Attachment 4.2.1, provided that the Property Use Right Concession Agreement has been executed by the Concessionaire and CODEVASF, the form of which is made a part of Attachment 4.2.2.

(xxiv) **Service Delivery**: means the delivery of water in the agricultural lots, in the terms and conditions set forth in the Minimum Technical Guidelines, as well as the occupancy of the Irrigable Areas, in accordance with the terms and conditions of the Proposal, and pursuant to the Occupancy Plan Guidelines and Reference Term.

(xxv) **Minimum Technical Guidelines**: the minimum technical specs and the respective schedules related to the Common Use Irrigation Infrastructure, as per Attachment 9.1.1 (b), related, among other this, (i) to the compliance with the performance parameters; and (ii) to the performance of the mandatory works.

(xxvi) **Occupancy Plan Guidelines and Reference Term**: guidelines of the activities and services related to the implementation of the agricultural development project in the Irrigable Area of the Pontal
Perimeter, to be developed by Concessionaire, as per Attachment 9.1.1(a), as well as the reference terms of the Occupancy Plan.

(xxvii) **DOU**: the Brazilian Federal Gazette.

(xxviii) **Invitation to Bid**: the Invitation to Bid # [number], including the attachments thereof, published in the DOU on [date].

(xxix) **Pontal Perimeter Borders**: has its meaning as defined in subsection 17.2.1 below.

(xxx) **Guaranteeing Fund of the Partnerships**: a private fund, with its own net worth separated from the net worth of the quotaholders, administered by Banco do Brasil S.A., the purpose of which is to guarantee the payment of the Compensation pursuant to Law 11.079, of December 30, 2004, the regulation of which was filed on January 31, 2006 with the 1st Registry of Deeds and Documents of Brasilia, DF, and registered with the Corporate Taxpayers’ Roll (“CNPJ/MF”) under number 07.676.825/0001-70.

(xxxi) **Agreement Performance Bond**: has its meaning as defined in subsection 11.1 below.

(xxxii) **Common Use Irrigation Infrastructure**: the set of structures and equipment to retain, transport, store, distribute and drain water, roadways and electricity distribution networks, existing in the interior of the irrigation project, required to allow the proper supply and the collective use of the irrigation waters, and building for the use by the administration of the irrigation project.

(xxxiii) **Built-in Infrastructure**: set of equipment and improvements for individual use, implemented in the agricultural lots for irrigation agriculture.

(xxxiv) **IPCA**: the National Index of Prices to General Consumers, published by the Brazilian Geography and Statistics Institute – IBGE.

(xxxv) **Bidding**: the set of procedures performed to contract the Sponsored Concession.

(xxxvi) **Bidder**: any Corporation, investment fund, supplementary social security entity or consortium participating in the Bidding.

(xxxvii) **Related Parties**: in relation to the Concessionaire, any Person, Parent Company, Subsidiary or Affiliate. Control means the power, in full or part, to influence the administration, businesses, operations, activities, investments or guidelines of another Person, directly or indirectly, through any corporate interest, agreement or otherwise.

(xxxviii) **Pontal Perimeter**: the area of the Sponsored Concession, located in the City of Petrolina, state of Pernambuco, as described in Attachment 9.1.1 (a), including the Common Use Irrigation Infrastructure, Irrigable Areas and Areas of Legal Reserve, as well
the areas occupied with operating and administrative facilities related to the Sponsored Concession.

(xxxix) **Person:** any individual or private/public corporation, consortium, association of Persons, association of capitals, limited liability company, unlimited liability company, mixed liability company, association, joint venture or also any a direct or indirect authority of the public administration.

(xl) **Occupancy Plan:** the Occupancy Plan of the lands comprising the Pontal Perimeter, presented by the Concessionaire according to Attachment 9.1.1(a).

(xli) **Granting Authority:** has its meaning as defined in the preamble of the Agreement.

(xlii) **North Pontal:** the north area of the Pontal Perimeter, as indicated in Attachment 9.1.1 (a).

(xliii) **South Pontal:** the south area of the Pontal Perimeter, as indicated in Attachment 9.1.1 (a).

(xliv) **Respondent:** has its meaning as defined in subsection 21.2.1 (i) below.

(xlv) **Petitioner:** has its meaning as defined in subsection 21.2.1 (i) below.

(xlvi) **Duration of the Sponsored Concession:** has its meaning as defined in subsection 3.1 below.

(xlvii) **Duration of the Compensation:** has its meaning as defined in subsection 17.2 below.

(xlviii) **Proposal:** the offer made by the Winning Bidder to explore the Sponsored Concession.

(xlix) **Additional Revenue:** any revenue in addition to the Tariff, to the Compensation and/or to the financial investments of the Concessionaire, resulting from the exploration of the Irrigation Service.

(l) **Market Regulations:** the rules commonly adopted in Brazil in relation to the determination of the marginal cash flows, based on the Financial Accounting Standards Board (FASB) and on the International Accounting Standards Board (IASB), as well as through Circular Letter CVM/SNC/SEP # 01/2006 and NPC 20, of April 1999, published by the Independent Accountants Institute of Brazil (Ibracon), and other regulations that may be published to this regard.

(li) **SELIC:** the interest rate corresponding to the effective reference rate of the Special System for Clearing and Deposit for federal public bonds.

(lii) **Irrigation Service:** means, pursuant to Law # 6.662, of June 25, 1979, Law # 6.088, of July 16, 1974 and further amendments, the
activity of administration, operation, maintenance, conservation and implementation of improvements in Common Use Irrigation Infrastructure, according to the Minimum Technical Guidelines and the activity of implementation of the agricultural development project in the Irrigable Area, through the encouragement, direction, coordination and promotion of the agricultural production in the Irrigable Areas of the Pontal Perimeter, according to the Occupancy Plan Guidelines and Reference Term.

(iii) **Special System for Settlement and Custody – SELIC**: the central custody system of internal federal public debt bonds issued by the National Treasury and the Central Bank of Brazil, created on October 22, 1979, and administered by the department of operations of the open market of the Central Bank of Brazil in association with the National Financial Market Institutions Association - ANDIMA.

(iv) **Tariff**: the amount of the water tariff to be paid by the users, comprised by the Fixed Tariff and the Variable Tariff, with the application, as the case may be, of adjustments, as provided for in subsection 16.3.

(v) **Fixed Tariff**: corresponds to the parcel of the Tariff, as indicated in subsection 16.2.4 (i).

(vi) **Variable Tariff**: corresponds to the parcel of the Tariff, as indicated in subsection 16.2.4 (ii).

(vii) **TJLP**: the long-term interest rate, established by Law # 9.365, of December 16, 1996.

(viii) **User**: individual or corporation that uses the services provided by the Concessionaire, and responsible for paying the corresponding tariffs

1.2. **Construction**

1.2.1. Unless the context does not allow such a construction:

(i) the definitions of the Agreement shall also apply in their singular and plural forms;

(ii) references to the Agreement or any other document shall include any amendments and addenda that may be entered into between the Parties, and

(iii) references to the law shall be construed in accordance with such laws and subsequent amendments, subject to the vested right, the perfect juridical act and res judicata.

1.2.2. The chapter headings and the clauses of the Agreement and its Attachments shall not be used in its application or construction.

1.2.3. In case of conflict between the Agreement and its Attachments, the provisions of the Agreement shall prevail.

1.3. **Attachments**
1.3.1. For all legal and contractual purposes, the Attachments listed in this clause are part of this Agreement:

(i) Attachment 4.2.1.a: Inventory;
(ii) Attachment 4.2.1.b: Small-State Probate and Transfer of Assets Instrument,
(iii) Attachment 4.2.2: Property Use Right Concession Agreement,
(iv) Attachment 5.1.1: Environmental Documents,
(v) Attachment 9.1.1 (a): Occupancy Plan Guidelines and Reference Term;
(vi) Attachment 9.1.1 (b): Minimum Technical Guidelines,
(vii) Attachment 11.3.2: Bank Guarantee Agreement,
(viii) Attachment 11.3.3: Insurance-Guarantee Agreement;
(ix) Attachment 16.2.1: Tariff Structure,
(x) Attachment 17.2: Performance Evaluation System,
(xi) Attachment 17.4.1: Guarantee Agreement; and
(xii) Attachment 25.1: Shareholders and charters of the Concessionaire.

1.3.2. Upon the execution of the Agreement, the Written Technical Proposal and the Occupancy Plan shall be part hereof.

2. Purpose of the Agreement

2.1. The purpose of the Agreement is the Sponsored Concession of the Irrigation Service in the Pontal Perimeter, preceded by works in the Common Use Irrigation Infrastructure, including the implementation of an agricultural development project in the Irrigable Area ("Sponsored Concession") under the terms and conditions set forth in the Agreement, the Invitation to Bid and their attachments.

2.2. The Sponsored Concession shall be paid, as provided for in this Agreement, upon collection of tariff, combined with the payment of Compensation and receipt of the Additional Revenue, pursuant to Clause 18, if such revenue arises.

3. Duration of the Sponsored Concession

3.1. The Duration of the Sponsored Concession is 25 (twenty five) years from the Assumption Date ("Duration of the Sponsored Concession").

3.2. The extension of the Duration of the Sponsored Concession shall not be allowed, in compliance with the provisions of sub-clause 21.3.1 (ii) below.

4. Assets of the Sponsored Concession

4.1. Composition

4.1.1. The Sponsored Concession is composed of the following assets ("Assets of the Sponsored Concession"), whose custody and supervision are responsibility of the Concessionaire:
the Pontal Perimeter, as changed throughout the Duration of the Sponsored Concession in accordance with the terms of the Agreement,

all assets linked to the Irrigation Service, transferred to the Concessionaire as enrolled on the Assumption Date, and

assets acquired, leased or rented by the Concessionaire, during the term of the Sponsored Concession, which are used in the performance of the Irrigation Service.

4.2. Assumption of assets linked to the exploration of the Irrigation Service

4.2.1. The Common Use Irrigation Infrastructure and the areas occupied by operational and administrative facilities related to Sponsored Concession and assets referred to in sub-clause 4.1.1 (ii) and (iii) above, in addition to those contained in the inventory (Attachment 4.2.1.a) shall be transferred to the Concessionaire upon the execution, between the Concessionaire and the Granting Authority of the small-estate probate instrument and the transfer of assets, whose form is included in Attachment 4.2.1.b, and such signature shall occur within three (3) working days from the publication of the extract of the Agreement in DOU.

4.2.2. The Irrigable Area and Legal Reserve Area shall be transferred to the Concessionaire upon a Property Use Right Concession Agreement between the Concessionaire and CODEVASF whose form is included in Attachment 4.2.2, within three (3) working days from the date of publication of the extract of the Agreement in DOU.

4.2.3. The Concessionaire represents it is fully aware of the nature and conditions of the assets which shall be transferred and assigned to it by the Granting Authority and CODEVASF on the Assumption Date.

4.2.4. At the end of the Duration of the Sponsored Concession or in case of termination of the Sponsored Concession under clauses 28, 30 and 31 below, whichever occurs first, the Reversible Assets shall be transferred to the Granting Authority, and the Concessionaire is entitled to a compensation, subject to the provisions of sub-clause 4.2.6 below, for the installments of the investments made by it, linked to the Reversible Assets not yet amortized or depreciated which were realized by it aiming to ensure continuity and actuality of the Irrigation Service and approved by the Granting Authority.

4.2.5. In the case of sub-clause 4.2.4 above, ANA, anticipating the end of the Duration of the Sponsored Concession, shall conduct surveys and assessments necessary to determine the amounts of the compensation to be paid to the Concessionaire, as described in such sub-clause.

4.2.6. Under no circumstance, the improvements of any nature and investments made in the Built-in Infrastructure of the Irrigable Areas shall be reimbursed and/or compensated by the Granting Authority and/or CODEVASF to the Concessionaire. Improvements of any kind and the investments made by Agricultural Companies, Agriculturists and/or Cooperatives, as applicable, in the Built-in Infrastructure of the Irrigable Areas, will reimbursed and/or compensated by the new occupant, in any capacity, of the Irrigable Area after the Duration of the Sponsored Concession provided that the Agricultural Companies, Agriculturists and/or Cooperatives, where applicable, do not opt for breaking up them at the end of the Duration of the Concession.
CODEVASF and ANA, prior to the end of the Duration of the Sponsored Concession, shall make the assessments and surveys necessary to determine the amounts of reimbursement and/or damages due to the Agricultural Companies, Agriculturists and/or Cooperatives, as applicable.

4.3. Restrictions to the Sale and Purchase

4.3.1. The Concessionaire may only sell the assets mentioned in items (ii) and (iii) of sub-clause 4.1.1 above if it immediately replaces them for others operating in the same conditions as, or greater than, those replaced.

4.3.2. The Concessionaire shall submit to ANA a list of the assets described in items (ii) and (iii) of sub-clause 4.1.1 above, whose individual value exceeds $30,000.00 (thirty thousand reais), fifteen (15) days after its disposal, leasing, rental or purchase, which shall be subject to ANA analysis, according to sub-clause 4.3.3 below.

4.3.3. ANA shall review the list of the assets submitted by the Concessionaire under sub-clause 4.3.2 above, and the conditions for replacement of the assets submitted by the Concessionaire, and it shall subsidize the Granting Authority in the decision to allow or prohibit the disposals, leasing, rental and/or purchases subject-matter of said list.

4.3.4. All the Assets of the Sponsored Concession or investments made therein shall be fully depreciated and amortized by the Concessionaire in the Duration of the Sponsored Concession in accordance with the terms of the law in force.

5. Government Authorizations

5.1. Responsibility of the Granting Authority

5.1.1. The Granting Authority, through CODEVASF shall, by the execution of the Agreement, have obtained and kept up-to-date the preliminary environmental licenses, taking all measures for the renewal, if required, regarding South Pontal, except for those described as already obtained in Attachment 5.1.1, and the grant of water use for purposes of irrigation of South Pontal, bearing the related expenses and costs.

5.2. Responsibility of the Concessionaire

5.2.1. The Concessionaire shall:

(i) obtain and keep up-to-date, taking all measures for the renewal, if required, all other licenses and authorizations that may be necessary with respect to South Pontal, bearing the related expenses and costs;

(ii) obtain and keep up-to-date, taking all measures for the renewal, if required, all licenses and authorizations required to fully exercise the activities subject-matter of the Sponsored Concession, including environmental licenses and grant of water use in relation to North Pontal, bearing all related costs and expenses; and

(iii) comply with all the provisions required by the competent bodies in accordance with the law in force for the concession of licenses required for the full exercise of the activities contemplated by the Sponsored Concession, bearing the related expenses and costs.

6. Projects
6.1. The Concessionaire is responsible for preparing and keeping up-to-date the technical documentation of works and services of the Sponsored Concession, which shall fully comply with the Minimum Technical Guidelines and Occupancy Plan Guidelines and Reference Term.

6.2. The Granting Authority shall follow up the preparation of the projects and may request clarification or modifications if it deems the projects are not in compliance with the provisions of the Minimum Technical Guidelines and/or Occupancy Plan Guidelines and Reference Term.

6.2.1. The acceptance of the projects by the Granting Authority, the response to the consultations made by the Concessionaire to the Granting Authority, and request for clarifications or modifications under sub-clause 6.2 above, by the Granting Authority to the Concessionaire shall not change in any way the allocation of risks provided for in the Agreement nor the amount of the Compensation.

7. Expropriations and Administrative Imposing

7.1. If the Granting Authority has not dispossessed all the Irrigable Areas and other areas required for the installation of the Common Use Irrigation Infrastructure, the Concessionaire, in the capacity of delegated entity of the Granting Authority, shall promote expropriations, administrative easements, and propose administrative limitations and provisionally occupy real estates required for carrying out the Irrigation Service.

7.1.1. The investments, payments, costs and expenses arising out of the expropriations, establishment of administrative easements, the imposition of administrative limitations and temporary occupations of real estates, whether through private law or legal proceedings, shall be borne by the Concessionaire.

7.1.2. CODEVASF shall submit beforehand to the Concessionaire the following information and documents required for the purposes of expropriation and establishment of administrative easements:

- description of the social-economic status of the affected area and the criteria used for evaluation of the area, assessment of improvements and indemnities;
- register detailing the properties according to their agrarian situation, specifying the extent, per property, of the affected areas,
- the Evaluation Report of the Areas of the Perimeter prepared by the technical sector and CODEVASF
- other information that the Granting Authority deems important.

7.1.3. The Concessionaire is the sole responsible for filing and concluding expropriation actions, establishment of easements, imposition of administrative limitations and temporary occupancy of real estates.

7.1.4. The Concessionaire shall make efforts, together with the owners or occupiers, aiming to promote, in a friendly manner, the vacancy of areas intended for implementation of facilities required to explore the services of the Sponsored Concession.

7.1.5. The payment by the Concessionaire, to the expropriating third party or on whose property easement was established or administrative limitation imposed or temporarily occupied for the purposes specified in this Agreement, when performed through a private instrument, i.e., by agreement between the Concessionaire and third party appointed shall be subject to prior approval of its value by CODEVASF,
upon presentation, by the Concessionaire of the evaluation report signed by an expert.

7.1.6. The relocation of those affected by the expropriation of the areas intended for exploration of services of the Sponsored Concession shall be carried out, when necessary, by CODEVASF.

8. Financing

8.1. The Concessionaire is solely and exclusively responsible for obtaining the financing required to explore the Sponsored Concession in order to comply, fully and promptly with all obligations under the Agreement.

8.2. The Concessionaire shall submit to ANA a certified copy of the financing and guarantee agreements that may be entered into and documents representing the bonds and securities that may be issued, and any amendments to such instruments, within 5 (five) business days from the execution and issuing, as applicable.

8.3. The Concessionaire may not invoke any provision, clause or condition of the financing agreements, or any delay in the disbursement of funds to exempt, in whole or in part, from its obligations under the Agreement.

8.4. The Concessionaire may give as security for financing contracted under this clause the rights arising out of the concession, such as operating incomes of the Irrigation Service, provided that it does not compromise the operation and continuity of the works and services contemplated in the Sponsored Concession, which shall be duly evidenced before ANA.

8.4.1. The right to receive payment of (i) the Compensation, (ii) any amounts payable by the Guaranteeing Fund of the Partnerships to the Concessionaire, (iii) the incomes arising out of collection of the Tariff, (iv) Additional Revenue, and (v) the indemnities payable to the Concessionaire under the Agreement, may be pledged, assigned or otherwise transferred directly to the finance company, subject to the limits and legal requirements.

9. Works and Services

9.1. Guidelines for Performance of Works and Irrigation Service

9.1.1. The Concessionaire shall carry out the works and services relating to the subject-matter of the Agreement fully meeting the Minimum Technical Guidelines and Occupancy Plan Guidelines and Reference Term and the provisions of its Proposal.

9.1.2. The Concessionaire undertakes to carry out: (i) the works classified as mandatory indicated in Attachment 9.1.1(b) and (ii) the works not classified as mandatory in Attachment 9.1.1(b) only when required to accomplish the service levels set forth in the Minimum Technical Guidelines and Occupancy Plan Guidelines and Reference Term.

9.1.3. All solutions and methods used in Attachment 9.1.1(b) for carrying out the works, whether mandatory or not, and services are merely indicative, and Concessionaire shall choose those it deems more appropriate, provided that it ensures the fulfillment of the Minimum Technical Guidelines and the provisions of the Occupancy Plan Guidelines and Reference Term, subject to the provisions of Clause 23 below.

9.1.4. The Concessionaire represents and warrants to the Granting Authority that the quality of the projects, the performance and the maintenance of the works and services contemplated in the Sponsored Concession is and will always be enough and appropriate for the compliance with the Minimum Technical Guidelines and the
provisions of the Occupancy Plan Guidelines and Reference Term and the applicable law.

9.2. Evidence to the Granting Authority

9.2.1. In compliance with the service scope and performance parameters set forth in Attachment 9.1.1(a) and Attachment 9.1.1(b), the Concessionaire shall evidence to the Granting Authority within their schedules (i) the compliance with minimum standards of quality, adequacy and efficiency of service set forth in the Minimum Technical Guidelines and the Occupancy Plan Guidelines and Reference Term, and (ii) the completion of each of the works classified as mandatory.

9.2.2. The evidence referred to in Clause 9.2.1 above does not imply approval or any responsibility of the Granting Authority, especially with respect to safety or quality conditions of parts or stages of the works, nor exempt the Concessionaire from or exempts its responsibility for fulfilling the obligations under the Agreement.

9.3. Works for Completion of the Common Use Irrigation Infrastructure

9.3.1. The works for completing the Common Use Irrigation Infrastructure, which are described in the Minimum Technical Guidelines shall be completed within sixty-six (66) months from the execution of the Agreement.

10. Representations

10.1. The Concessionaire represents it collected prior to the submission of the Proposal, by itself or third parties, all information required to fulfill its contractual obligations.

10.2. The Concessionaire shall under no circumstance be released from its contractual obligations, nor be entitled to indemnity by the Granting Authority, by reason of any incorrect or insufficient information, whether obtained through the Granting Authority or any other source, acknowledging that it was assigned to do its own surveys to verify the adequacy and accuracy of any information provided to it.

11. Agreement Performance Bond

11.1. The Concessionaire shall maintain, in behalf of the Granting Authority, as a bond of the faithful fulfillment of the contractual obligations, bonds at the amounts indicated below ("Agreement Performance Bond"):

<table>
<thead>
<tr>
<th>Year of the Agreement</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>R$ 100,000,000,00</td>
</tr>
<tr>
<td>2</td>
<td>R$ 80,000,000,00</td>
</tr>
<tr>
<td>3</td>
<td>R$ 60,000,000,00</td>
</tr>
<tr>
<td>4</td>
<td>R$ 40,000,000,00</td>
</tr>
<tr>
<td>5</td>
<td>R$ 25,000,000,00</td>
</tr>
<tr>
<td>6</td>
<td>R$ 25,000,000,00</td>
</tr>
</tbody>
</table>
11.1.1. The years of the Agreement indicated above shall be counted from the Assumption Date.

11.1.2. The Agreement Performance Bond shall be annually adjusted on the same date of readjustments of the Tariff according to the IPCA.

11.2. The Concessionaire shall remain responsible for fulfilling the contractual obligations, including payment of any penalties and indemnities, regardless of the Agreement Performance Bond.

11.3. The Agreement Performance Bond, at the Concessionaire's discretion, may be provided for in one of the following manners:

11.3.1. securities issued by the National Treasury, registered in the Special System for Settlement and Custody ("SELIC"), and if any of such securities are extinguished or expired, the guarantee shall be provided by means of another valid security which may replace the previous one, issued by the National Treasury and registered in the SELIC;

11.3.2. bank guarantee in the form of Attachment 11.3.2;

11.3.3. insurance-guarantee, whose policy shall be at least in compliance with the contents of Attachment 11.3.3; or

11.3.4. deposit in cash.

11.4. The letters of guarantee and the insurance-guarantee policies shall have a minimum duration of one (1) year from the date of execution of the Agreement and shall be
successively renewed for the same period throughout the Duration of the Sponsored Concession.

11.4.1. The Concessionaire shall submit to the Granting Authority, at least thirty (30) days in advance of its expiration, a document proving that the letters of guarantee or insurance policies were renewed.

11.4.2. If the Concessionaire does not forward the documents evidencing the renewal of the insurance or guarantee within the period provided for in Clause 11.4.1 above, the Granting Authority may hire the insurances and deduct the full amount of its premium from the Compensation to be paid to the Concessionaire.

11.4.3. No responsibility is attributed to the Granting Authority if it chooses not to hire a bank guarantee or insurance whose policy or letter has not been submitted within the period provided for in Clause 11.4.1 above by the Concessionaire.

11.5. The Agreement Performance Bond may be used in the following cases, for the amount required to meet the credit of the Granting Authority:

11.5.1. when the Concessionaire fails to comply with the Minimum Technical Guidelines and the schedules provided for therein or the Occupancy Plan Guidelines and Reference Term;

11.5.2. when the Concessionaire fails to pay the penalties applied to it, as provided for in the Agreement and regulations of the Granting Authority or other bodies or entities responsible for monitoring the performance of the Agreement,

11.5.3. in cases of return of Reversible Assets in noncompliance with the requirements; or

11.5.4. when the Concessionaire fails to pay on time for the inspection service, as provided for in sub-clause 14.7 below.

11.6. Whenever the Granting Authority uses the Agreement Performance Bond, the Concessionaire by notifying the Granting Authority shall proceed to the recovery of its full amount within ten (10) working days from its notification.

11.7. The Agreement Performance Bond may also be enforced whenever the Concessionaire does not take steps to remedy the breach found in regular administrative proceedings, without any formality other than sending notification, by the Granting Authority, which shall not exempt the Concessionaire from the responsibility for any claim during this time.

11.8. In any event, throughout the Duration of the Sponsored Concession, ANA shall inform the Granting Authority of the need to use the Agreement Performance Bond, in accordance with sub-clause 11.5 above.

11.9. The Agreement Performance Bond shall be released at the end of the Agreement within thirty (30) days from confirmation by ANA that the concessionaire fulfilled all the obligations covered by such Bond.

12. Users’ Rights

12.1. Without prejudice to other rights and obligations provided for by law, the following are rights of the users of the Irrigation Service:

(i) obtain and use the Irrigation Service, under the Minimum Technical Guidelines and the Occupancy Plan Guidelines and Reference Term;
receive from ANA and the Concessionaire information for the correct use of the service provided by the Concessionaire and the defense of individual and collective interests;

(ii) inform ANA and the Concessionaire the irregularities of which they became aware, regarding the service provided, and

(iii) communicate to ANA and the Granting Authority of torts committed by the Concessionaire in the provision of the Irrigation Service.

12.2. The Concessionaire undertakes to maintain throughout the Duration of the Sponsored Concession in its organizational structure, an internal department to take care solely of relations with the users of the Irrigation Service.

13. Provision of information

13.1. In the Duration of the Sponsored Concession, and without prejudice to other obligations to provide information set forth in the Agreement or the applicable law, the Concessionaire undertakes to:

13.1.1. immediately inform ANA of any change in the normal development of performance of the works and the provision of the services of the Sponsored Concession by submitting in writing within thirty (30) days from the event, a detailed report on this fact, including, where appropriate, technical opinions, with the measures taken to remedy the problem;

13.1.2. submit to ANA, within the term set forth by it, other additional or complementary information that it may formally request without any significant additional cost to the Concessionaire;

13.1.3. according to the Granting Authority guidelines and ANA regulations, submit to ANA, in the periodicity set forth by it, a report with detailed information about:

- statistics related to occupancy of the Irrigable Areas of the Pontal Perimeter,
- the preservation of the Assets of the Sponsored Concession and the composition of its stock,
- the environmental quality of the Pontal Perimeter and environmental impacts arising out of the performance of the Irrigation Service;
- the performance of works and services of the Sponsored Concession;
- the performance of its activities, specifying, among others, the carrying out of the works and the provision of the services, the exploration results of the Irrigation Service, and the program and financial execution,
- the Assets of the Sponsored Concession, including description of their condition and value; and
- the tax, labor, social security and contractual regularity of the contracting of third parties, provided for in clause 24 below, for the performance of the works and services of the Sponsored Concession;

13.1.4. submit to ANA, every six months, its complete financial statements corresponding to the previous semester, within sixty (60) days from its end.

13.1.5. submit to ANA by April 30 every year, the complete financial statements, duly audited by an external audit firm hired by the Concessionaire, according to Brazilian accounting standards, especially for transactions with Related Parties and depreciation and amortization of the assets and provision for contingencies (civil, labor, tax, environmental or administrative) regarding the year ended on December
31 of the previous year, including the management report, the external auditors and audit committee report, if any, and the Concessionaire representation including the value of its paid-in capital stock and changes in its company’s ownership.

13.1.6. maintain up-to-date records of technician responsible for the projects, works and services throughout the Duration of the Sponsored Concession.

13.2. The reports, documents and information provided for in this clause shall be part of the electronic databases, according to standards set forth by ANA, which shall have unrestricted access to them, and such database shall be updated on a monthly basis by the Concessionaire.

13.2.1. In the case of reports, documents and information relating to the water distribution for irrigation, the Granting Authority and ANA shall have unrestricted access to the data in real time.

13.3. ANA shall inform the Granting Authority of all information, including reports and documents, received under this Clause 13.

13.4. The original counterparts of the reports provided for in this clause, after reviewed and approved by ANA, will be filed in the Concessionaire main place of business for a period of five years.

13.4.1. After the closure of the Agreement, said reports shall be filed with ANA, for a period of five years.

13.5. The Concessionaire must comply with the standards of corporate governance and adopt standard accounting and financial statements, as set forth by ANA.

14. Inspection

14.1. The inspection powers of performance of the Agreement shall be exercised by ANA, which shall have, in exercising its assignments, free access at any time, to data related to management, accounting and technical, economic and financial resources of the Concessionaire, as well as the Assets of the Sponsored Concession.

14.2. ANA inspection and control bodies are responsible for supervision, inspection and audit of the Agreement, which may be carried out at any time.

14.3. ANA shall notify the Concessionaire if the inspection observes any irregularity related to the Agreement, determining the settlement of the failures or defects found, and, when applicable, issuing tax assessment notice.

14.4. The Concessionaire shall be required to repair, correct, remove, reconstruct or replace, at its expense, works and services relevant to the Sponsored Concession on which defects or inaccuracies resulting from the performance or materials used are found, within the terms set forth by ANA.

14.5. ANA shall have completed within two (2) years before the date set forth for the expiration of the agreement, the detailed inspection to assess the condition of the Reversible Assets, in order to ensure actuality and continuity of the services.

14.5.1. The inspection provided for in this clause also covers the conditions of equipment and materials in stock, which shall be consistent, both qualitatively and quantitatively, with the quality and actuality of the services.

14.5.2. For fulfillment of this clause and the development of their studies, ANA may from time to time, among other documents, require from the Concessionaire:
The survey of materials and equipment used in 5 (five) years preceding the date of expiry of the Agreement;

The monthly variation of the stock composition of the Concessionaire in 5 (five) years preceding the date of expiry of the Agreement;

14.6. ANA may require Concessionaire to submit an action plan aiming to repair or correct any service provided with defects, as well as remove, repair, reconstruct, replace or correct any work causing losses to the service relevant to the Sponsored Concession, within a term to be set forth by ANA, and in case of noncompliance with ANA requirements, the Agreement Performance Bond may be used to remedy the identified defects or inaccuracies.

14.7. Concessionaire shall be responsible to collect to ANA, throughout the duration of the concession, the value corresponding to the inspection service.

14.7.1. The value of the inspection service shall be calculated having as calculation basis the maximum flow granted, determining the amount owed by the following formula:

\[ SF = 100.000 + 6.250 \times Q_{out} \]

where:

\( SF \) = inspection service value, in reais;

\( Q_{out} \) = maximum flow granted, in cubic meter per second;

100.000 and 6.250 = parameters of the formula, in reais and reais per cubic meters per second, respectively, on the date of publication of the Invitation to Bid.

14.7.2. The payment for the inspection service shall be collected as provided for in ANA regulations.

14.7.3. The value not collected within the terms set forth, according to the previous paragraph, shall be charged with the following additions:

- interest on late payment, calculated from the month following the maturity date, according to the variation of SELIC rate, using as reference for its calculation the law applicable to federal taxes,

- two percent (2.0%) late-payment penalty, if the payment is made until the last day of the month subsequent to the maturity;

- The interest on late payment shall not be levied on the value of the penalty for late payment;

- Debts relating to the inspection service may be paid in installments at ANA discretion, which shall use as reference the criteria set forth in the tax law;

- The value regarding the inspection service is payable from the date of request for collection of the tariff;

- The parameter values of the formula to calculate the SF inspection service shall be annually adjusted based on National Index of Prices to General Consumers - IPCA, published by IBGE.
14.8. ANA inspection shall be such as to interfere as little as possible in the provision of the Irrigation Service by the Concessionaire.

15. Agreement Price and Remuneration

15.1. Agreement Price

15.1.1. The Agreement price is up to R$ 474,952,511.00 (four hundred and seventy-four million, nine hundred and fifty-two thousand and five hundred and eleven reais), having as reference the delivery date of the Proposal, which corresponds to the sum of the projected total revenue arising from the exploration of the Sponsored Concession, including therein the value of the Compensation, at constant prices.

15.2. Remuneration

15.2.1. The Concessionaire remuneration shall consist of:

- Tariff
- Compensation; and
- Additional Revenue

15.2.2. In the event of termination of any adjustment index provided for herein, the index to be used should be the one replacing it. If no index automatically replaces the terminated index, ANA shall determine the new adjustment index.

16. Tariff

16.1. Commencement of the Collection

16.1.1. The collection of the Tariff from the Users of the Irrigation Service shall commence on (i) the occupancy of the Irrigable Area, as set forth in Attachment 9.1.1(a); and (ii) the completion and approval of the works of the services listed in Attachment 9.1.1(b) and, in any case, provided that the Irrigation Service is effectively available to its users under the Occupancy Plan Guidelines and Reference Term and Minimum Technical Guidelines.

16.1.2. Only after completion of the works and services listed in Attachment 9.1.1(a) and Attachment 9.1.1(b), the Concessionaire may send to ANA a request to start collecting the Tariff, which, subject to sub-clause 16.1.1 above, shall be retroactively payable from the date of such request.

16.1.3. Prior to the authorization to start collecting the Tariff, ANA shall verify the fulfillment of the obligations and services listed in Attachment 9.1.1(a) and Attachment 9.1.1(b).

16.1.4. If the verification is favorable, the Granting Authority shall authorize the commencement of the collection of the Tariff.

16.1.5. In the event the check is negative, ANA shall notify the Concessionaire, indicating the requirements to be fulfilled.

16.1.6. Once the Concessionaire has fulfilled the requirements set forth in the notification described in sub-clause 16.1.5 above, the Concessionaire shall send to ANA a new request to begin collecting the Tariff, and the procedures described in sub-clauses 16.1.3 and 16.1.4 above shall be then reapplied.

16.1.7. The Concessionaire shall widely disclosure the date of commencement of collection of the Tariff, its values and other relevant information, including information on the User service system.
16.2. **Tariff System**

16.2.1. The Concessionaire shall organize the collection system of the Tariff under Attachment 16.2.1, implementing it as managerially efficient as possible.

16.2.2. The Granting Authority, during the Agreement, is prohibited from establishing tariff privileges benefiting specific segments of users of the Irrigation Service, except for as provided for by law.

16.2.3. The Concessionaire, at its sole discretion and responsibility, may grant tariff discounts, including proceeding to seasonal reductions in days and times of low demand, as well as carrying out tariff promotions, subject to the provisions of item 16.2.2 above, and it may not require the economic and financial balance arrangement of the Agreement if it is terminated as a result of this practice of tariff promotions and discounts.

16.2.4. The Tariffs to be charged from each User of the Irrigation Service shall correspond to a Fixed Tariff and a Variable Tariff, both calculated in accordance with Attachment 16.2.1.

The Fixed Tariff corresponds to that charged per hectare of land used by the User.

The Variable Tariff corresponds to that charged in relation to actual consumption of water by the User.

16.3. **Adjustment of the Tariff**

16.3.1. The Tariff shall be adjusted, in a pro-rata basis each year from the date of appraisal of the Proposal in the Bidding.

16.3.2. The base date for purposes of the following adjustments of the Tariff shall be the date of the first adjustment, i.e., the next years, the adjustment of the Tariff shall be made on the same day and month in which the first adjustment was made.

16.3.3. The Tariff shall be annually adjusted according to the IPCA.

17. **Compensation**

17.1. **Payment**

17.1.1. The payment of Compensation shall be preceded by a survey carried out by ANA, which shall verify the availability of water in agricultural lots, under the terms and conditions set forth in the Minimum Technical Guidelines and the occupancy of the Irrigable Areas, in accordance with the terms and conditions set forth in the Occupancy Plan Guidelines and Reference Term, in each Strip of the Pontal Perimeter, as provided for below, and bound to Concessionaire performance according to the goals and standards of availability.

17.1.2. Only after verifying (i) the availability of water in agricultural lots under the terms and conditions set forth in the Minimum Technical Guidelines, or (ii) the occupancy of the Irrigable Areas, in accordance with the terms and conditions set forth in the Occupancy Plan Guidelines and Reference Term, The Concessionaire may request to ANA authorization to pay the Compensation related to the Strip of the Pontal Perimeter where the supply of water has been made available or the occupancy has been carried out, as provided for below.

A request may only be forwarded by the Concessionaire provided that at least one hundred (100) hectares of each Strip of the Pontal Perimeter have supply available or have being occupied in accordance with the Occupancy Plan Guidelines and Reference Term.
17.1.3. If the result of the survey is favorable, ANA may issue a Resolution of request to the Granting Authority to start paying, from the date of the Concessionaire's request, the Compensation related to the Pontal Perimeter where the Irrigation Service has been made available as provided for in sub-clause 17.2.2 below.

17.1.4. In the event the check is negative, ANA shall notify the Concessionaire, indicating the requirements to be fulfilled.

17.1.5. Once the Concessionaire has fulfilled the requirements set forth in the notification described in sub-clause 17.1.4 above, the Concessionaire shall send to ANA a new request to receive the Compensation, and the procedures described in sub-clauses 17.1.1 and, as applicable, 17.1.4 above shall be then reapplied.

17.2. The Compensation shall be paid by the Granting Authority to the Concessionaire within twenty-five (25) years from the Assumption Date ("Duration of the Compensation"), subject to the deductions provided for in the Agreement, in particular the one arising out of the Performance Evaluation System provided for in Attachment 17.2, as follows:

17.2.1. For purposes of payment of Compensation, the Irrigable Area of the Pontal Perimeter was divided into four areas: South Pontal A, South Pontal B, North Pontal-Channel 20 and North Pontal-Channel 23 ("Pontal Perimeter Borders"), as described in Attachment 9.1.1(a), and for each Strip of the Pontal Perimeter, the following weighting indexes were established:

<table>
<thead>
<tr>
<th>Strip of the Pontal Perimeter</th>
<th>Weighting Index</th>
</tr>
</thead>
<tbody>
<tr>
<td>South Pontal A</td>
<td>0.017</td>
</tr>
<tr>
<td>South Pontal B</td>
<td>0.150</td>
</tr>
<tr>
<td>North Pontal - Channel 20</td>
<td>0.435</td>
</tr>
<tr>
<td>North Pontal - Channel 23</td>
<td>0.398</td>
</tr>
<tr>
<td>Total</td>
<td>1.0</td>
</tr>
</tbody>
</table>

17.2.2. The initial payment of the Compensation shall be made by the Granting Authority by the tenth working day of the month following the issuance by ANA of a Resolution of request to the Granting Authority, under sub-clause 17.1.3 above, according to the levels established in the Minimum Technical Guidelines and the Occupancy Plan Guidelines and Reference Term.

The value of the initial payment of the Compensation shall be determined by ANA in the Resolution of request to the Granting Authority mentioned in item 17.1.3 above, and the payment shall only be made upon issuance of an invoice by the Concessionaire, which shall be received by the Granting Authority by the first working day of the month following the issuance by ANA of said Resolution.

The payment value corresponding to each Strip of the Pontal Perimeter shall be determined in accordance with the provisions of sub-clauses 17.3.1 to 17.3.3 below and the formulas indicated in items (i) to (iv) of sub-clause 17.3.4 below.

From the initial payment of the above-mentioned Compensation, the other payments of the Compensation when due, shall be made on the same date of each subsequent month.

17.3. Without prejudice to the foregoing, the value due by the Granting Authority as a Compensation shall comply with the following:

17.3.1. The total Compensation value (CVL) shall be multiplied by the Weighting Index corresponding to each of the Pontal Perimeter Borders, where:

\[ y_A = \text{Total Compensation of South Pontal A} \]
\[ y_A = \text{Total Compensation of South Pontal B} \]
\[ y_{20} = \text{Total Compensation of North Pontal-Channel 20} \]
\[ y_{23} = \text{Total Compensation of North Pontal-Channel 23} \]

Being:
\[ y_A = CVL \times 0.017 \]
\[ y_B = CVL \times 0.150 \]
\[ y_{20} = CVL \times 0.435 \]
\[ y_{23} = CVL \times 0.398 \]

17.3.2. The Compensation corresponding to each of the Pontal Perimeter Borders shall be distributed proportionally to the water in the agricultural lots (D), as defined in the Minimum Technical Guidelines, the occupancy of the land (O), as defined in the Occupancy Plan Guidelines and Reference Term, and the service performance (P), as defined in the Performance Evaluation System.

For purposes of payment of Compensation related to the occupancy of the land (O) and the service performance (P), the exceeding area in relation to the proposal for occupancy by the Agricultural Companies shall not be deemed occupied, without prejudice to any applicable administrative penalties.

For purposes of payment of Compensation related to the occupancy of the land (O) and the service performance (P), the area vacant for more than six (6) months as provided for in Attachment 9.1.1(a) without prejudice to any applicable administrative penalties.

17.3.3. For calculation of the Compensation corresponding to each of the Pontal Perimeter Borders the performance indicators (Zt) shall also be considered as set forth in the Performance Evaluation System.

17.3.4. The payment of the Compensation shall be made by the Granting Authority, according to the mathematical formulas and definitions below:

(i) **South Pontal A**

- The Concessionaire shall be entitled to receive a Compensation for water availability in the agricultural lots (DA), which, in its entirety, is equivalent to ten percent (10%) of the total Compensation corresponding to that Strip of the Pontal Perimeter. The payment value for availability shall be calculated according to the following formula:

\[
DA_{\text{Total}} = \left( \frac{0.10 y_d}{1542} \right) \cdot hA_d \cdot Z_t
\]

Where:
- \( hA_d \) - is the variation in the number of hectares where water is available in South Pontal A strip, as reported by the Concessionaire to ANA on the availability of water in the agricultural lots, and
- \( Z_t \) - corresponds to the performance indicator set forth in Attachment 17.2, in force in the month during which the fact giving rise to the payment of Compensation occurred.
The Concessionaire shall be entitled to receive a Compensation for **occupancy of the lands (OA)**, which, in its entirety, is equivalent to 40% (forty percent) of the total Compensation corresponding to that Strip of the Pontal Perimeter. The payment for occupancy of the lands shall be distributed in monthly installments, equal and successive during five (05) years from the date of occupancy of the lands. The monthly payment value for occupancy shall be calculated according to the following formula:

\[
OA_{hA} = \left[ \frac{(0.40 \cdot 60)/1542}{hA_o} \right] \cdot hA_o \cdot Z_t
\]

Where:

- \(hA_o\) - is the variation in the number of hectares occupied in South Pontal A strip; and
- \(Z_t\) - corresponds to the performance indicator set forth in Attachment 17.2, in force in the month during which the fact giving rise to the payment of Compensation occurred.

(ii) **South Pontal B**

The Concessionaire shall be entitled to receive a Compensation for water availability in the agricultural lots (DB), which, in its entirety, is equivalent to ten percent (10%) of the total Compensation corresponding to that Strip of the Pontal Perimeter. The payment value for availability shall be calculated according to the following formula:

\[
DB_{Total} = \left( \frac{0.10 \cdot y_B}{2046} \right) \cdot hB_d \cdot Z_t
\]

Where:

- \(hB_d\) - is the variation in the number of hectares where water is available in South Pontal B strip, as reported by the Concessionaire to ANA on the availability of water in the agricultural lots, and
- \(Z_t\) - corresponds to the performance indicator set forth in Attachment 17.2, in force in the month during which the fact giving rise to the payment of Compensation occurred.
\[ OB_{hB_o} = \left[ \frac{(0.40/60) y_d}{2046} \right] \cdot hB_o \cdot Z_t \]

Where:

- \( hB_o \) - is the variation in the number of hectares occupied in South Pontal B strip; and

- \( Z_t \) - corresponds to the performance indicator set forth in Attachment 17.2, in force in the month during which the fact giving rise to the payment of Compensation occurred.

(iii) North Pontal 20

- The Concessionaire shall be entitled to receive a Compensation for water availability in the agricultural lots (D20), which, in its entirety, is equivalent to ten percent (10\%) of the total Compensation corresponding to that Strip of the Pontal Perimeter. The payment value for availability shall be calculated according to the following formula:

\[ D20_{Total} = \left( \frac{0.10 y_d}{3116} \right) \cdot hD_o \cdot Z_t \]

Where:

- \( hD_o \) - is the variation in the number of hectares where water is available in North Pontal 20 strip, as reported by the Concessionaire to ANA on the availability of water in the agricultural lots, and

- \( Z_t \) - corresponds to the performance indicator set forth in Attachment 17.2, in force in the month during which the fact giving rise to the payment of Compensation occurred.

- The Concessionaire shall be entitled to receive a Compensation for occupancy of the lands (O20), which, in its entirety, is equivalent to 40\% (forty percent) of the total Compensation corresponding to that Strip of the Pontal Perimeter. The payment for occupancy of the lands shall be distributed in monthly installments, equal and successive during five (05) years from the date of occupancy of the lands. The monthly payment value for occupancy shall be calculated according to the following formula:

\[ O20_{hO_o} = \left[ \frac{(0.40/60) y_d}{3116} \right] \cdot hO_o \cdot Z_t \]

Where:
\( h_{20} \) - is the variation in the number of hectares occupied in North Pontal 20 strip; and

\( Z_t \) - corresponds to the performance indicator set forth in Attachment 17.2, in force in the month during which the fact giving rise to the payment of Compensation occurred.

(iv) North Pontal 23

- The Concessionaire shall be entitled to receive a Compensation for water availability in the agricultural lots (D23), which, in its entirety, is equivalent to ten percent (10\%) of the total Compensation corresponding to that Strip of the Pontal Perimeter. The payment value for availability shall be calculated according to the following formula:

\[
D_{23 \text{ total}} = \frac{0.10 y_{t}}{1013} \cdot h_{23 a} \cdot Z_t
\]

Where:

\( h_{23 a} \) - is the variation in the number of hectares where water is available in North Pontal 23 strip, as reported by the Concessionaire to ANA on the availability of water in the agricultural lots, and

\( Z_t \) - corresponds to the performance indicator set forth in Attachment 17.2, in force in the month during which the fact giving rise to the payment of Compensation occurred.

- The Concessionaire shall be entitled to receive a Compensation for occupancy of the lands (O23), which, in its entirety, is equivalent to 40\% (forty percent) of the total Compensation corresponding to that Strip of the Pontal Perimeter. The payment for occupancy of the lands shall be distributed in monthly installments, equal and successive during five (05) years from the date of occupancy of the lands. The monthly payment value for occupancy shall be calculated according to the following formula:

\[
O_{23 \text{ h}_{t}} = \left( \frac{0.40/60 y_{t}}{1013} \right) \cdot h_{23 o} \cdot Z_t
\]

Where:

\( h_{23 o} \) - is the variation in the number of hectares occupied in North Pontal 23 strip; and

\( Z_t \) - corresponds to the performance indicator set forth in Attachment 17.2, in force in the month during which the fact giving rise to the payment of Compensation occurred.

17.3.5. After occupying all the areas of the Pontal Perimeter, the Concessionaire shall be entitled to the payment of Compensation due to the service performance, equal to 50\% (fifty percent) to the total value of the Compensation. The payment by reason of the service performance will only start from the time when all the Irrigable Area
indicated by the Concessionaire in its Proposal and the Occupancy Plan is occupied and will be distributed in equal and successive monthly installments during the remaining period between the occupancy date of all such Irrigable Area and the end of the Agreement, subject to the fulfillment of the performance indicators (Zt) defined in Attachment 17.2, so that:

\[
P = \frac{(y_d \cdot 0.5) + (y_b \cdot 0.5) + (y_{20} \cdot 0.5) + (y_{23} \cdot 0.5)}{300 - m_0 \cdot 7717} \cdot Z_t \cdot O_t
\]

Where:

\( P \) = monthly payment value of Compensation due to the service performance.
\( m_0 \) = corresponds to the month, from the Assumption Date, when the Concessionaire has completed the occupancy of all Irrigable Areas indicated in its Proposal and Occupancy Plan, and, for purposes of calculating \( P \), \( m_0 \) shall be in no event greater than seventy two (72).
\( Z_t \) - corresponds to the performance indicator set forth in Attachment 17.2, in force in the month during which the fact giving rise to the payment of Compensation occurred.
\( O_t \) = corresponds to the area in hectares occupied in the month during which the fact giving rise to the payment of Compensation occurred.

(i) Therefore, the payment of the Compensation (CVL) shall be distributed as follows:

\[
CVL = DA + OA + DB + OB + D20 + O20 + D23 + O23 + P
\]

17.3.6. Any losses in the payment of the Compensation, due to delay in fulfilling the obligations related to the integration, do not exempt the Concessionaire from the applicable administrative penalties.

17.3.7. The Compensation shall be annually adjusted on the same date of the Tariff adjustments, according to the IPCA, from the first anniversary of the first payment of Compensation.

17.3.8. The calculation of the adjustment of Compensation shall be made by the Concessionaire and informed to ANA, with a copy to the Granting Authority, and it shall be duly approved by ANA under the law.

17.3.9. If there are grounds to refuse the adjustment, as provided for in Article 5, first paragraph, of Act # 11,079, of December 30, 2004, the Granting Authority shall publish in the official press, within fifteen (15) days from the submission of the invoice, the reasons for any refusal of the adjustment of the Compensation and the value of the Compensation to be paid in the subsequent period.

17.4. Compensation Guarantee

17.4.1. The payment of the Compensation and any penalties or additions resulting from its default, shall be guaranteed by the Guaranteeing Fund of the Partnerships, by means of a guarantee to be granted to the Concessionaire under the Guarantee Agreement executed on this day, according to Attachment 17.4.1.
17.4.2. For enforcement of the Guarantee, the Concessionaire shall sue the Guaranteeing Fund of the Partnerships, by means of formal correspondence with return receipt - AR, with copies of invoices attached, which shall be considered by the Administrator only if: (i) clearly legal credit provided for in the enforceable instrument, accepted and unpaid by the Granting Authority, provided that after more than forty five (45) days from its maturity, and (ii) debts set forth in the issued invoice and not yet accepted by the Federal Government, provided that after more than ninety (90) days from its maturity, and it was not reasonably refused.

17.4.3. The Guaranteeing Fund shall have fifteen (15) days from the receipt of the formal letter mentioned in item 17.4.2, if the events mentioned in the same item take place, to pay the guarantee to the concessionaire.

17.4.4. After the elapsed the terms addressed in sub-clause 3.1 above, the Concessionaire shall have peremptive period of sixty (60) days to sue the Guaranteeing Fund of the Partnerships, after which the payment of late invoices shall be unenforceable against it.

17.5 Penalties for Payment Default of the Compensation

17.5.1. In case of default on the part of the Granting Authority to pay the Compensation to the Concessionaire, the following shall apply:

(i) debt shall be increased by a two percent fine (2%) and interest, equal to the IPCA variation plus six percent (6%) per year and

(ii) the delay exceeding ninety (90) days shall give the Concessionaire the right to suspend ongoing investments and activities that are not strictly necessary for the continuity of the Irrigation Service.

17.5.2. ANA shall analyze the default events on the part of the Granting Authority related to the payment of the Compensation to the Concessionaire and shall make a statement by written notice to be sent to the Granting Authority, with a copy to the Concessionaire, on the need of payment of fine by the Granting Authority to the Concessionaire, describing also the calculation used for the value of the fine.

18. Additional Revenue

18.1. The Concessionaire may explore Additional Revenue, subject to prior authorization of ANA.

18.2. The proposal for exploration of Additional Revenue shall be submitted by the Concessionaire to ANA together with a legal, technical and economic-financial feasibility project, proof of the compatibility of the commercial exploration desired with the laws and regulations applicable to the Agreement.

18.3. The analysis of the proposal for exploration of Additional Revenue shall verify the impact of the expected revenue on the Concessionaire other revenues.

18.4. The value of the Additional Revenue shall be included in the economic and financial balance of the Agreement.

18.5. The value corresponding to twenty percent (20%) of the Additional Revenue obtained shall be reversed for purposes of tariff reasonableness.

18.6. Subject to provisions of sub-clause 18.5 above, every period of twelve months on the date of Tariff adjustment, ANA will make the analysis of the impact of the Additional Revenue on the Tariff.
18.7. Once the exploration of a source of Additional Revenue is approved by ANA, the Concessionaire shall maintain specific accounts for each Agreement giving rise to Additional Revenue, with details of revenue, costs and net income of the Business Plan.

19. Penalties

19.1. ANA, until the completion of the works listed in Attachment 9.1.1(a) and Attachment 9.1.1(b), may, ensured prior defense, apply to the Concessionaire warning or fine under Resolution # [●] of ANA, for the partial or total non-performance of the Agreement.

19.2. During the provision of the Public Irrigation Service, the Concessionaire shall be subject to penalties under Resolution # [●] of ANA (i) for the total or partial non-performance of the Agreement and (ii) for the assignment to the Concessionaire of low performance indexes below those required under Attachment 17.2, for two (2) consecutive quarters or twelve (12) non-consecutive quarters during the Concession Term.

19.3. For late delivery of works classified as mandatory, ANA will apply daily fine at the amount of one tenth percent (0.1%) of the estimated investment for the performance of the works being used for such the estimated values for the works in the studies used by the Granting Authority which grounded this Agreement, duly adjusted by the IPCA, limited to 10% of that value.

19.4. If, when ANA performs the supervision addressed in clause 14, the percentage of the Irrigable Area intended for by the Concessionaire to the Integration regime is not occupied under the terms and conditions set forth in Attachment 9.1.1(a) a fine shall be applied to the Concessionaire pursuant to Resolution # [●] of ANA.

19.5. For non-compliance with any Clauses of this Agreement, except those whose penalties and regulation procedures were those specifically set forth, ANA shall apply a fine of up to two percent (2%) of the Concessionaire annual revenue, excluding any Additional Revenue.

19.6. The fines mentioned in the foregoing sub-clauses do not prevent the application of other penalties provided for in this Agreement or by law.

19.7. If the Concessionaire fails to pay the fine within the period set forth in the Agreement, the Granting Authority, under Clause 11, may use the Agreement Performance Bond.

19.8. In any case, the administrative procedure for applying penalties shall comply with the provisions of Act # 9784, of January 29, 1999 and the standards issued by ANA, and, in any situation, the law subsequent to them.

19.9. The payment of fines does not exempt the Concessionaire from the obligation to regularize their situation, or prejudice the application of other penalties provided for in the Sponsored Concession Agreement and ANA regulation.

20. Allocation of Risks

20.1. Allocation of Risks

20.1.1. The Concessionaire is fully and solely responsible for all risks related to the Sponsored Concession, except for risks listed in sub-clause 20.1.3.

20.1.2. The Concessionaire is responsible, including, without limitation, for the following risks:
(iii) occupancy of the Irrigable Areas in noncompliance with the projections of the Concessionaire in the Proposal or Granting Authority;

(iv) refusal of users to pay the Tariff,

(v) default of users with respect to the payment of the Tariff,

(vi) obtaining of licenses and authorizations related to the Sponsored Concession;

(vii) exceeding costs related to the works and services described in Attachment 9.1.1(a) and 9.1.1 (b) except as provided for in sub-clause 20.1.3 below;

(viii) delay to fulfill the schedules set forth in the Minimum Technical Guidelines or other terms set forth by the Parties during the term of the Agreement, except as provided for in clause 20.1.3 below;

(ix) technology used in the works and services of the Sponsored Concession;

(x) extinction, destruction, theft, stole or loss of Assets of the Sponsored Concession;

(xi) social and/or public manifestations somehow affecting the performance of the works or the provision of the services related to the Agreement within (a) fifteen (15) days, whether or not consecutive, every twelve (12) months from the Assumption Date, if the damage caused by such events is not covered by insurances offered in Brazil at the time of its occurrence, and (b) ninety (90) days, every period of twelve (12) months from the Assumption Date, if the damage caused by such events is covered by insurances offered in Brazil at the time of its occurrence.

(xii) expenses resulting from hidden defects in Assets of the Sponsored Concession;

(xiii) increased cost of capital, including those resulting from increases in interest rates;

(xiv) changes in exchange rates,

(xv) changes in law, except those mentioned in sub-clause 20.1.3 below;

(xvi) act of God and force majeure that may be covered by insurances offered in Brazil at the time of its occurrence,

(xvii) recovery, prevention, remediation and management of environmental liabilities related to the Pontal Perimeter, except the liability that may not be or could not have been found out or anticipated by the legal audits, performed according to international best practices, and has been found out within ninety (90) days from the Assumption Date,

(xviii) risks that may be covered by insurances offered in Brazil at the time
of its occurrence, but which no longer are so as a result of direct or indirect action or omission of the Concessionaire;

(xix) possibility of inflation in a given period being greater or lower to the index used for adjustment of the Tariff, the Compensation or other values provided for in the Agreement for the same period;

(xx) civil, administrative and criminal responsibility for environmental damage resulting from the performance of the Irrigation Service, and

(xxi) payments, costs and expenses arising out of expropriations indicated in clause 7 above

20.1.3. The Concessionaire is not responsible for the following risks related to the Sponsored Concession:

(i) social and/or public manifestations somehow affecting the performance of the works or the provision of the services related to the Agreement exceeding (a) fifteen (15) days counted under sub-clause 20.1.2(ix) above, but only in relation to the day(s) exceeding the fifteen (15) days of the Concessionaire’s responsibility, if the damage caused by such events is not covered by insurances offered in Brazil at the time of its occurrence, and (b) ninety (90) days counted under sub-clause 20.1.2(ix) above, but only in relation to the day(s) exceeding the ninety (90) days of the Concessionaire’s responsibility, if the damage caused by such events is covered by insurances offered in Brazil at the time of its occurrence.

(ii) arbitration, judicial or administrative decision preventing or rendering impossible for the Concessionaire to charge the Tariff or adjust it as provided for in the Agreement, except in the cases where the Concessionaire has given rise to such decision,

(iii) breach, by the Granting Authority of its contractual or regulating obligations which cause direct damage to the Concessionaire, including but not limited to breach of obligations preventing the Concessionaire from complying with its obligations hereunder,

(iv) act of God and force majeure that may not be covered by insurances offered in Brazil at the time of its occurrence,

(v) changes, by the Granting Authority in the works or services described in the Minimum Technical Guidelines and Occupancy Plan Guidelines and Reference Term, in which case the Concessionaire shall not be responsible for delay to fulfill the schedules provided for in the Minimum Technical Guidelines or the terms provided for in the Occupancy Plan Guidelines and Reference Term;

(vi) creation, modification or termination of any legal fees or taxes after submission of the Proposal, except for the income taxes, and

(vii) costs and expenses related to relocation of people affected by the expropriation of the Pontal Perimeter.
20.1.4. The Concessionaire represents:

(xxii) be fully aware of the nature and extent of the risks taken on by it in the Agreement, and

(xxiii) have taken such risks into account when preparing its Proposal.

20.1.5. The Concessionaire shall not be entitled to the economic and financial balance arrangement if the risks taken on by it in the Agreement become material.

21. Economic and Financial Balance Arrangement

21.1. Applicability of the Arrangement

21.1.1. The Concessionaire may request the economic and financial balance arrangement only in the cases listed in sub-clause 20.1.3 above, excluding goods and services of the users of the Irrigation Service.

21.2. Procedure for the Arrangement

21.2.1. The procedure for the economic and financial balance arrangement shall be as follows:

(i) the Party which wants to file a process for the economic and financial balance arrangement (hereinafter referred to as "Petitioner") shall give notice of request for arrangement to the other Party (hereinafter referred to as "Respondent"), within fifteen (15) days from the date when it became aware of the event giving rise to the arrangement,

(ii) within fifteen (15) days from the date of delivery of the notice, the Petitioner may send to the Respondent a second notice, providing information on the event giving rise to the arrangement, and, if applicable, information concerning:

(a) the date of occurrence and probable duration of the event giving rise to the arrangement,

(b) the time required to cover any delays in the schedules provided for in the Minimum Technical Guidelines,

(c) the estimated cost variation, or variation of revenue, earnings and other benefits, according to technical rules applicable to the subject or, where appropriate, regulation of the Granting Authority;

(d) any changes required for the works and services subject matter of the Agreement,

(e) the possible need for addendum of the Agreement, and

(f) the possible need to release from the fulfillment of any obligation of either Party,

(iii) then, if the Petitioner is the Concessionaire, ANA shall set forth a term to prove the facts and conditions giving rise to the balance arrangement, especially that:

(a) the event giving rise to the arrangement was the direct
reason for the additional costs, loss or increase in revenue or delay to fulfill the schedules set forth in the Minimum Technical Guidelines, and

(b) additional costs, loss of revenue, delay to delay to fulfill the schedules set forth in the Minimum Technical Guidelines or release from fulfilling certain contractual obligations could not or may not be avoided, mitigated or recovered by the Concessionaire or its contractors, acting diligently prudently and skillfully, through the adoption of measures that were or are within its powers, including, where appropriate, the use of market assessments and demonstration of how the event has affected the prices charged by other business similar to the subject matter of the Agreement; and

(iv) ANA, if the Petitioner is the Concessionaire, shall review information provided for by the Concessionaire and decide whether or not the economic and financial balance arrangement is appropriate. If ANA does not state any opinion, within ninety (90) days from the completion by the Concessionaire of the proof of facts and conditions that gave rise to the request for balance arrangement, the Concessionaire may adopt the procedure provided for in sub-clause 36.1 below.

21.3. Means for the Arrangement

21.3.1. At the end of the procedure set forth in sub-clause 21.2 above, the Granting Authority shall adopt one or more of the following means of arrangement, if the arrangement is due:

(i) payment to the Concessionaire, by the Granting Authority, of the additional costs that were actually incurred or the amount equivalent to the loss of revenue actually occurred,

(ii) decrease or increase in the Duration of the Sponsored Concession, subject to a limit of thirty five (35) years;

(iii) increase or decrease in the value of the Compensation, up to the limit of thirty percent (30%), and/or

(iv) release of the Party from certain contractual obligations proportionally and directly related to the event giving rise to the arrangement.

21.3.2. The means listed in sub-clause 21.3.1 above may be combined to obtain the proper economic and financial balance arrangement of the Agreement.

21.3.3. Any increase in the amount of Compensation shall be analyzed and previously authorized by CGP. Any reduction in the amount of Compensation shall be reported to the CGP, within 10 (ten) days from its delivery.

21.4. Criteria and Principles for the Arrangement
21.4.1. The process of the economic and financial balance arrangement may not change the allocation of risks originally provided for in the Agreement.

21.4.2. The arrangement process shall be carried out so that the current net value of the marginal cash flow of the project (in real terms) arising out of the consideration (i) of the marginal flow related to the event giving rise to the arrangement, and (ii) of the marginal flows arising out of the economic and financial balance arrangement, is equal to zero.

21.4.3. Cash flows in real terms referred to in sub-clause 21.4.2 above shall be discounted by the actual return rate of the project submitted by the Granting Authority limited to the rate obtained by using the following formula:

\[
\left( \frac{1 + TJLP}{1 + \Pi} \right) - 0.887
\]

Where:

\( \Pi \) = the inflation target, set forth by the National Monetary Council.

21.4.4. For purposes of determining marginal cash flows, Market Regulations shall be used to estimate the investment value, costs and expenses resulting from the event that gave rise to the arrangement.

21.4.5. In case of new investments or services requested by the Granting Authority and not provided for in the Agreement, the Granting Authority, upon prior written authorization from ANA, may apply to the Concessionaire, prior to the process of economic and financial balance arrangement, for the development of a basic project of the works and services, with all the elements required for the pricing of the investment and estimates of the impact of the work on the Concessionaire's revenue, all in accordance with technical standards and directives from time to time set forth by the Granting Authority on the subject. The Granting Authority shall, in this case set forth the limit of the cost of the projects and studies to be considered for the purpose of the economic and financial balance arrangement.

21.4.6. In the event described in sub-clause 21.4.5 above, before applying to the Concessionaire for the development of the basic project of the works and services, with all the elements required for the pricing of investment and estimates of the impact of the work on the Concessionaire's revenue, the Granting Authority shall send a consultation in writing to ANA, which shall analyze such consultation and its impacts for both Parties and send to the Granting Authority in writing its conclusion, stating the reasons and grounds de facto and de jure on which the decision was based.

22. Sharing Results

22.1. The actual gains achieved by the Concessionaire due to the reduction of the credit risk of the financing used by it shall be shared with the Granting Authority.

22.2. The portion of gains or financial income, addressed in sub-clause 22.1 above, destined for the Granting Authority, shall be twenty five percent (25%) and shall be used in the corresponding reduction of the Compensation to be paid to the Concessionaire.
23. **Responsibility**

23.1. The Concessionaire shall respond in accordance with the applicable law, for any loss caused to third parties, for itself or its managers, employees, agents or service providers or any other Person bound to it in carrying out the activities covered by the Sponsored Concession and no kind of responsibility for such losses shall be taken on by the Granting Authority.

23.2. The Concessionaire shall be responsible for damage caused to any Assets of the Sponsored Concession. This responsibility shall not be reduced or excluded due to ANA inspection.

23.3. The Concessionaire is responsible for labor, social security, tax, civil and business charges resulting from the performance of the Agreement.

24. **Contracting of Third Parties and Employees**

24.1. Without prejudice to its responsibilities, the Concessionaire shall carry out the works and services of the Sponsored Concession in accordance with the Minimum Technical Guidelines, by itself or through third parties, at its account and risk.

24.2. Third parties engaged by the Concessionaire shall be financially solid and technically able and skilful.

24.3. The existence of an Agreement with third parties having been notified to the Granting Authority does not exempt the Concessionaire from the wholly or partly fulfillment its obligations arising out of the Agreement.

24.4. The agreements between the Concessionaire and any Persons shall be governed by the rules will be governed by private law, not establishing any kind of relationship between the third party and the Granting Authority.

25. **Transfer of Control**

25.1. The ownership of the Concessionaire is described in Attachment 25.1, which also includes the charters and subsequent amendments, if any, filed with the competent business registration.

25.2. The Concessionaire shall notify the Granting Authority and ANA the changes in its ownership, even if they do not imply the transfer of control, in compliance with the obligations set forth in the Agreement concerning the transfer of control, within fifteen (15) days from its occurrence.

25.3. The Granting Authority shall previously approve any transfer of corporate control of the Concessionaire, which is subject to the conditions set forth in article 27 of Act# 8,987 of February 13, 1995.

26. **Assumption of Control by the Finance Companies**

26.1. The credit facility agreements of the Concessionaire may grant to the finance companies, according to the applicable private law rules, the right to take control of the Concessionaire in the event of contractual default of such agreements and the Agreement.

26.1.1. The credit facility agreements submitted to the Granting Authority shall indicate the contact data of the finance companies for they to be notified of any administrative proceedings filed for the investigation of contractual default by the Concessionaire.
26.2. Upon request, the Granting Authority shall authorize, in compliance with the conditions set forth in Clause 26.3 below, the taking of control of the Concessionaire by its finance companies in order to promote the financial restructuring of the Concessionaire and ensure continuity of exploration of the Sponsored Concession.

26.3. The authorization shall be granted upon evidence by the finance companies that they meet the requirements of legal and tax regularity provided for in the Invitation to Bid.

26.3.1. The finance companies are not required to prove that they have expertise.

26.3.2. The finance companies are not required to demonstrate financial capacity, provided they are duly authorized to act as a financial institution in Brazil.

26.4. If they take control of the Concessionaire under this clause, the finance companies shall not be liable for the acts and obligations of the former controlling companies of Concessionaire, which are not part to this Agreement, to the Granting Authority and the Concessionaire.

27. **Intervention of the Granting Authority**

27.1. The Granting Authority may intervene in the Concessionaire in the following cases, duly justified, and it shall provide the services of the Sponsored Concession while under this condition:

27.1.1. cessation or interruption, in whole or in part, of the service provision of the Sponsored Concession as set forth in regulations issued by the Granting Authority;

27.1.2. serious deficiencies in the organization of the Concessionaire or the normal development of activities covered by the Sponsored Concession;

27.1.3. situations that endanger the safety of persons or assets;

27.1.4. serious breach of the Minimum Technical Guidelines and/or Occupancy Plan Guidelines and Reference Term, but that (i) does not prevent the Service Delivery under the Occupancy Plan Guidelines and Reference Term, or (ii) does not compromise the provision of the Irrigation Service in accordance with the minimum quality requirements, efficiency and adequacy described in the Occupancy Plan Guidelines and Reference Term and Minimum Technical Guidelines for a period equal to or greater than [3] [(three)] years, and

27.1.5. non-submission of the insurance policies required under clause 35 below.

27.2. If verified any situation that may lead to intervention in the Sponsored Concession, ANA shall notify the Concessionaire for it to the remedy the irregularities indicated, within the term set forth to it.

27.3. Elapsed the term, if the Concessionaire does not remedy the irregularities or take the measures that, at ANA’s discretion, show the effective way to remedy them, ANA shall notify the Granting Authority to determine the intervention.

27.4. Once the intervention is determined, the Granting Authority, within thirty (30) days, shall file administrative proceedings to be concluded within a maximum of one hundred and eighty (180) days, to evidence the events giving rise to the intervention and determine the respective responsibilities, being ensured to
Concessionaire right to full defense.

27.5. When ceased the intervention, if the Sponsored Concession does not terminate, the Concessionaire shall be responsible for the services again.

27.6. The Concessionaire undertakes to provide to the Granting Authority the Assets of the Sponsored Concession immediately after the intervention being determined.

27.7. The revenues earned during the period of intervention shall be used to cover the investments, costs and expenses required to restore the normal operation of the Irrigation Service.

27.8. Any remaining balance of the exploration, when the intervention ends, shall be delivered to the Concessionaire, unless the Sponsored Concession terminates, in which case the specific provisions shall apply.

27.9. If the revenues are not sufficient to cover the expenses related to the development of the Sponsored Concession, the Granting Authority may use the Agreement Performance Bond to fully cover them.

28. Termination Events

28.1. The Sponsored Concession shall be terminated by reason of:

28.1.1. end of term of the Agreement
28.1.2. takeover
28.1.3. expiry
28.1.4. termination
28.1.5. annulment; or
28.1.6. bankruptcy or extinction of the Concessionaire.

28.2. Upon termination of the Sponsored Concession, all Reversible Assets shall be transferred to the Granting Authority, including those transferred to the Concessionaire by the Granting Authority and those purchased by it, free and clear of any liens or charges, and all the rights of the Concessionaire arising out of the Agreement shall be extinguished, including accessory contracts, such as, without limitation, the property use right assignment agreement to be entered into by and between the Concessionaire and CODEVASF.

28.2.1. The assets transferred to the Granting Authority shall be in operation conditions compatible with the quality and performance parameters set forth for the Sponsored Concession, in order to allow continuity of the services contemplated in the Concession for a minimum additional term of two (2) years from the termination of the Agreement, except for:

28.2.1.1. goods having lower durability,
28.2.1.2. final goods, such as inputs intended for the performance and maintenance of the contracted activities.

28.3. Upon termination of the Sponsored Concession, the control of the services shall be immediately taken by the Granting Authority, or other entity appointed by it, which shall be allowed to occupy the facilities and use all the Assets of the Sponsored Concession.

28.4. According to the terms and conditions set forth in regulation of the Granting
Authority, third parties shall be allowed to perform field researches when approaching the end of the Duration of the Sponsored Concession for purposes of carrying out studies to promote new bidding procedures and/or performance of new works.

29. **End of Term of the Agreement**

29.1. Upon the end of the Duration of the Sponsored Concession, the Concessionaire shall be responsible for terminating any agreements related to the Sponsored Concession entered into with third parties, bearing all the burdens resulting therefrom.

29.2. The Concessionaire shall take all reasonable measures and fully cooperate with the Granting Authority so that the services contemplated in the Sponsored Concession continue to be provided in accordance with the Minimum Technical Guidelines and the Occupancy Plan Guidelines and Reference Term, without interference and prevent or mitigate any inconvenience or risk to health or safety of users and staff of the Granting Authority, ANA or third parties contracted by them.

29.3. **Indemnity**

29.3.1. The Concessionaire shall not be entitled to indemnity for termination of the Agreement at the end of the Duration of the Sponsored Concession, by reason of the mandatory depreciation provided for in sub-clause 4.3.4 above.

30. **Takeover**

30.1. The Granting Authority may, at any time, take over the Sponsored Concession on grounds of public interest, upon a specific authorizing law and advance payment of indemnity to be calculated under sub-clause 30.2 below.

30.2. **Indemnity**

30.2.1. The indemnity owed to the Concessionaire in the event of takeover shall cover the investments bound to the Reversible Assets not yet depreciated, subject to the terms of the following sub-clause.

30.2.2. The indemnity due to the Concessionaire in the event of takeover shall be equal to: (i) net indebtedness of the Concessionaire on the date of the takeover, plus (ii) the amount which would ensure a remuneration to shareholders’ equity equal to the rate mentioned in sub-clause 21.4.3 above, less (iii) dividends and distributions of capital to shareholders carried out by the date of takeover, updated in time at the same rate.

30.2.3. ANA shall carry out the assessment of the indemnity owed to the Concessionaire before the Sponsored Concession takeover.

31. **Expiry**

31.1. The Granting Authority may declare the termination of the Sponsored Concession upon occurrence of the events provided for in article 38 of Act# 8987 of February 13, 1995.

31.2. The Granting Authority may not declare the expiry of the Sponsored Concession in relation to default by the Concessionaire caused by the occurrence of an act of God or force majeure event.

31.3. The declaration of expiry of the Sponsored Concession shall be preceded by
verification of breach of the Concessionaire through administrative proceedings, ensuring the right to full defense.

31.4. Administrative proceedings for default shall not be filed without prior notice to the Concessionaire and in each case a period shall be given for it to remedy the indicated faults and transgressions and comply with the contract terms.

31.5. Once the administrative proceedings are filed and the default evidenced, the expiry shall be declared by the Granting Authority, regardless of previous indemnity, calculated during the proceedings in accordance with sub-clause 31.7 below.

31.6. When declared the expiry, the Granting Authority and ANA shall be still exempted from any kind of responsibility in relation to charges, liens, obligations or engagements with third parties or employees of the Concessionaire.

31.7. Indemnity

31.7.1. The indemnity owed to the Concessionaire in the event of expiry shall be limited to the value of the investments bound to the Reversible Assets not yet amortized or depreciated which have been made in order to ensure continuity of the services relevant to the Sponsored Concession.

31.7.2. (i) losses caused by the Concessionaire to the Granting Authority and company, and (ii) contract fines applied to the Concessionaire shall be deducted from the amount provided for in the previous sub-clause.

31.7.3. The declaration of expiry shall further result in: (i) enforcement of the Agreement Performance Bond, for recovery of any losses caused to the Granting Authority, and (ii) the withholding of any credits arising out of the Agreement, to the extent of the loss caused to the Granting Authority.

31.7.3.1. If the Agreement Performance Bond is not sufficient to cover any losses caused to the Granting Authority, the Granting Authority shall not give acquittal to the Concessionaire, which shall remain bound to pay the remaining values.

32. Termination

32.1. The Concessionaire may notify the Granting Authority of its intention to terminate the Agreement within thirty (30) days from the date it learned of the occurrence of any of the following events:

32.1.1. expropriation, attachment or requisition of a substantial part of the assets or equity interest of the Concessionaire by the Granting Authority or any other public body;

32.1.2. breach of contract by the Granting Authority with respect to any payment, whose maturity occurred at least [2] ([two]) months before the date of the notice for non-payment sent by the Concessionaire to the Granting Authority, provided that the Guaranteeing Fund of the Partnerships does not pay the debt owed by the Granting Authority, or

32.1.3. breach of obligations by the Granting Authority giving rise to an economic and financial imbalance of the Agreement whose arrangement procedure is not commenced within the terms set forth in the Agreement.

32.2. If the Granting Authority does not remedy the breach of contract to which gave rise within one hundred and eighty (180) days from the receipt of the notice sent by the
Concessionaire, the Agreement may be terminated by the Concessionaire through
an arbitration procedure submitted especially for this purpose.

32.3. The services provided by the Concessionaire may not be interrupted or stopped up
to one hundred and eighty (180) days after the award of the arbitrators ordering the
termination of the Agreement.

32.4. Indemnity

32.4.1. The indemnity due to the Concessionaire in the event of termination shall
be calculated in accordance with sub-clause 30.2 above.

32.4.2. The amounts received by the Concessionaire as insurance coverage
related to the events or circumstances that gave rise to the termination
shall be considered for purposes of the calculation specified in sub-clause
32.4.1 above

33. Annulment

33.1. The Granting Authority shall annul the Agreement preventing the legal effects that it
would normally produce, and cancelling those already produced, if an illegality is
found in its delivery or Bidding.

33.2. Indemnity

33.2.1. If the Granting Authority is the sole responsible for any illegality, the
Concessionaire shall be indemnified for performance until the date on
which the nullity is declared and other losses duly evidenced.

34. Intellectual Property

34.1. The Concessionaire assigns free of charge to the Granting Authority, all
documents and reports of any kind related to the Reversible Assets required to
perform their functions assigned to the Granting Authority or the exercise of its
rights to which is entitled, under the Agreement, and which have been specifically
acquired or produced in the development of the activities included in the
Sponsored Concession, whether directly by the Concessionaire, or by third
parties contracted by it.

34.2. The intellectual property rights on the studies and projects prepared for the specific
purposes of the activities included in the Sponsored Concession and projects,
drawings, plans, documents and other material referred to in sub-clause 34.1
above, shall be transferred free of charge and on an exclusive basis to the Granting
Authority in the end of the Sponsored Concession, and the Concessionaire shall
adopt all the measures required for such.

34.2.1. If the Concessionaire fails to make the transfer described in sub-clause
34.2 above, the Granting Authority shall withhold thirty percent (30%) of
the Agreement Performance Bond.

35. Insurance

35.1. Throughout the Duration of the Sponsored Concession, the Concessionaire shall
hire and keep in force insurance policies required to cover the risks specified in
sub-clause 35.5 below, under conditions set forth by ANA, and according to its
regulations and guidelines of the Granting Authority.

35.2. No work or service may begin or continue without the Concessionaire submitting to
ANA evidence that the policies of the insurance required in the Agreement are in
force and comply with the conditions set forth by the Granting Authority, according to ANA regulations and guidelines of the Granting Authority.

35.2.1. Within fifteen (15) days before the beginning of any work or service, the Concessionaire shall send to ANA a certified copy of the insurance policies together with the respective work plans.

35.3. The Granting Authority shall be included as a co-insured in the insurance policies referred to in the Agreement, and the cancellation, suspension, modification or replacement of any policies shall be previously authorized by ANA.

35.3.1. The insurance policies may set forth as beneficiary of the indemnity the Concessionaire’s lending financial institution.

35.3.2. Insurance policies shall provide for direct indemnity to the Granting Authority or financial institution in the cases in which either of them is impaired as a result of a claim.

35.4. For non-fulfillment of the obligation to hire or keep up-to-date the insurance policies, ANA shall apply a fine, according to regulation by the submission of said policies or respective endorsement.

35.5. Throughout the Duration of the Sponsored Concession, the Concessionaire shall hire and keep in force the following insurances:

35.5.1. insurance of damage to property: cover against loss or damage arising out of engineering risks, operating risks and related to construction machinery and equipment of the Sponsored Concession;

35.5.2. liability insurance: liability insurance covering the Concessionaire and the Granting Authority and their managers, officers, employees, agents or representatives, for the amounts for which they could be held liable as damage to property, personal or moral, arising out of the activities covered by the Sponsored Concession, including court costs and other costs due, reaching the physical, moral and property integrity of third parties, including but not limited to, involuntary personal damage, death, damage to property caused to third parties, including the Granting Authority;

35.5.3. insurance of accidents at work: coverage for accidents at work for all employees, including but not limited to contractors working in the Sponsored Concession, including employees of the Granting Authority, ANA or third parties contracted by them, exercising their functions related to the Sponsored Concession; and

35.5.4. loss of profit insurance: cover financial losses arising out of events covered in the insurance of property damage, including, also:

35.5.4.1. financial consequences of the delay to start the exploration of the Sponsored Concession, ensuring coverage of at least three hundred and sixty (360) days, and/or

35.5.4.2. financial consequences of the delay to start the exploration of the Sponsored Concession, ensuring coverage of at least three hundred and sixty (360) days of interruption, and/or

35.6. The amounts covered by the insurance of property damage shall be identical to the costs of replacement of all goods covered with new goods on the replacement date.
35.6.1. The total amount covered by the civil liability insurance shall be at least R$ 10,000,000.00 (ten million reais), in values annually adjusted by the IPCA, from the execution of the Sponsored Concession Agreement.

35.6.2. The total amount covered by the work accident insurance shall be at least R$ 3,000,000.00 (three million reais), in values annually adjusted by the IPCA, from the execution of the Sponsored Concession Agreement.

35.7. The Concessionaire takes on full responsibility for coverage or omissions arising out of the hiring of insurances addressed in the Agreement.

35.8. The Concessionaire is responsible for the full payment of the deductible in case of use of any insurance provided for in the Agreement.

35.9. The limits of insurance coverage for loss of profits shall be consistent with the projected annual revenue of the Sponsored Concession, considering the average revenue of the previous year.

35.10. The insurance policies shall include the obligation of insurers to immediately inform to the Concessionaire and the Granting Authority, the changes in the insurance contract, especially those involving the wholly or partly cancellation of the insurance (s) hired or reduction of the amounts insured.

35.10.1. Any amendments to the insurance contract under sub-clause 35.10 above shall be informed in writing to ANA by the Concessionaire, within five (5) days from the amendment of the insurance policies.

35.11. The insurance policies shall have a minimum duration of twelve (12) months from the date of the execution of the Agreement and its renewal is mandatory at least thirty (30) prior to its due date, and the Concessionaire send to ANA, within the same term, a document proving that the insurance policies were renewed or shall be automatically and unconditionally renewed immediately after its expiration.

35.11.1. If the Concessionaire does not forward the documents evidencing the renewal of the insurance within the period provided for, ANA shall notify the Granting Authority so that it may hire the insurances and deduct the full amount of its premium from the Compensation to be paid to the Concessionaire.

35.11.2. During the process of hiring the insurance, no liability shall be taken on by the Granting Authority or ANA, the burden related to any claim shall be taken on by the Concessionaire regarding the risks for which is liable.

35.12. The Concessionaire, with prior authorization from ANA, may change coverage or other conditions of the insurance policies, in order to adapt them to new situations arising during the term of the Agreement.

36. Arbitration

36.1. Any and all disputes and/or questions arising out of or related to the Agreement and/or any agreements, documents, attachments or contracts related thereto shall be mandatorily, and solely and definitely settled by arbitration.

36.2. The arbitration shall be administered by the CCI, according to the rules provided for in its regulation in force on the date when the arbitration is initiated.
36.3. The arbitration shall be held in the City of Brasília, Federal District, Brazil, and the Portuguese language shall be the official language for any and all act.

36.4. The Brazilian law shall apply to the merits of the arbitration.

36.5. The arbitration court shall be composed of three (3) arbitrators, and each party shall appoint one arbitrator. The third arbitrator shall be chosen jointly by the arbitrators appointed by the Parties. The third arbitrator shall be the president of the arbitration court. In the event the arbitration involves more than 2 (two) parties, either as plaintiff or defendant, the choice of the arbitrators shall comply with clause 10 of the Rules of Arbitration of the ICC.

36.6. In case there is no consensus between the arbitrators chosen by each Party, the third arbitrator shall be appointed by the ICC, in compliance with the terms and conditions provided for in its rules of arbitration.

36.7. If it is necessary to obtain enforcement, urgent or preventive measures before the constitution of the arbitration court, the Parties may directly move for them in the competent body of the Judiciary. If such measures are necessary after the constitution of the arbitration court, they shall be moved for and considered by the arbitration court which may move for them in the competent body of the Judiciary, if it deems necessary.

36.8. The decisions and the arbitration award shall be final and binding upon the Parties and their successors.

37. Additional Obligations of the Concessionaire

37.1. The Concessionaire may only pay dividends to its shareholders, or pay interest on the shareholders’ equity and/or share of net income to its managers in the year following the year when the services described in Attachment 9.1.1(a) and Attachment 9.1.1(b) of the Agreement were completed, and provided to that date the performance monitoring indicators included in Attachment 17.2 are met.

37.2. The Concessionaire is prohibited from: (i) granting loans, financing and/or any other form of transfer of funds to its shareholders and/or Related Parties, except for transfers of funds as payment of dividends, payments of interest on the shareholders’ equity and/or payments by contracting works and services under equitable market conditions, and (ii) providing guarantee, surety or any other form of guarantee in behalf of its Related Parties and/or third parties.

38. Miscellaneous

38.1. Exercise of Rights

38.1.1. Unless otherwise provided for herein, the failure to exercise, or the late or partial exercise of, any right hereby vested in either Party does not imply waiver, or prevents the later exercise, or constitutes novation of such obligation or precedent.

38.1.2. The omission of either Party, at any time, to enforce the conditions or provisions set forth in the Agreement or exercise any right provided for in the Agreement shall not constitute a novation or waiver of such conditions, provisions and rights or affect the right of such Party to enforce such right, conditions or provision at any time.

38.2. Severability
38.2.1. If any provision hereof is deemed or declared void, invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained in the Agreement shall not be in any way affected or restricted by this fact. The parties will negotiate in good faith, the replacement of the invalid, illegal or unenforceable provisions with valid, legal and enforceable provisions, whose economic effect is as close as possible to the economic effect of the provisions considered invalid, illegal or unenforceable.

38.2.2. Each representation and warranty made by the Parties herein shall be considered a separate representation and warranty, and the liability for any failure shall be solely from who committed it and shall not be amended or modified by its knowledge by either party.

38.3. **Adjustment of Values**

38.3.1. All the values mentioned in this Agreement shall be annually adjusted in accordance with IPCA variation with base-date on the Assumption Date, subject to the provisions of sub clauses 16.3 and 17.3.7.

38.4. **Counterparts**

38.4.1. The Agreement is executed in 4 (four) counterparts of equal contents, and each one is considered an original, constituting all together the same and sole instrument.

38.5. **Governing Law**

38.5.1. This Agreement shall be governed and construed in accordance with the laws of the Federative Republic of Brazil.

38.5.2. The Sponsored Concession shall be governed by Laws # 11,079, of December 30, 2004, # 6,662, of June 25, 1979, # 8,987, of February 13, 1995, Law # 6,088, of July 16,1974 and subsequent amendments, subject to the vested right, the perfect juridical act and res judicata.

38.6. **Jurisdiction**

38.6.1. The Court of the Judicial District of the Federal District is hereby chosen to settle any disputes arising out of this Agreement which may not be settle by arbitration under Clause 36.

38.7. **Communications**

38.7.1. The communications and notices between the Parties shall be made in writing and sent: (i) personally, provided that they evidenced by protocol, (ii) by fax, provided that the receipt is evidenced or, (iii) by registered mail, with return receipt.

38.7.2. For purposes of sending communications, in accordance with this clause, the addresses indicated in the preamble and the following fax numbers are considered:

38.7.2.1. Granting Authority: [●]

38.7.2.2. Concessionaire: [●]

38.7.3. Either party may change its address and fax number, upon simple
communication to the other Party.

38.8. Count of Terms

38.8.1. The terms established in days in the Agreement days shall be counted in calendar days, unless expressly set forth the count in business days.

38.9. Language

38.9.1. All documents related to the Agreement e the Sponsored Concession shall be written in, or officially translated into Portuguese language.

In witness whereof, the Parties hereto execute the Agreement together with the undersigned witnesses.

Brasília, [●] [●], 2009

_____________________________________________
Ministry of National Integration

_____________________________________________
[Concessionaire]

_____________________________________________
Companhia de Desenvolvimento dos Vales do São Francisco e do Parnaíba

_____________________________________________
[National Water Agency]

Witnesses:

1 2
Name: Name:
ID Card (“RG”): RG:
Attachment 4.2.1.a
Inventory

[*]
Attachment 4.2.1.b
Small-State Probate and Transfer of Assets Instrument

On [●] [●], [●], by this instrument, on one side,

The **FEDERAL GOVERNMENT**, represented by the **MINISTRY OF NATIONAL INTEGRATION**, with main place of business in Brasilia, Distrito Federal, Brazil, at Esplanada dos Ministerios, Bloco "E", hereinafter referred to as **Granting Authority**, herein represented by the Minister of National Integration, Mr. [●], [capacity], appointed by Decree of [●], published in the Brazilian Federal Gazette of [●];

**COMPANHIA DE DESENVOLVIMENTO DOS VALES DO SÃO FRANCISCO E DO PARNAIÇA**, a public federal company bound to the **MINISTRY OF NATIONAL INTEGRATION**, with main place of business in Brasilia, Federal District, Brazil, SGAN, Quadra 601, conjunto I, Edificio Manoel Novaes, CEP 70830–901, hereinafter simply referred to as "CODEVASF"; , herein represented by [●], Mr. [●], [capacity];

The **NATIONAL WATER AGENCY**, a governmental agency under the indirect Federal Administration, with main place of business in Brasilia, Federal District, at Setor Policial, Área 05, Quadra 3, Bloco B, L and M, hereinafter referred to as "ANA", herein represented by its Chief Executive Officer, Mr. [●], [capacity], appointed by Decree of [●], published in the Brazilian Federal Gazette of [●], and

[Concessionaire], a corporation, with main place of business at [address], City of [●], State of [●], registered with **CNPJ/MF**, under # [●], herein represented by its officers, Messrs. [●], [capacity] according to the powers provided for in articles of association;

Whereas:

The [Bidder] won the tender for the Sponsored Concession of the Irrigation Services in the Pontal preceded by works in the Common Use Irrigation Infrastructure, including the implementation of an agricultural development project in the Irrigable Area, according to publication in the Brazilian Federal Gazette of [●] [●], [●];

• The [Bidder] on [●] [●], [●], organized the Concessionaire, for purposes of entering into the Concession Agreement with the Federal Government, represented by the Ministry of National Integration;

• The Concession Agreement was entered into on [●] [●], [●], as published in the Brazilian Federal Gazette of [●] [●], [●] ("Concession Agreement"), and

• Sub clause 4.2.1 of the Concession Agreement sets forth that the Concessionaire and the Granting Authority shall execute an instrument whereby the Granting Authority transfers to the Concessionaire the Common Use Irrigation Infrastructure and the areas occupied by operating and administrative facilities related to the Sponsored Concession in addition to the goods currently used in its maintenance and operation;

The Granting Authority, CODEVASF, ANA and the Concessionaire, herein, enter into the Small-State Probate and Transfer of Assets Instrument currently used for operation and maintenance of the Common Irrigation System, enlisted below:
Among the goods described above, those required for the continuity and actuality of the service provision contemplated in the Sponsored Concession, including the corresponding stocks shall be reversed upon its termination, and shall be determined by ANA, in accordance with the provisions of the Sponsored Concession Agreement.

Ministry of National Integration

[Concessionaire]

Companhia de Desenvolvimento dos Vales do São Francisco e do Parnaiba

National Water Agency
Attachment 4.2.2
Property Use Right Concession Agreement

[●]
Attachment 5.1.1
Environmental Documents

[●]
Attachment 9.1.1(a)
Occupancy Plan Guidelines and Reference Term
Attachment 9.1.1(b)
Minimum Technical Guidelines
[*]
Attachment 11.3.2

Bank Guarantee Agreement

[●]
Attachment 16.2.1
Tariff Structure

[●]
Attachment 17.2
Performance Evaluation System
[*]
Attachment 17.4.1
Guarantee Agreement

[*]
Attachment 25.1
Ownership and Charters of the Concessionaire
[●]