

(Letterhead of Surety Bank)

Attachment 11.3.2

Form of Bank Guarantee

[place], [●] [●] 2008

To

Ministry of National Integration ("**MIN**")

Brasilia, Federal District

Esplanada dos Ministérios - Bloco "E"

Ref.: Letter of Bank Guarantee # [●] ("**Letter of Guarantee**")

(●) R\$ [●]

- 1 By this Letter of Guarantee, Bank [●], with main place of business at [●], registered with the Corporate Taxpayer Roll ("CNPJ/MF") under # [●] ("**Guarantor**"), directly by itself and its successors, if any, undertakes, before *MIN*, as joint guarantor for Concessionaire, with main place of business at [●], registered with the *CNPJ/MF* under # [●] ("**Guaranteed Party**"), upon express waiver of rights provided for by articles 827, 835, 837, 838 and 839 of Law # 10.406 dated January 10, 2002 (Brazilian Civil Code), for the full compliance with Guaranteed Party's obligations under the Sponsored Concession Agreement # [●], to provide the public services of irrigation comprising management, operation, maintenance, conservation and implementation of common use improvements to the Waterfront Perimeter irrigation infrastructure, as well as the implantation of an agricultural development project in the Waterfront Perimeter Irrigable Area, by way of stimulation, guidance, coordination and agricultural production in the Waterfront Perimeter Irrigable Areas ("**Agreement**") entered into by and between *MIN* and Guaranteed Party on [●], the terms, conditions and provisions of which Guarantor expressly acknowledges and accepts.
- 2 As a result of this Letter of Guarantee, Guarantor undertakes to pay to *MIN*, in the event of failure to perform the Guaranteed Party's obligations under the Agreement, including, but not limited to, the events of default under the section 11.5 of the Agreement, the following amounts, for each year of the Agreement ("**Guarantee**"):

Year of the Agreement	Amount
1	R\$ 100,000,000.00
2	R\$ 80,000,000.00
3	R\$ 60,000,000.00
4	R\$ 40,000,000.00
5	R\$ 25,000,000.00
6	R\$ 25,000,000.00

7	R\$ 25,000,000.00
8	R\$ 25,000,000.00
9	R\$ 25,000,000.00
10	R\$ 25,000,000.00
11	R\$ 25,000,000.00
12	R\$ 25,000,000.00
13	R\$ 25,000,000.00
14	R\$ 25,000,000.00
15	R\$ 25,000,000.00
16	R\$ 25,000,000.00
17	R\$ 25,000,000.00
18	R\$ 25,000,000.00
19	R\$ 25,000,000.00
20	R\$ 50,000,000.00
21	R\$ 50,000,000.00
22	R\$ 65,000,000.00
23	R\$ 75,000,000.00
24	R\$ 85,000,000.00
25	R\$ 85,000,000.00

- 2.1** The years of the Agreement set forth in the table above shall be counted from the Assumption Date.
- 2.2** The Agreement Performance Bond shall be adjusted on an annual basis, on the same date as the Tariff adjustments, according to the National Index of Prices to General Consumers ("IPCA").
- 3** Guarantor also undertakes, for the purposes of the amounts set forth above, to pay for the losses caused by Guaranteed Party, as penalties imposed by *MIN* with respect to the Agreement, and it undertakes to make the payments arisen out as such upon demand, within not more than forty-eight (48) hours from the receipt by Guarantor of the written notice given by *MIN* or National Water Agency - ANA, as the case may be.
- 4** All the amounts due under this Guarantee shall be paid with no interest. Should the payment of any interest on the amount due under this Guarantee be required to be made as provided for by law, Guarantor shall pay such interest amount so that the net amount received by Granting Power is equivalent to the amount that would be received had such interest not been incurred.
- 5** Guarantor may admit no objection or dispute made or caused to be made by Guaranteed Party with the purpose of exempt it from performing its obligations before *MIN* under this Letter of Guarantee.
- 6** Guarantor and Concessionaire may not change any terms of the Guarantee without *MIN*'s prior and express consent.

- 7** Whenever Guaranteed Party uses any portion of the Guarantee's total amount, Guarantor shall be bound to promptly notify Concessionaire, so that Concessionaire, within ten (10) business days from the date on which such use occurred, reinstates the total amount of the Guarantee.
- 8** In the event that *MIN* files a suit to demand the performance of the obligation which is the subject of this Letter of Guarantee, Guarantor hereby undertakes to pay the judicial or extrajudicial costs.
- 9** This Guarantee shall have a term of one (1) year from the date on which the Agreement is executed, in accordance with the provisions set forth in the Article 11 of the Agreement.
- 10** Guarantor hereby declares as follows:
- 10.1** that this Letter of Guarantee is duly accounted for in full accordance with regulations of the Central Bank of Brazil now in force, and complied with the provisions of the applicable banking law;
 - 10.2** that the undersigned persons are authorized to provide a Guarantee on their name e under their responsibility; and
 - 10.3** that it has a corporate capital of [●] (R\$ [●]) and is authorized by the Central Bank of Brazil to issue Letters of Guarantee, and that the amount of this Letter of Guarantee, which is [●] (R\$ [●]), does not exceed those authorized by the Central Bank of Brazil.
- 11** The terms which are not expressly defined in this Letter of Guarantee shall have the meanings ascribed thereto in the Agreement.

[notarized signature of the attorneys-in-fact]

Witness

Witness