

First Amendment

to the Loan Agreement

(dated August 4th, 2000)

between

KfW
("Proponent")

and

The Federative Republic of Brazil

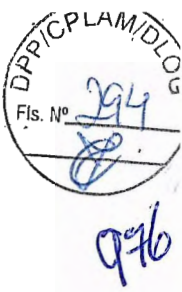
("Borrower")

represented by the Ministry of Finance

for US\$ 36,872,706.00

Loan No.: 8990 – 02 / 03

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WHEREAS:

- 1) On March 31st, 1998, the Department of Federal Policy of Ministry of Justice of Brazil concluded with Société Française d'Exportation de Matériels, Systèmes et Services du Ministère de l'Intérieur, SOFREMI S.A. a commercial contract n° 021/98 – CCA/DPF and three Amendments n° 01/98, n° 02/98 and n° 03/98 for the supply of various equipment in connection with the PROAMAZONIA / PROMOTEC projects.

- 2) On August 4th, 2000, a Loan Agreement (Loan No.: 8990 – 02/03) was signed between the Borrower, represented by the Ministry of Finance of Brazil, and KfW for a total amount of US\$ 44,646,750 ("**Loan**"), broken down as follows :
 - Tranche A : US\$ 29,646,750
 - Tranche B : US\$ 15,000,000.

- 3) The Parties to this First Amendment ("**First Amendment**") agree that Tranche B shall be split into an amended Tranche B ("**Amended Tranche B**") in the amount already paid by KfW to the Borrower of Tranche B (US\$ 5,225,956.00) and a new Tranche C ("**Tranche C**") in the amount of US\$ 2,000,000.00). The remaining amount of Tranche B (US\$ 7,774,044.00) shall be cancelled. Whereas the provisions and conditions stipulated in the Loan Agreement regarding Tranche B remain the same for the Amended Tranche B, the provisions and conditions regarding Tranche C shall be amended by the First Amendment.

NOW THEREFORE, the parties hereby agree to amend the Loan Agreement as follows:

Article 1.1 shall be replaced by:

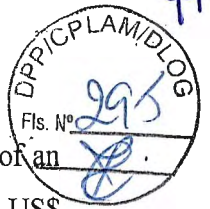
"KfW shall, subject to the terms and conditions herein set forth make available to the Borrower a loan not exceeding

US\$ 36,872,706.00

(in words: thirtysixmilliononehundredandseventytwothousandsevenhundredandsixUS-Dollar) ("**Loan**").

This Loan amount is divided into two tranches:

Tranche a: Credit Element I up to a maximum amount of US\$ 29,646,750.00 ("**Tranche A**") and



Tranche b: Credit Element II up to a total maximum amount of US\$ 7,225,956.00, consisting of an amount of US\$ 5,225,956.00 already disbursed ("Amended Tranche B") and an amount of US\$ 2,000,000.00 ("Tranche C")."

Article 2.1 (ii) shall be replaced by:

"Tranche B and Tranche C to the Borrower in accordance with the progress of the Project and against duly completed and signed Requests for Disbursements in accordance with Annex 1b to be presented to KfW, provided, that the amount to be disbursed does during the respective disbursement period of the Amended Tranche B and Tranche C not exceed 17.50 % of the amount already drawn under the KfW-Credit."

Article 2.3 shall be replaced by:

"KfW shall be entitled to refuse to make disbursements from Tranche A and Amended Tranche B of the Loan for which requests are submitted to it after October 30, 2004. KfW shall be entitled to refuse to make disbursements from Tranche C of the Loan for which requests are submitted to it after February 04, 2007. However, in the event of delays in the implementation of the Export Contract, KfW shall examine whether and on what conditions this deadline may be extended, provided always, that such extension has been approved for the BNP Loan."

Article 5.1 shall be replaced by:

„The Borrower shall repay the Loan to KfW by repaying (i) Tranche A in 8 (eight) equal consecutive semi-annual instalments the first falling due 18 month after the date of signing of this Loan Agreement and (ii) Amended Tranche B in 6 (six) equal consecutive semi-annual instalments the first falling due 54 months after the date of signing of this Loan Agreement and (iii) Tranche C in 6 (six) equal consecutive semi-annual instalments the first falling due 80 months after the date of signing of this Loan Agreement. Prior to payment of the first instalment, KfW shall send the Borrower a repayment schedule for each Tranche, which shall become integral part of this Loan Agreement."

Article 5.2 shall be replaced by:

If any disbursement is made after the first repayment date, then each instalment remaining to be paid after the date of such disbursement shall be increased by an amount equal to the amount of such disbursement divided by the number of instalments which remain to be paid hereunder (provided that if such disbursement is made within 45 days before a Payment Date, such adjustment of the instalment



amounts shall be made to the instalment payable on the second Payment Date after such disbursement and on each Payment Date thereafter.

Article 7.4 Phrase 1 shall be replaced by:

All costs and expenses, including legal expenses, arising out of or in connection with the modification, preservation, or enforcement of this Loan Agreement, the rights hereunder, or any security or document pertaining hereto as well as the costs for notification and legalization of this Amendment No. 1 shall be borne by the Borrower.

Article 10.5 shall be added to Article 10:

“Following signature of the First Amendment to the Loan Agreement, and within a reasonable period of time, the Borrower has to supply KfW with the following documents:

- (a) a complementary legal opinion of the legal advisor of the Borrower, certifying that :
 - the terms of the legal opinion issued pursuant to Article 10.1 (a) of the Loan Agreement are still true and apply to the First Amendment,
 - all necessary approvals have been obtained by the Borrower for the execution, delivering and performing of the First Amendment,
 - the signatories of the First Amendment have all powers to execute, deliver and perform the First Amendment;
- (b) the number of the registration operation of the First Amendment in the Register of Financial Operation – R.O.F. – system of the Central Bank of Brazil authorizing the Borrower to acquire and transfer the US Dollars required for performance of all its payment obligations under the First Amendment;
- (c) the remittance of the power and specimen of the signature(s) (of each) of the Borrower’s representative(s) duly empowered to sign the First Amendment.“

Article 11.1 shall be replaced by:

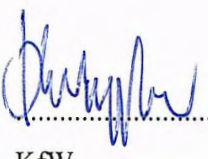
This Loan Agreement shall be governed by and construed in accordance with the laws of the Federal Republic of Germany. In connection herewith the parties acknowledge that KfW is the proponent of this Amendment No. 1.

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The First Amendment shall be an integral part of the Loan Agreement signed on August 4, 2000 (Loan No.: 8990 – 02/03). All provisions of the Loan Agreement not modified by the First Amendment remain in full force and effect.

The First Amendment comes into force on the date of its signature.

Frankfurt/M., 8.11.05
 (Date, Place)

 KfW

Brasilia, 13.3.06
 (Date, Place)

 SÔNIA DE ALMENDRA FREITAS PORTELLA NUNES
 Attorney of the National Treasury
 The Federative Republic of Brazil
 represented by the Ministry of Finance



No. 813 of the roll of documents for 2005

I hereby certify and attest the above signatures recognized as their own by the gentlemen personally known to me:

1. Tobias Kaltenbach,
2. Rudolf Philippbaar

and I recognize the above signatures to be theirs.

I also confirm that according to the certificate of the Minister of Finance of the Federal Republic of Germany of March 18, 2005 the following gentlemen

Tobias Kaltenbach and Rudolf Philippbaar

are entitled in conjunction with the representative authority pursuant to §§ 49, 54 HGB (Commercial Code) to legally represent the KfW in Frankfurt on Main. Their entitlement for representation results from § 12 sect. 2 of the act concerning the KfW the wording of June 23, 1969 (BGBl S. 573 – Civil Code folio I, page 573) last amended by law on the reorganisation and winding-up of insurance undertakings and credit institutions dated 10 December 2003 (Civil Code folio I, p. 2478)

Prior to the notarial recording, the notary asked the persons concerned whether they have already been or are active in the matter which is object of the recording, beyond their official activity, as far as it was not carried out by order of all persons concerned. The persons concerned declared this not to be the case.

Frankfurt/Main, 17 November 2005



Nº 5180

Reconheço verdadeira, por semelhança, a assinatura, neste documento, com 12 páginas, do Sr. Albert Backes, Tabelião Público em Frankfurt am Main, Alemanha. E, para constar onde convier, mandei passar o presente, que assinei e fiz selar, com o selo deste Consulado Geral.

Dispensada a legalização da assinatura consular, de acordo com o Artigo 2º, do Decreto 84.451, de 31/01/80.

RS 20,00

€ 23,00

Tab. 416

A presente legalização não implica aceitação do teor do documento.



Frankfurt/Main, 17 de novembro de 2005.

Márcia A. A. da Silva
Vice-Cônsul